



The health industry's biggest challenges and doctors' role in addressing them



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South Africa has more than its fair share of challenges in its health sector. If left alone these challenges will seriously impact economic growth, cause unnecessary suffering and jeopardise any chance we have of achieving our millennium development goals. As the leadership within the sector, we need to embrace opportunities afforded to us by our positions and do what we can to ensure the country's major health challenges are addressed.

Henry Ford said: "Don't find fault, find a remedy." What are our remedies? How will we ensure that we contribute to South Africa overcoming these challenges?

South Africa's top four health challenges are the HIV pandemic, the non-performance of the majority of our state health facilities, the increasing cost of belonging to a medical scheme, and the burden of non-communicable diseases.

The HIV pandemic

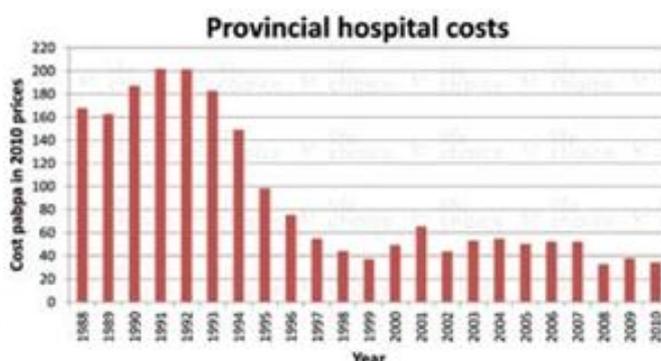
In the article on HIV, on page 24 (*How good are we in South Africa at managing HIV?*), we touch on how, as leaders, we should focus on HIV and specifically HIV disease risk management. In summary, we simply need an increased national focus of prevention, early detection, and 100% adherence to the treatment of South Africans on anti-retroviral medication.

Non-performance of state health facilities

The best metric of state health facility performance is the decline in medical scheme expenditure on state health facilities. Graph 1, medical scheme expenditure on state hospitals since 1988, gives us a clear indication of how many South Africans, who have a choice, choose not to access state facilities. While some argue that these figures may be skewed by the inability of state facilities to invoice, this is in itself an indication that state health facilities are not performing.

The minister of health is committed to ensuring that healthcare delivery is improved. He is being aided in this regard by the organisations like Section27 and the Treatment Action Campaign (TAC) putting pressure on facilities to improve delivery and accountability of staff. Per example - most recently an open letter from Section27 and TAC to the Limpopo MEC for Health, mr Hope Papo, was published to some acclaim, in which confronting facts about Gauteng health care facilities and services were presented, also mr Papo's non-response to their Monitoring our health: an analysis of the breakdown of health care services in selected Gauteng facilities report.

They conclude their letter with: "SECTION27 and the TAC are committed to continued monitoring of the state of delivery of health care services in facilities around Gauteng in future, and we will continue to publicise our findings in



Graph 1: Medical scheme expenditure on state hospitals.

the interests of the public."² A duo with commendable enthusiasm and purpose.

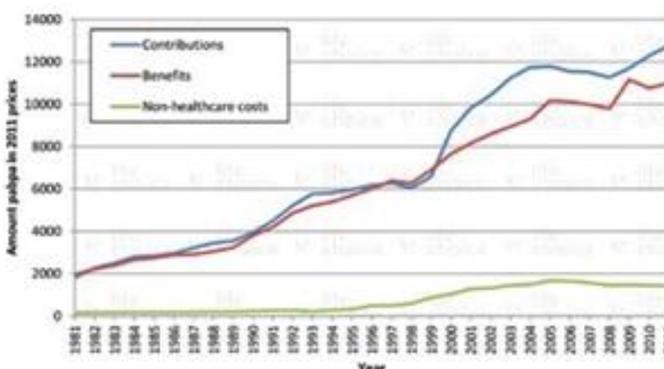
How can we, as individuals, assist with this process? Our influence is limited to ensuring that the minister has support, ensuring that measurement processes are put in place, reminding health care managers within the system that a large amount of expertise exists in South Africa's private sector that should be tapped into, and supporting civil society's initiatives to increase accountability.

Hopefully, with time, we will see South Africans choosing to access state facilities and the trend in graph 1 being reversed.

The increasing cost of belonging to a medical scheme The cost of belonging to a medical scheme has increased by over 500% in real terms (i.e. adjusted for inflation) since 1980, and continues to increase. Both healthcare and non-healthcare costs are responsible for this increase.

As leaders we need to be focussed on managing both healthcare and non-healthcare costs. The most effective way to manage non-healthcare costs is to regularly put these services out to tender. Medical Scheme Trustees should ask themselves when last their scheme or company put their non-healthcare services to tender, and how these non-healthcare cost compare to industry benchmarks.

The main driver of healthcare costs is the industry's focus on curative care and hospital based care. In the annual report of 2008 titled *Primary Health Care: Now More Than Ever*¹ pub-



Graph 2: The cost of belonging to a medical scheme (2011 prices).

lished by the World Health Organisation (WHO), three trends that undermine a national health system's ability to deliver the best healthcare outcomes were listed:

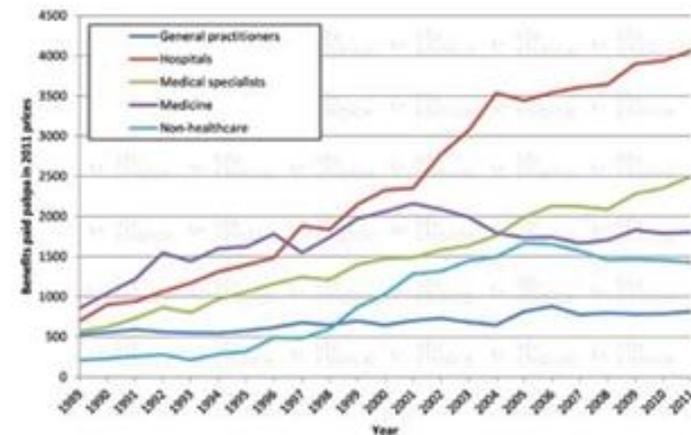
1. the disproportionate focus on a narrow offer of specialised curative care;
2. the command-and-control approach to disease control, which fragments delivery;
3. allowing unregulated commercialism.

As can be seen by Graph 3 below, the increase in hospital costs is the main driver of the increased cost of belonging to a medical scheme. This increase is directly correlated to the increase in specialists' costs. Simply put, the longer the design of our health system and medical scheme benefit options ignores the importance of primary care and allow direct access to specialist care, the longer this pattern will persist.

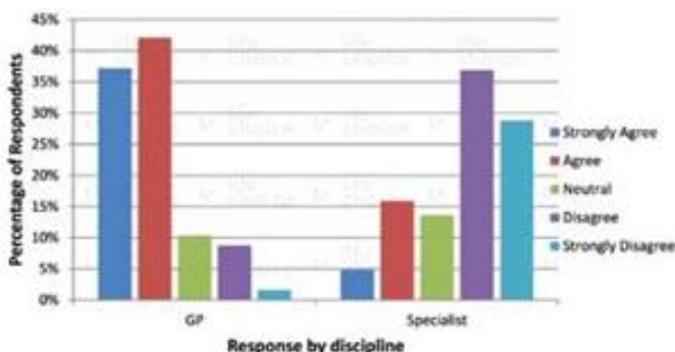
So, how do medical practitioners feel about specialist visits being by GP referral only?

In a national provider attitude barometer done in 2012 (in partnership with a popular medical publication), this was the question where GPs and specialists disagreed the most. As you can see, GPs felt strongly that specialist access should be by referral only, but specialists disagreed. WHO tells us that a primary healthcare approach is critical. As leaders, we need to ensure that our health systems reflect this. We need to be sure that we have a position on direct access to specialists and a view of how care is being co-ordinated within the system.

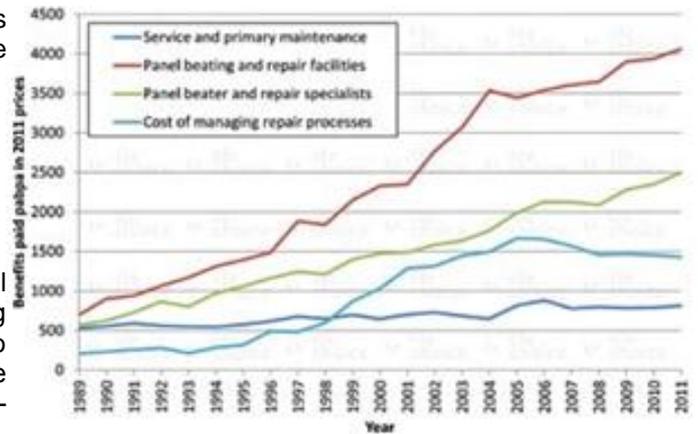
Many South African medical schemes exhibit all three of the above-mentioned trends and have been designed to



Graph 3: Healthcare benefits in 2011 prices.



Graph 4: Annual provider survey question: Should medical schemes require that all specialist visits are by GP-referral only?



Graph 5: 8.5 million care motor pool analogy

cover only hospital costs and specialist costs. Is it wise to rely on members to fund their own primary healthcare through out-of-pocket payments or savings accounts?

To use an analogy, if you were looking after a fleet of 8.5 million cars and you experienced cost increases like the increases we see in Graph 5 below, what would you do?

Would you:

4. Spend more money building panel beating facilities?
5. Pay panel beaters more and spend more on training panel beaters?
6. Spend more time and money on managing mechanics and panel beaters?
7. Keep insisting that maintenance and road worthiness get funded from "savings" accounts controlled by the drivers?
8. Or channel money into keeping cars roadworthy, annual check-ups and driver education?

We believe that South African actuaries are finally becoming wise to the fact that primary health care, prevention, and disease management are crucial to the sustainability of medical schemes. We are seeing many initiatives aimed at improving the focus on primary healthcare and prevention.

The burden of non-communicable diseases
Urbanisation with its sedentary lifestyle and access to processed foods, alcohol, and tobacco is causing a global increase in non-communicable diseases. South Africa has its own epidemic of increasing metabolic syndrome, diabetes, hypertension, hypercholesterolemia and oncology. Addressing this requires strategies that ensure education and environments that are adapted to decrease risks.

So, as we head into 2013, we need to ensure we are working hard as leaders in addressing the four biggest healthcare threats this country has, understand the importance of having them addressed, and apply our selves not to find faults, but remedies.

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References:

1. World Health Organisation, The World Health Report 2008, page 11.
2. SECTION27, catalysts for justice; URL: <http://www.section27.org.za/2013/03/15/open-letter-to-mec-for-health-mr-hope-papo/> (Accessed: 18/03/2013)