

Benefit design

Trustee training

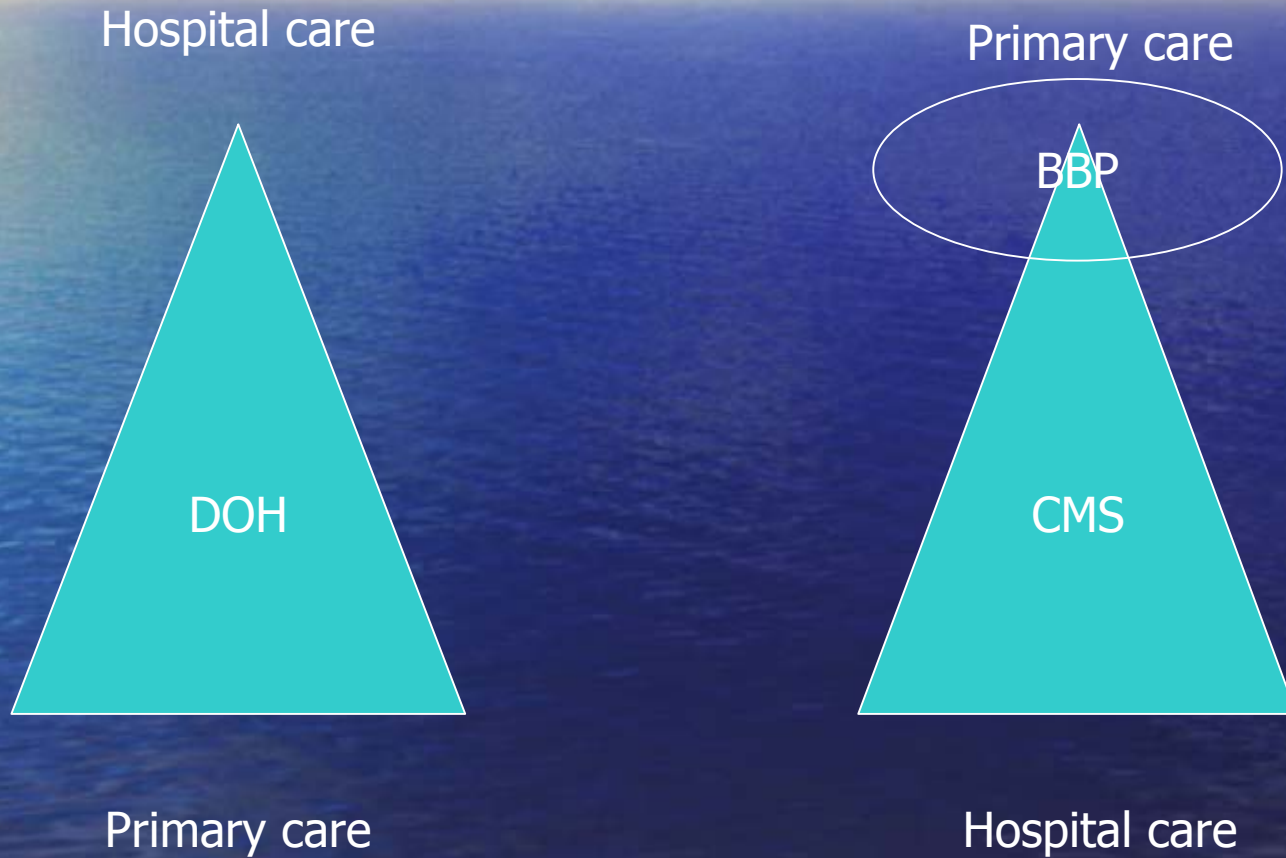
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BHF

Minister of Health & Trustees



DOH vs CMS product strategy



1990s vs 2000s

- Traditional plans
 - 100%
 - 80%
 - 70%
- Nu-gen 100% benefit
- Nu-gen co-payment / risk share plans

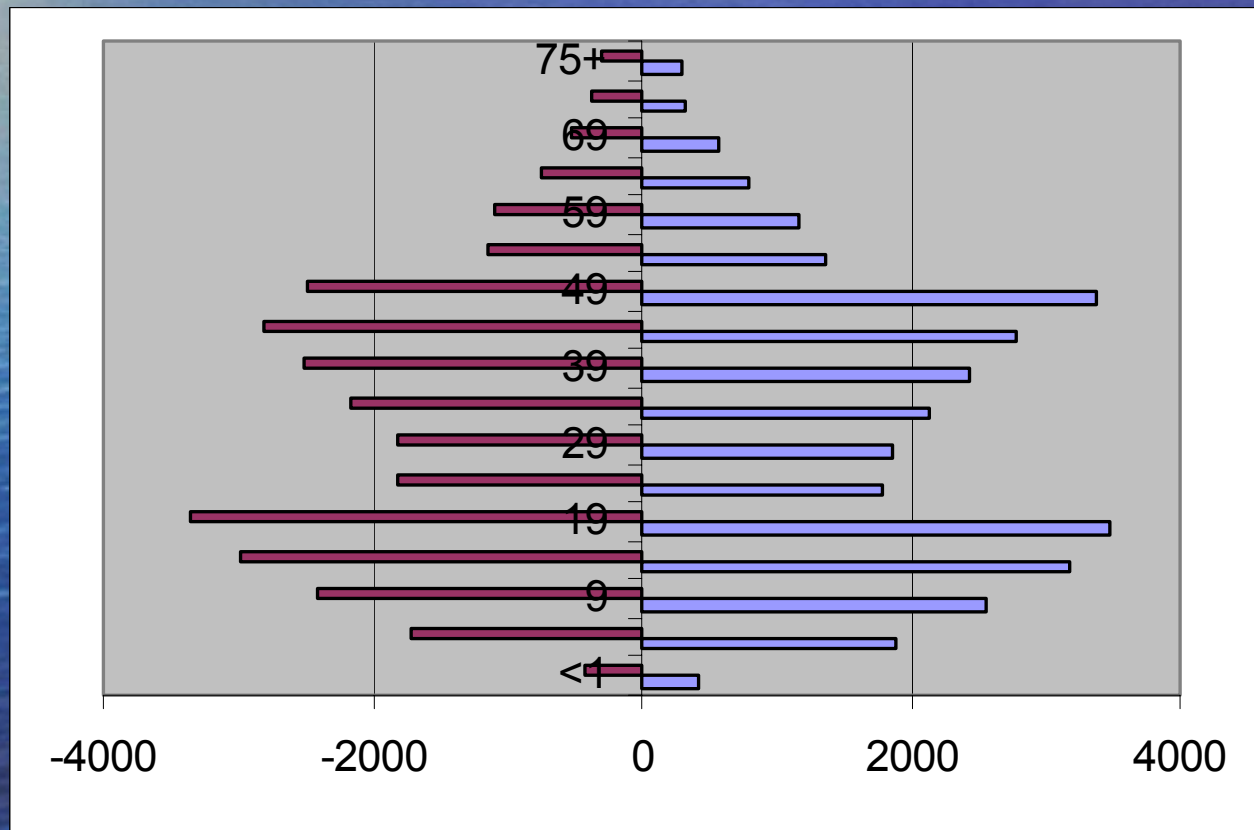
Healthcare Product

- Like any other commercial product
 - Identify market
 - Targeting and segmenting
 - Age/sex distribution
 - Salary distribution
 - ❖ Salary based contribution at risk with new tax proposal
 - Geographic distribution
 - Identify needs
 - Age/sex distribution
 - Disease profile
 - Will PMB/CDL be enough?
 - Access: Geographic distribution
 - Oregon health plan and origin of PMBs
 - Meet the needs
 - Satisfied member / Grow the demand
 - Build the brand / loyalty

First step

- Demographic profile
 - Developed world
 - Developing world
- One cross subsidised product or....
- Public health needs
 - Maslow's theory
 - STATSSA; WHO report
- Consumer demands
- Marketing/branding benefits – Discovery style

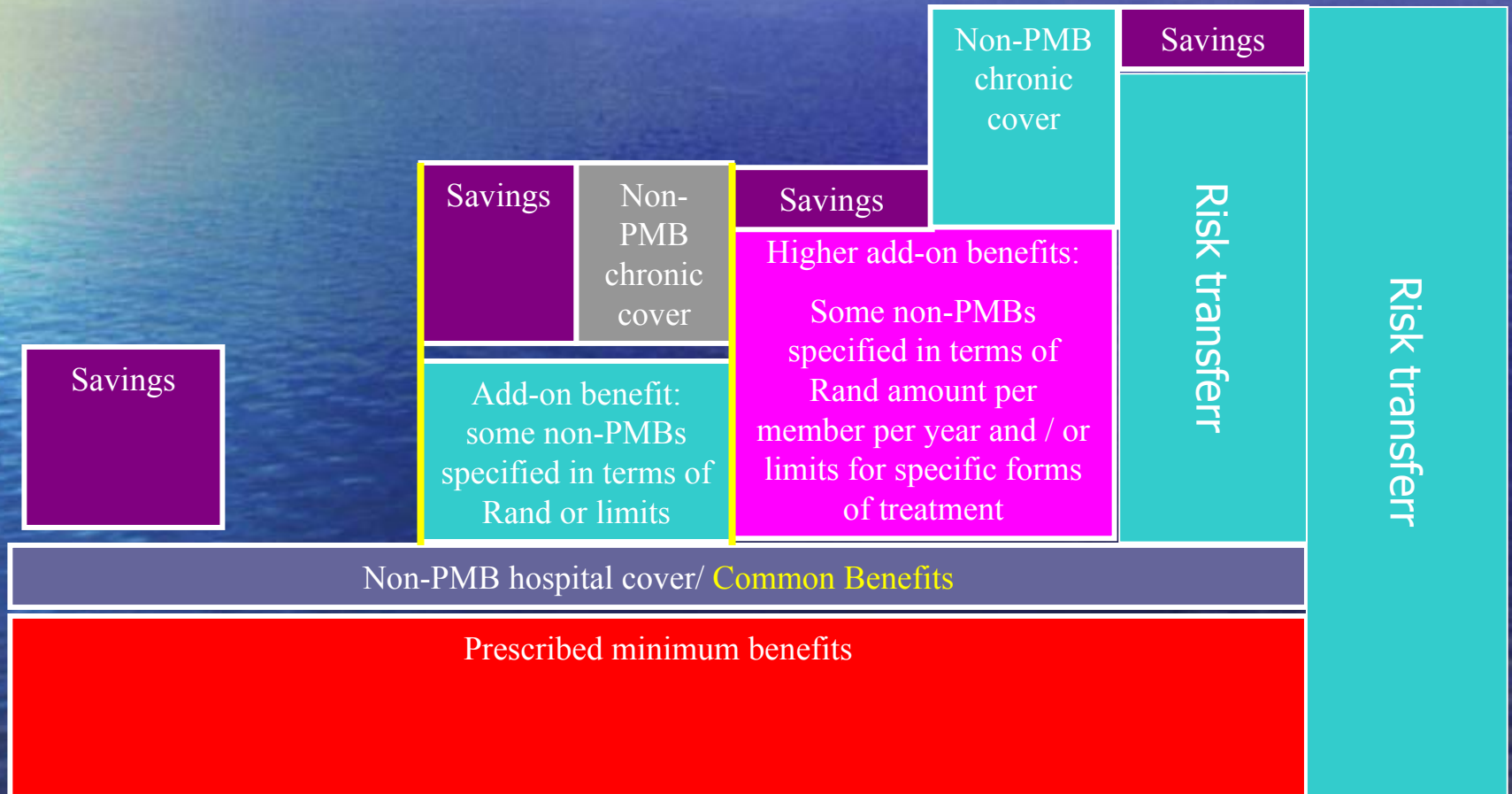
Age gender distribution



Public health needs

- Water, sanitation, housing, security, access to food
 - Mainly government responsibility
- Primary care:
 - Immunisation, contraception, STI, infective disorders
 - preventative care,
 - Consults, medicine, diagnostic, dental and optical benefits
- Referred care
 - emergency care for life threatening conditions
- Oregon health plan prioritization
 - Insurance style product
- Consumer demand
 - Comprehensive hospital cover – high ticket item
 - High cost outpatient care cover e.g. MRIs
 - Optical and special dentistry
- Marketing benefit
 - Lifestyle benefits

Some benefit design scenarios




Adapted from Trustee training presentation, E Stipp 2005.

Provider re-imburement

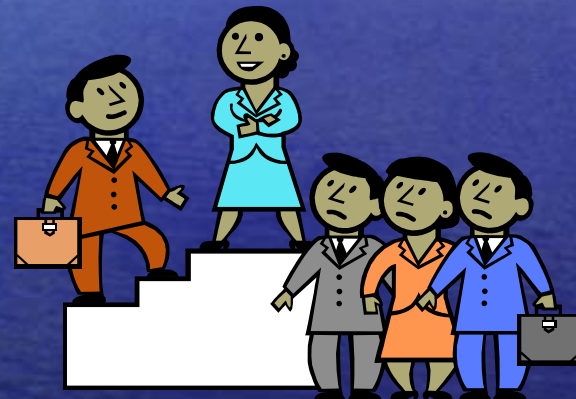
- FFS
- Per diems
- DRG
- Capitation
- Risk adjusted capitation
- Risk share arrangements

Circular 8 of 2006

- Circular 9 of 2006 related
- Risk and common risk pool
- Supplementary
- Savings ...
- Underwriting
- Contributions
- ...



Health measurement & Quality in healthcare



- R60 billion in private sector
- R1:R6.15 per capital (public vs private)
- Measure the value of health resources utilised

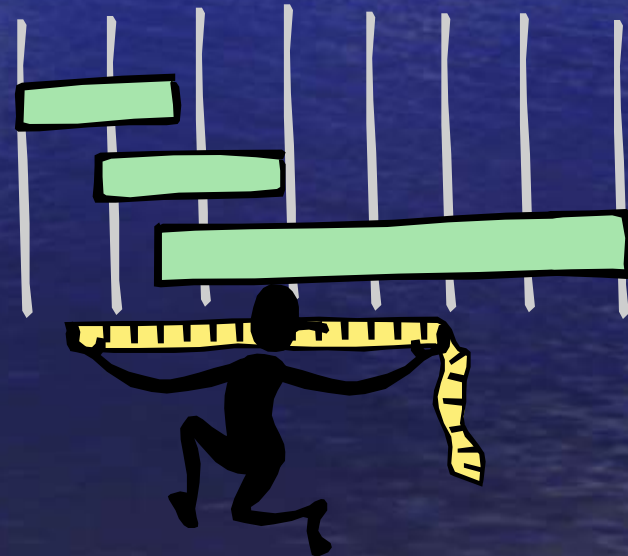
Quality in healthcare & Clinical governance

- Efficacy
- Effectiveness
- Efficiency
- Affordability
- Access
- Equity



Health measurement

- Demographic monitoring
- Public health / health status indicators
- Clinical quality indicators - HQA
- Utilisation indicators
- Economic indicators



Health status indicators

- Life expectancy
- Death rates
 - Maternal
 - Peri-natal, neonatal
 - Inhospital
 - Disease specific
- Dx Prevalence
- Dx Incidence
- Suicide rates
- Teenage pregnancy
- Immunisation coverage
- ...



Levels of monitoring: clinical

- Primary care
- Referred care
- Hospitalisation
- Chronic disease
- Ambulatory care including preventative healthcare



Examples

- Hospitalisation
 - death rate
 - Readmission
 - Infection rate
 - Disease specific complication
- Ambulatory
 - Pap & mammogram coverage
 - Flu vaccine coverage in ≥ 50 years
- Chronic: Diabetes
 - HbA1C coverage and frequency
 - Retina evaluation
 - Renal evaluation and outcomes
 - Hospitalisation
 - Acute - glucose level related
 - Amputation rates

Success factors

- Commitment
- Consensus
- Coding
- (E)quipment

