

# PMB Review: What's next

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# Background

- The Medical Schemes Act No. 131 of 1998 introduced prescribed minimum benefits
  - Regulations developed in terms of the Act were promulgated on 20<sup>th</sup> October 1999 and came into force on 1<sup>st</sup> 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.
    - All emergencies
    - 25 chronic conditions
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# Background

Irrespective of option, a Medical scheme must:

- Pay PMB's in full
  - Not require co-payments or deductibles
  - Not pay PMB's from savings accounts
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# 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 improved allocative efficiency in the distribution of resources between the Private and Public health sectors.
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# PMB features (DTPs)

- List of 270 conditions listed as a diagnosis with specified severity and related to the specified treatment.
  - ICD-10 code is associated with each PMB as listed
  - The DTPs are listed in organ system chapters, e.g. Respiratory system; Gastro-intestinal system etc.
  - Cover includes: clinical assessment, pathology, radiology and other investigative and monitoring services, acute and chronic medication, surgical management, prosthesis, allied professionals
  - The DTPs are subject to any limitations specified in Annexure A of the Regulations.
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# PMB limitations

Scheme rules may dictate that:

- Services to be obtained from a DSP: **Not paid in full**
  - No co-payment with involuntary use of non DSP
  - Formulary to be used: **Deviation, co-payment**
  - Benefits may be reduced: **Except for PMB's**
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# PMB features (CDLs)

- There are 25 chronic diseases specified in the Chronic Disease List
  - The chronic disease list differs from the DTPs in having a specific treatment algorithm developed using EBM
  - The algorithms include entry criteria that determine if a member qualifies for treatment under the specific CDL
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# PMB features (emergency)

- **Emergency medical condition:**

- “means the sudden and, at the time, unexpected onset of a health condition
- requires immediate medical or surgical treatment, where failure to provide medical or surgical treatment would result in serious impairment to bodily functions or serious dysfunction of a bodily organ or part, or would place the person’s life in serious jeopardy

- **Code of conduct:**

Example:

- where a medical emergency is provisionally diagnosed, and is not confirmed by additional medical evidence, the scheme will be held liable to cover costs as PMB benefits up to the stage where a PMB condition has been excluded.

# PMB features (treatable cancers)

- Explanatory Note 3: Treatable cancers:
  - Involve only the organ of origin
  - No evidence of metastatic spread
  - No irreversible or irreparable damage to originating organ or another vital organ
  - Well-demonstrated 5 year survival rate of  $> 10\%$  for the given therapy of the condition
- EBM must demonstrate that specific treatment provide a five year survival rate of more than 10%

# Principles

- Must adhere to Evidence-based medicine, cost effectiveness and affordability
- Regulations make provision for the use of protocols and formularies
- Regulation 15H Protocols and 15I Formularies:
  - ... must be developed on the basis of evidence-based medicine, taking into account considerations of cost-effectiveness and affordability;
  - Provision must be made for appropriate exceptions / substitution.....has been ineffective of causes or would cause harm / adverse reaction to a beneficiary, without penalty to that beneficiary.
  - ....must provide such protocol / formulary to health care providers, beneficiaries and members of the public, upon request; and

# Evidence-based medicine

- Funding for PMB is based on integration of best research evidence with clinical expertise and patient's unique values and circumstances
  - Hierarchy of evidence is used to guide decision-making and funding .
  - Evidence should be obtained from the highest position (RCT's; Cohort; Case-controlled; Case series; Single case report; Opinions; Animal research, Lab: test tube in-vitro) in the hierarchy.
  - Evidence alone is never enough - the benefits and risks, inconvenience and costs associated with alternative management strategies must always be traded off in consideration of the patients' values and preferences.
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# Cost effectiveness

- Funding for PMB is also based on Cost effectiveness of interventions:
  - the gains in overall health relative to the costs of different health interventions in the package have to be assessed

# Affordability

- PMB level of cover is also based on affordability of interventions
  - When determining affordability, one needs to consider the incremental cost of such intervention on a total PMB package.
    - impact of funding interventions as a PMB on the member contributions and benefits
    - current and future impact of funding interventions as a PMB on the solvency ratio
    - analysis of the impact of funding interventions as a PMB on the long term sustainability
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# Availability

- Where significant differences exist between the public and private sector practices, the interpretation of the PMB's should follow the predominant public hospital practice, as outlined in public hospital clinical protocols, where these exist
  - The technology, medicine or service considered must be available in the public sector after it was purchased through a tender or buy-out process (state funded), and not as a consequence of research, sponsored treatment trial, or compassionate-use programmes
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# Current challenges

- Rising costs of healthcare
  - Average amount spent per beneficiary per annum went up by 10% between 2013 and 2014 from R12 892,6 to R14 185,5
- Increasing burden of disease especially the NCD's
  - Increased incidence of Hypertension, Hyperlipidaemia, Diabetes has resulted increasing year on year cost per beneficiary per month(pbpm)
- Quality of healthcare
  - Quality health outcomes for Schemes and MCO's difficult to measure
- Fragmentation of health care
  - Between public and private health has not delivered the best health outcomes per R1 invested



# PMB Challenges: Strategic Level

- 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 hospi-centric 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
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# Key Deliverables of the PMB Review

- New PMB benefit package
    - Aligned to the needs of the country
  - Accelerated Benefit definition process
    - Define basket of benefits
  - Updated of Code of conduct
  - Updated Regulations on PMB's
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# Health Promotion and Disease Prevention

- Maternal & Child Health
    - Family planning, antenatal visits, postnatal visits
    - Immunization, IMCI
  - Non-Communicable diseases
    - Screening(breast cancer, cervical cancer, hypertension, diabetes)
  - Communicable diseases
    - Screening(TB, HIV)
    - Vaccination (Pneumonia, Influenza)
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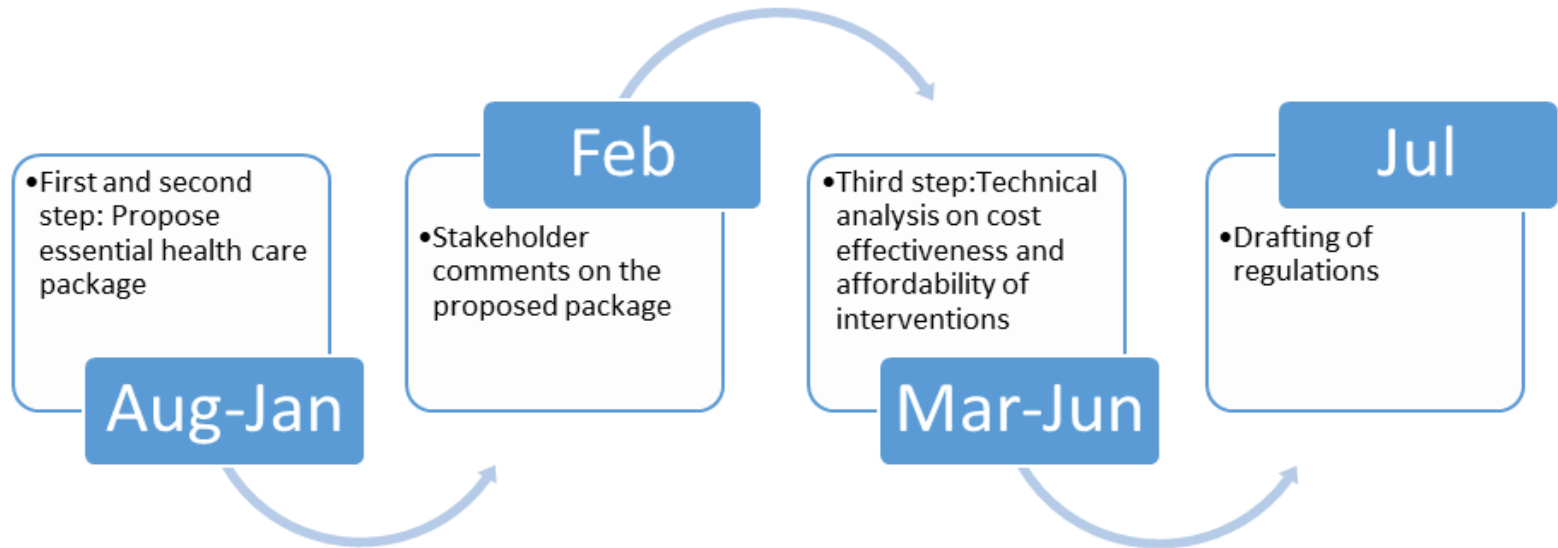
# Proposed Approach to the Review

- Review the entire PMB package
  - Consolidate and update all the work done on PMB's since 2009
  - Incorporate concerns from NDOH and key stakeholders
  - Make this a joint and inclusive process
  - Anchor the review proposal in the NHI context
  - Finalise the Review
  - Establish agreement on processes beyond the review outputs
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# Construct of the Package

- Primary health care level package
    - a basket of preventative care
    - a basket of conditions and their diagnosis and treatment
    - a basket of basic dentistry
    - a basket of basic optometry
    - a list of exclusions
  - Hospital level package
    - a basket of conditions and their diagnosis and management
    - an exclusion list
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# Proposed work plan



# Role of the Stakeholders in the PMB

## Review process

- Respond to initial invitation for inputs on the development of a new benefit package based on your current challenges
  - Participate as per invitation in the technical teams that will be established for this process
  - Ensure that you provide inputs on the drafted new benefit package
  - Ensure that you provide inputs on the costed benefit package
  - Ensure that you familiarise yourself with the proposed draft regulations, PMB definitions and the PMB code of Conduct that will be updated as part of this Review process
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# Conclusion

- Process for review delayed
  - Challenges with the composition of the PMB package
  - Need to accelerate this and the benefit definition
  - Link the review with the developments in the NHI work-streams
  - Need collaboration and support of all key stakeholders
  - Circular will be issue in November detailing the whole process and stakeholder roles
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**Thank You!!!**

**The End.....**

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