



BHF Southern African Conference

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COVER FOR ALL



- Only 14% of South Africans covered on a medical scheme
- Affordability
- Relevance
- Life expectancy has fallen from 63 to 53 since 1990
- Double burden of disease

GOAL





MEDICAL SCHEMES ENVIRONMENT



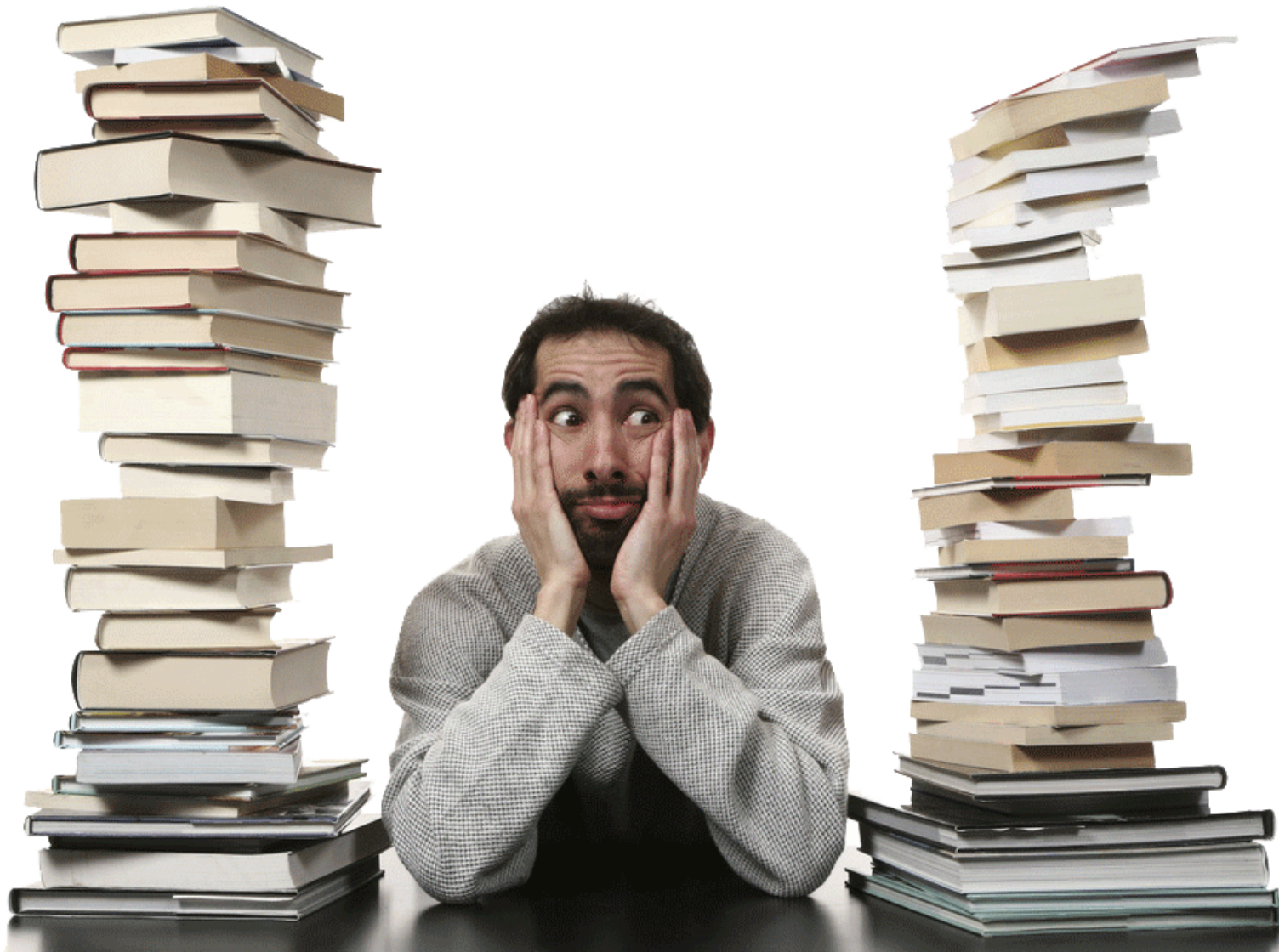


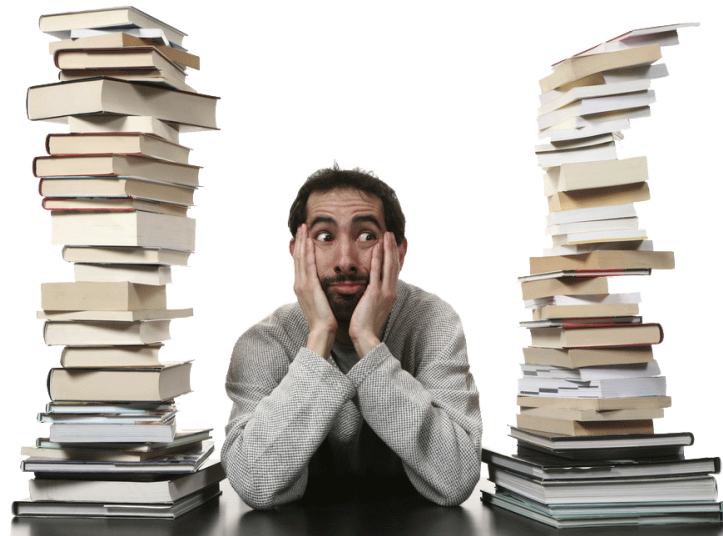
We had a plan

Medical Schemes Act
998

SHI/NHI

REGULATORY ENVIRONMENT



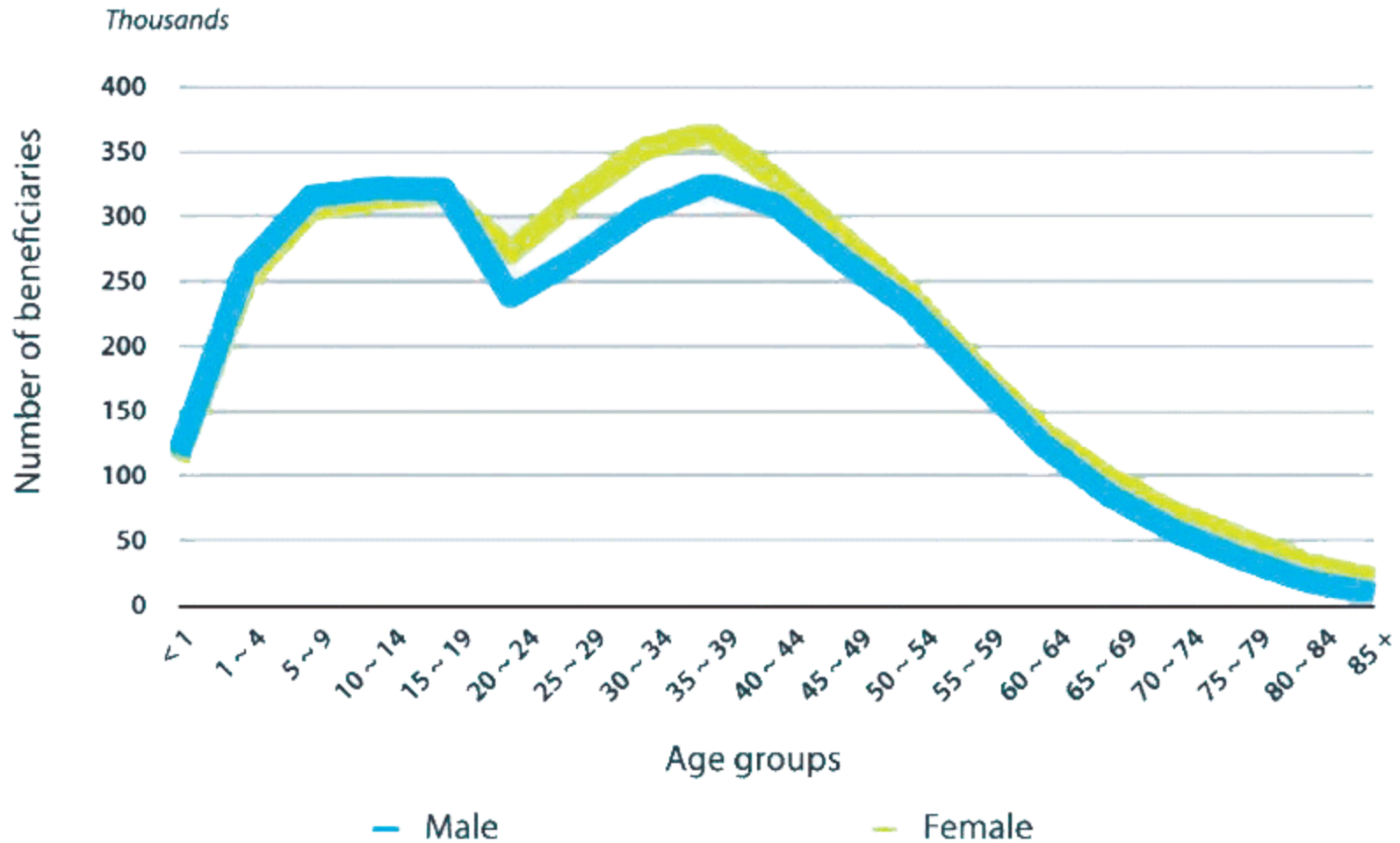


- Too much or too little?
- No man's land
- ✓ Open enrolment
- ✓ Community rating
- ✓ Prescribed Minimum Benefits
- Mandatory membership
- Risk Equalisation

ELEPHANT IN THE ROOM



AGE AND GENDER DISTRIBUTION OF BENEFICIARIES



Source: Council for Medical Schemes Annual Report 2008-09

Assuming we are still on a path towards expanding cover (universal cover) via existing structures

- Negative impact of implementing REF ahead of income-cross subsidisation
- Ideally should implement all changes simultaneously i.e. Mandatory membership, REF & income-cross subsidisation
- McLeod and Grobler (2009), The role of risk equalization in moving from voluntary private health insurance to mandatory coverage: the experience in South Africa
- Alternatively one could consider mandatory membership above a higher level than the tax threshold
- Low income lives?
- Insurance products - relevance



GOAL

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Thank you