

# Proposed Legislative Ammendments

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# Proposed Legislation

- Medical Schemes Amendment Bill
- National Health Amendment Bill
- Medicines Amendment Bill

# Draft Medical Schemes Amendment Bill 2008

**Establish the RISK  
EQUALISATION FUND**

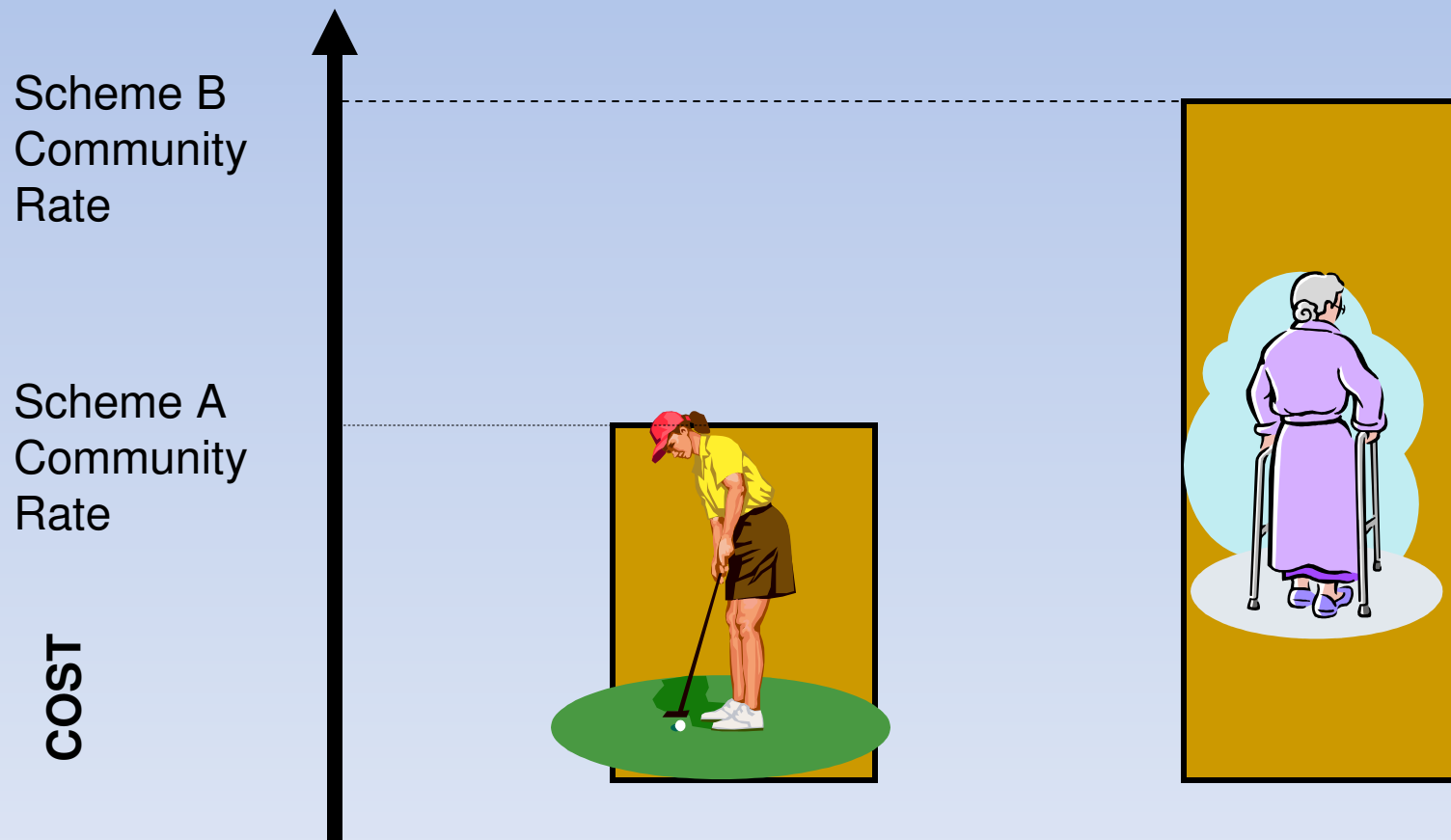
**Redesign benefits and  
contributions to reduce  
complexity and promote  
cross-subsidisation**

**Principal Objectives of Draft Bill**

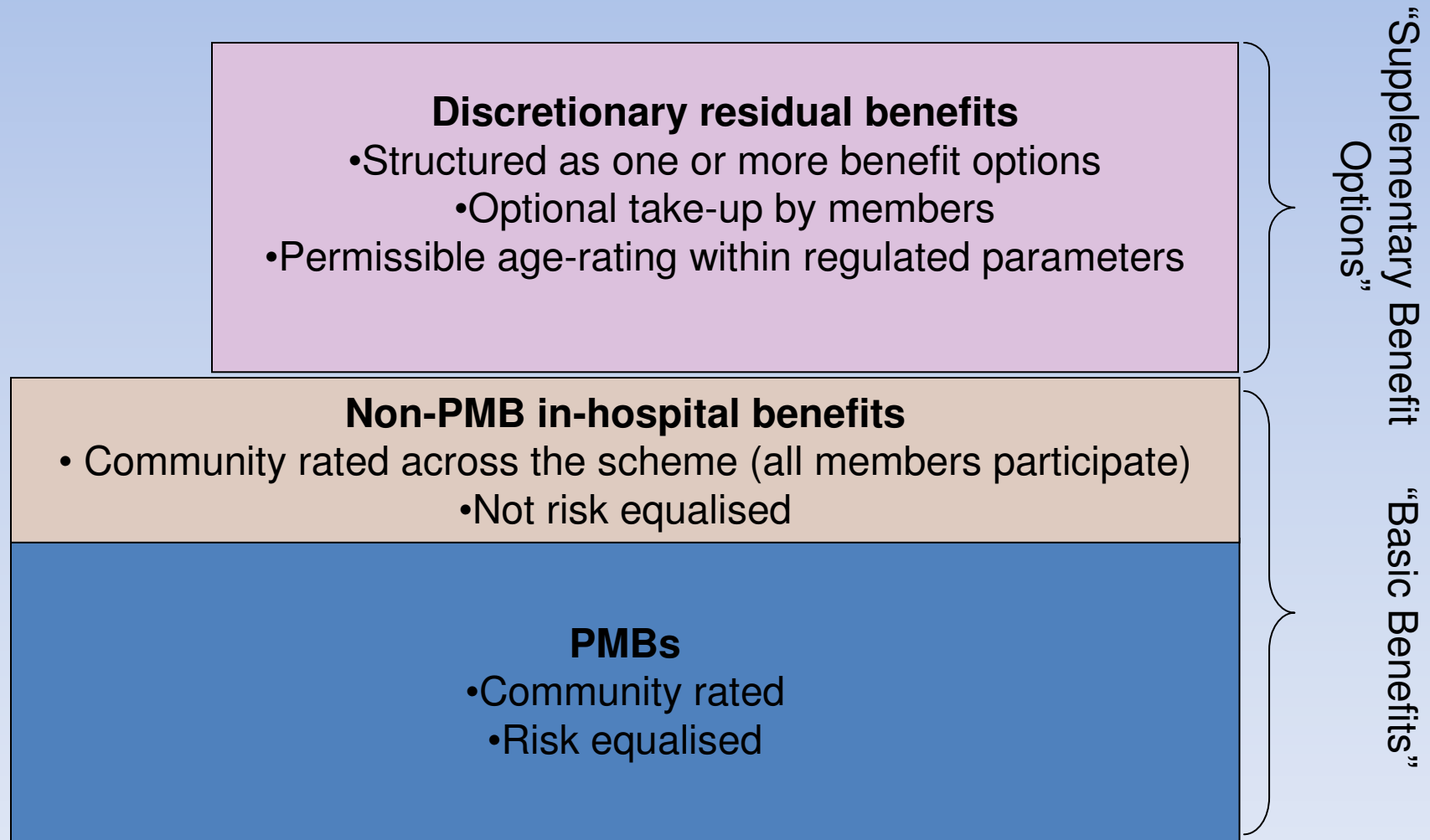
**Facilitate emergence of  
affordable medical  
scheme products for low  
income beneficiaries**

**Promote improved  
corporate governance  
among medical schemes**

With pure community-rating and open enrolment without REF, schemes with generally less healthy beneficiaries face cost disadvantage relative to schemes with generally more healthy individuals (creating systematic unfairness and instability in the environment)



# Revised Benefit Design



## **Constitution of Boards**

**Clarity of roles of Boards  
and Principal Officers**

**Review of election  
processes**

**Key Areas of  
Governance Reform**

**Corporate governance**

**Independence of officers  
of schemes**

# Medical Scheme Products for Low Income Members

# National Health Act

# National Health Act Amendment

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- Transparent framework for negotiation
- Facilitator, assistant facilitators
  - Defined skills/qualifications
  - No conflict of interest
  - Appointed after nominations

# National Health Act Amendment II

- DoH act as the secretariat
- Invitation to parties to begin negotiations after RPL publication
- Collective negotiations - maximum negotiated prices for PMBs
- Individual negotiations below the maximum
- Arbitrator to resolve disputes

# National Health Act Ammendment

- Independence of facilitator
- Collective negotiation - Competition Act
- Price regulation vs regulation
- Constitutionality

# Medicines Act

- MCC – SAHPRA
- Improved governance structure – CEO
- Certification vs registration

# Medicines Act

- Section 18A – health products
- Pricing Committee remains
- Device regulation

# Thank You

