

PMB Review: What's next?

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Background

- The Medical Schemes Act No. 131 of 1998 introduced prescribed minimum benefits
- Regulations made in terms of the Act were promulgated on 20 October 1999 and came into force on 1 January 2000
- Annexure A to the Regulations defines the Prescribed Minimum Benefits
 - positive list of 270 diagnosis and treatment pairs that must be provided by each scheme, without financial limits in at least one provider setting.
 - 26 Chronic Conditions
 - Emergency Medical Conditions

Background

- The objective :
 - (i) To avoid incidents where individuals lose their medical scheme cover in the event of serious illness and the consequent risk of unfunded utilisation of public hospitals.
 - (ii) To encourage improved efficiency in the allocation of Private and Public health care resources.

Background: Legislated Mandated

- NDoH and CMS are required to monitor the impact, effectiveness and appropriateness of the PMB provisions. A review is to be conducted at least every two years by the Department on the basis of:
 - (i) inconsistencies or flaws in the current regulations;
 - (ii) the cost-effectiveness of health technologies or interventions;
 - (iii) consistency with developments in health policy; and
 - (iv) the impact on medical scheme viability and its affordability to members.

Background: Legislated mandate

- Section 67
 - The Minister may, after consultation with Council make regulations relating to:
 - The prescribed scope and level of minimum benefits to which members and their registered dependants shall be entitled to under the rules of a medical scheme

PMB Developmental Milestones

- PMB development began in 1998
- “Core Package” finally adopted in 1999
- Regulations linked to core package came into force in January 2000
- Costing of the core package was completed in 2002
- The algorithms for the 26 CDL were finally published in 2004

Identified Challenges

- Lack of Diagnosis and Procedure Codes
- Quality of Coding
- Splitting Chapters e.g. – Obstetrics and neonatal care
- Public Sector vs. Private Sector Approaches to Treatment

1st PMB Review: (2008-2015)

Review Objectives

- Identify gaps or inconsistencies in the current set of prescribed minimum benefits and appropriate measures to address them;
- Specify of a comprehensive set of essential benefits appropriate for coverage by medical schemes;
- Identify constraints associated with the implementation of a set of prescribed minimum benefits consistent with the comprehensive set of essential benefits ;
- Identify measures required to ensure the sustainability of the package of prescribed minimum benefits;
- Identify specific measures required to ensure the cost efficiency of selected prescribed minimum benefits; and
- Clarify the relationship that should exist between the prescribed minimum benefits and the public health system.

Principles

- Legislative and regulatory consistency must be achieved.
- Risk-pooling must be ensured.
 - It must permit access to essential healthcare for people with and without predictable health needs, with PMBs providing an effective basis for risk equalisation.
- Essential healthcare, within the context of a contributory third party payer system, must be defined.
 - This includes the removal of inappropriate gaps in the existing DTP and CDL structure.
- Evidence-based medicine principles must be upheld in the priority setting process. Special care must be taken to ensure that financial resources are allocated to maximise benefits reflecting the priorities of the community being served.

Review Outputs

- **First Review work published**
 - Access to comprehensive hospital cover and
 - Access to appropriate out-of-hospital cover
- **In-hospital services: subject to-**
 - the Positive list(currently DTPs & CDL)
 - a Negative list
- **Out-of-hospital services: subject to-**
 - The Positive list(currently DTPs & CDL)
 - a Negative list;
 - Specified services
 - *a basket of defined preventative care*
 - *a basket of defined primary care*
 - *a basket of defined basic dentistry*
 - *a basket of defined basic optometry*

Review Outcome

- Review submitted to NDoH
- Meeting between CMS and NDoH
 - 2010 PMB review document was not signed by the Minister of Health partly due to the lack of input regarding preventative health care

Key NDOH Concerns

- Inclusion and exclusion criteria for DTP's and CDL not understood, not robust, not transparent
- Lack of Primary Health care (disease prevention and health promotion) renders PMB's hospicentric and places them at loggerheads with National Policy
- Lack of specification of setting and service provider for PMB's not cost effective
- Exclusion of the Public Health sector as a cost-effective provider of PHC services makes PMB delivery expensive
- Development and Review of PMB's has to be aligned with key policy initiatives such as the NHI

2nd PMB Review:(2016-18)

Proposed Intervention and Way Forward

- Review the whole PMB package
- Consolidate and update all the work done on PMB's since 2008
- Incorporate concerns from NDOH
- Anchor the review proposal in the NHI context
- Establish agreement on processes beyond the review outputs

Review Objectives

- Develop a robust inclusion and exclusion criteria for PMB's based on burden of disease, health needs, Evidence Based Medicine, Affordability and Cost-effectiveness using internationally accepted tools
- Specify setting and service provider, including the Public Health Sector
- Ensure a comprehensive primary health care package of services form the core of the PMB's in line with National Policy
- Ensure that review process is formally closed as per legislation requirement
- Recommend PMB review frequency

Rationale

- Current package does not prioritise the needs of the country
- The current benefit package design does not prioritise primary health care services
- Current health package covers only emergency medical conditions, CDLs and a limited set of diagnosis and treatment pairs for certain medical conditions.
- Consistency with developments in health policy
- Viability and affordability to members

Rationale

- **Pricing and the Cost of the PMB package**

The cost of PMBs have increased significantly over the years. The cost increased by 13.4% from R556 per beneficiary per month (pbpm) in 2014 to R608 pbpm in 2015

- **Construct of the PMB package**

– The manner in which PMBs are currently defined makes it difficult for members to prospectively know whether specific benefits are covered or not.

- **Affordability of the PMB package**

– The current PMB package has been shown to be unaffordable to low income earners such as those belonging to the bargaining council schemes.

- **Quality of care**

– The quality of care for the current package has been shown to be poor in a number of conditions classified as PMB

Focus areas

- Alignment of the PMB package with development in health policy
- Specification of a comprehensive set of essential healthcare benefits.
- Identification of actions that should be undertaken to ensure the sustainability of the package.
- Identification of measures required to ensure affordability of the new package.

Review Goals

- Reduce burden of disease
- Improve equity
- Control moral hazard and cost escalation
- Improve allocative efficiency
- Facilitate transparency in accessing healthcare

Proposed methodology

- Current health situation:
 - burden of diseases
- Needs of the country:
 - priority areas as stipulated in NDP and NDoH strategic plans
 - NHI
- Internationally agreed instruments
- Evidence based medicine
- Cost effectiveness
- Affordability

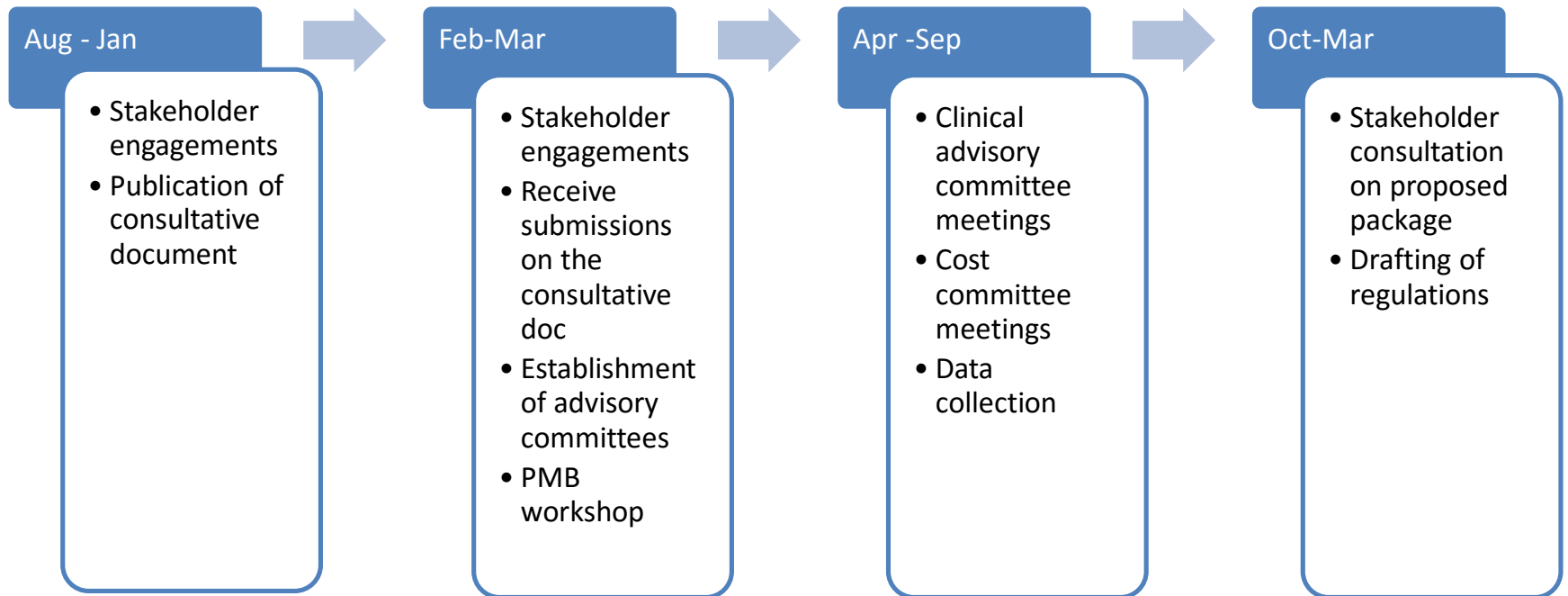
Proposed methodology

- Specify setting and service provider, including the Public Health Sector
- Include primary health care package of services
- Recommend frequency for PMB review

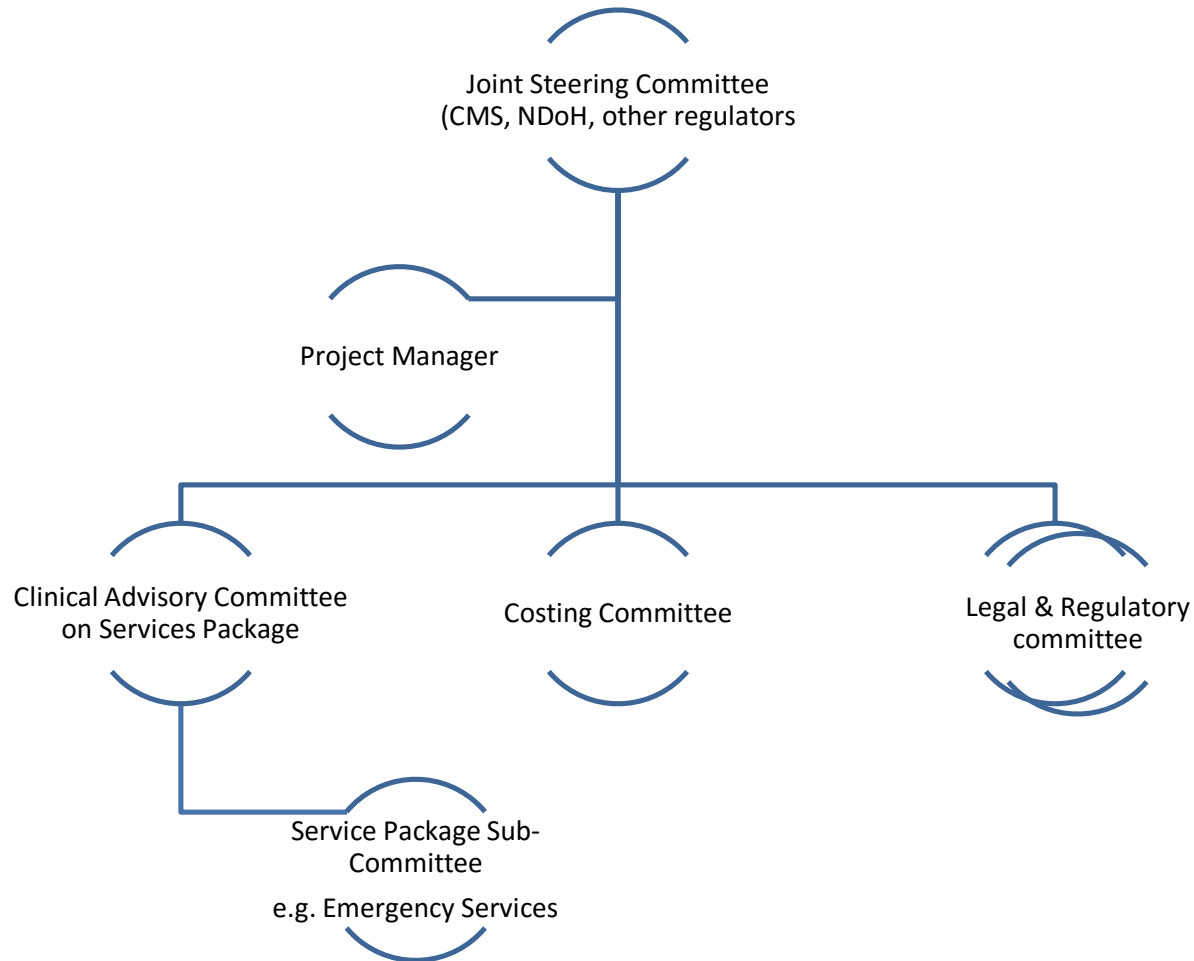
Construct of Package

Primary Health Care Package	Hospital Level Package
Preventative Services	Preventative Services
Maternal and neonatal services	Maternal and neonatal services
Child Health Services	Child Health Services
Curative Services	Curative Services
Mental Health services	Mental Health services
Diagnostic: laboratory services	Diagnostic: laboratory services
Diagnostic: imaging services	Diagnostic: imaging services
Pharmaceutical services	Pharmaceutical services
Emergency medical services	Emergency medical services
Palliative services	Palliative services

Proposed work plans



Governance structure



Conclusion

- PMB Review process is complex and will require effort and participation from different stakeholders
- Important that the process is participative, transparent and legally sound
- Need to create some degree of certainty about PMB's in the transition to the NHI and beyond
- Need to ensure compliance with PMB review legislation

Thank You!!
The End!!

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