



MEDIA STATEMENT

TO: All Media

ATT: News Editors, Health Reporters

For immediate release

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HEALTH MARKET INQUIRY OUTCOMES PROVIDE NECESSARY ADDITION TO UNIVERSAL HEALTH CARE CONVERSATION

The Gauteng Department of Health welcomes the additional voice to the universal health coverage debate through the Competition Commission's Health Market Inquiry (HMI) report.

The HMI was prompted by the Commission's observation, after preliminary research was conducted into private health care markets. The Commission observed that prices in the private healthcare sector are "at levels which only a minority of South Africans can afford" and "healthcare expenditure and prices were rising above headline inflation".

The HMI makes some of the following findings: South African private healthcare market is characterized by high and rising costs of healthcare and medical scheme cover, and significant overutilization without stakeholders having been able to demonstrate associated improvements in health outcomes; identified features that alone or in combination, prevent, restrict or distort competition. The market is characterised by highly concentrated funders and facilities markets, disempowered and uninformed consumers, a general absence of value-based purchasing, practitioners who are subject to little regulation and failures of accountability at many levels; inadequate stewardship of the

private sector with failures that include the Department of Health not using existing legislated powers to manage the private healthcare market, failing to ensure regular reviews as required by law, and failing to hold regulators sufficiently accountable. Consequently, the private sector is neither efficient nor competitive.

The HMI recommends that all medical schemes should offer a single, standardized benefit package that will allow consumers to compare products, and the introduction of a risk-adjustment mechanism to force schemes to compete on price and quality rather than on their ability to attract young and healthy lives.

The outcomes of the HMI come at a time when the country is discussing the establishment of the National Health Insurance Fund in order to achieve universal health coverage. NHI is meant to ensure the provision of affordable and accessible healthcare, to ensure comprehensive quality healthcare services, and eliminate out of pocket payments for individuals.

The department welcomes the contribution of the HMI report to the engagements and conversations in preparation for the implementation of the National Health Insurance.

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