



health

Department:
Health
REPUBLIC OF SOUTH AFRICA



JOINT PRESS STATEMENT

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OUTCOMES OF THE MINISTERIAL ENGAGEMENT ON LOW-COST BENEFIT OPTION (LCBO) REPORT

Private health costs in South Africa have excessive and unaffordable to the vast majority of South Africans. This excessive pricing is well documented as it relates to healthcare providers, medical schemes and administrators of schemes. The medical scheme sector has realized that their business model is unsustainable as it only provides care to 15% of the population. In effort to expand their coverage medical schemes have proposed that they would like to offer a much smaller package of services at a lower cost. This proposal is termed the low cost benefit option.(LCBO).

The Council for Medical Schemes has been investigating model the feasibility of medical schemes/insurers offering fewer benefits at a lower cost.

The Minister of Health Dr Joe Phaahla today received a full briefing from the Council of Medical Schemes (LCBO) on the Low-Cost Benefit Options (LCBO).The CMS conducted extensive research and engagement with stakeholders into the proposition of implementing an LCBO framework within the medical schemes environment. The CMS received two hundred (200) comments from forty (40) stakeholders. The CMS also established workstreams that included medical schemes funders, experts in the field of public policy, healthcare, actuary sciences, legal, advocacy and insurance to make proposals regarding market affordability, benefits and pricing, legislative compliance, risk and implementation.

The Council for Medical Scheme Chief Executive and Registrar Dr Sipho Kabane, today briefed the Minister on the findings of the CMS and handed over the LCBO Report to the Minister. The report contains various options and recommendations for the Minister to consider.

The Minister would now review the report and engage various stakeholders on the recommendations presented by the CMS before making a determination regarding Low Cost Benefit Options.

Ends.

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