

Our Reference: Mr Clint Oellermann

19 November 2015

TO: ALL STAKEHOLDERS

RE-OPENING OF REGISTRATION FOR PARTICIPANTS TO MAKE ORAL SUBMISSIONS AT THE PUBLIC HEARINGS OF THE HEALTH MARKET INQUIRY (“HMI”)

1. Following the initial invitation in February 2015 to stakeholders to register for participation in the public hearings, the HMI received HI2 registration forms for oral submissions from various stakeholders. The HMI reviewed the various issues which stakeholders wish to address at public hearings, and also had regard to the time required which they had indicated in the HI2 forms. However, it became impossible to proceed with the public hearings within the timetable originally envisaged.
2. In the light of the extent and scope of the inquiry, the volume of submissions received and the need for the HMI to gather considerable further data from various stakeholders, the Commission published revised Terms of Reference (“TOR”) extending the HMI to 15 December 2016. In terms of the Revised Administrative Timetable, the public hearings will commence on 1 February 2016 and conclude by 31 May 2016.
3. To ensure that the public hearings proceed expeditiously and in an orderly manner, the HMI has decided on a staggered approach. In the first set of hearings which will take place over 5 days between 1 to 12 February 2016, the main purpose will be to hear the voices of consumers on the issues raised in the TOR. These include in particular problems faced by consumers

regarding access to and affordability of private healthcare services; access to information about medical aid and available services; and the disadvantages faced by consumers in dealing with medical service providers and funders, as a result of unequal information and inability to assess the appropriateness of the service offered. Subsequent sets of hearings will concentrate on specific themes and related issues discussed in the written submissions received and/or raised by the data collected, as well as in the HMI's analytical work to date.

4. The **Appendix** to this notice sets out the general timetable of the intended 6 sets of public hearings and the subject matter that will mainly be covered in each set. The HMI reserves the right to adjust this general plan of hearings if the need arises. The formal hearing notices required by paragraph 23.7 of the *Guidelines for Participation* dated 1 August 2014 will in each instance be published in due course. Where practicable, pre-hearing consultations will be held with participants as contemplated in paragraph 26 of those *Guidelines*.
5. Having regard to the time that has elapsed since the initial invitation to stakeholders to register for public hearings, as well as the greater focus on particular issues reflected in the Appendix to this notice, the HMI has decided to re-open the registration process. Those who now wish to do so, are invited to submit the HI2 form by no later than **11 December 2015**. By specifying the subject matter that they wish to address, stakeholders will enable the HMI to allocate their presentations to the appropriate set(s) of hearings. Stakeholders who registered previously are encouraged, but are not obliged, to register again.
6. Whilst every attempt will be made to accommodate all parties, the HMI cannot guarantee that everyone registered to make oral submissions will be able to do so, given the severe limitations of time. See in this regard paragraph 23.6 of the *Guidelines for Participation* referred to above. In general, all the provisions of those *Guidelines* relating to public hearings will continue to apply.

7. The HMI looks forward to your prompt response and to the receipt of duly completed HI2 forms by no later than close of business on **11 December 2015**.

8. Should you require further clarity regarding this matter, please do not hesitate to contact the Inquiry Director at clinto@healthinquiry.net.

Yours Faithfully

Mr. Clint Oellermann
Inquiry Director

(Not signed due to electronic transmission)

Please see Appendix with the general timetable and subject matter of public hearings on the next page

Appendix

Health Market Inquiry (“HMI”) Public Hearing Programme

(The number of days for each set of hearings is an estimate. It depends on the number of registrations and remains subject to change due to unforeseen circumstances.)

Sequence and title	SUBJECT MATTER TO BE PROBED	PUBLIC HEARINGS
<p>1st set of hearings</p> <p>General issues</p>	<p>SETTING THE SCENE: The HMI will explain its role, work done to date, and areas of interest that need to be probed further after consideration of stakeholder submissions at various stages of the HMI.</p> <p>While any issue relevant to the HMI may be raised by participants in this first set of hearings, an important focus will be on understanding the factors that limit effective access to private health care and health insurance cover.</p> <p>It provides an opportunity for people to give input about their experiences in trying to get medical aid cover and in dealings with medical aid schemes, medical scheme administrators, managed healthcare companies, private hospitals, healthcare practitioners and suppliers of medicines and other medical products.</p> <p>Interested people may participate as individuals or may be represented by consumer interest groups. Participation is open to everyone who has a relevant contribution to make, whether as a patient, a practitioner, as someone wanting to join a medical scheme, or otherwise.</p> <p>The HMI wants to know more about how consumers access, evaluate and use information to make health related decisions. It wishes to hear views on whether greater access to relevant and understandable information would empower consumers to make better healthcare choices that could drive the market towards meaningful competition on quality and price.</p> <p>It is important for the HMI to understand:</p> <ul style="list-style-type: none"> • how decisions are made about — <ul style="list-style-type: none"> ○ which medical scheme to join and which plan to buy ○ which practitioner to visit ○ which health facility to make use of, and ○ what care is appropriate • what factors (e.g. tariffs, quality, experience, referral etc.) play a role in consumers’ decision making. <p>The HMI appreciates that in health markets consumers rely on advice to make decisions. People who provide advice, or should do so, as agents for consumers would include brokers who assist individuals or companies to choose medical aids, or medical aid packages. They also include doctors who help patients decide what treatment they need or where to go for care.</p> <p>There may also be agents who assist medical facilities in choosing equipment and supplies.</p> <p>The HMI wants to hear the views of consumers and other purchasers on the role agents play in assisting and guiding them in obtaining and processing relevant information and making</p>	<p>5 days during the period 1 – 12 February 2016, in several locations</p>

	<p>appropriate decisions.</p> <p>Regulators in the health care sector that are responsible for representing the interests of the public are requested to participate in the first set of public hearings in order to explain their role in the private health care market.</p> <p>These hearings will include an examination of the role to be played, if any, by national health insurance (NHI) in extending public access to private health care services.</p>	
<p>2nd set of hearings</p> <p>Availability of information about health care</p>	<p>This second set of hearings will concentrate in more detail on the availability, quality and ease of understanding of information required to make the best possible decisions at every level of the private health care sector.</p> <p>Here the HMI will explore the impact of unequal information (information asymmetry) and lack of sufficient information experience by various stakeholders.</p> <p>The practical possibilities of bringing about improvements in this regard will also be explored.</p>	<p>During the period 22 – 26 February 2016</p>
<p>3rd set of hearings</p> <p>Competitive dynamics of the private health care sector as a whole</p>	<p>The HMI will explore generally the competition that exists among health sector stakeholders, and the relationships between them. This set of hearings will concentrate mainly on the following:</p> <ul style="list-style-type: none"> • Is there effective competition among medical schemes, medical scheme administrators, and managed health care companies? • Is there effective competition among healthcare practitioners? • Is there effective competition among private hospitals? • If competition is not effective, why is that the case and what can be done about it? <p>Associations representing funders, private hospitals, healthcare practitioners and suppliers of medicines and medical products will be afforded an opportunity to present their perspectives on the issues stated above. While presenters may draw on the information contained in existing submissions, this is not an occasion to repeat those submissions as they have already been taken into consideration and, where not confidential, have been published on the HMI website.</p>	<p>During the period 14 – 17 March 2016</p>
<p>4th set of hearings</p> <p>Competitive dynamics among funders</p>	<p>The HMI will explore in more technical detail the competition that exists among medical schemes, medical scheme administrators and managed healthcare companies. This set of hearings will concentrate on analyses done by the HMI and some stakeholders in their various submissions.</p>	<p>During the period 11 – 15 April 2016</p>
<p>5th set of hearings</p> <p>Competitive dynamics among service providers</p>	<p>The HMI will explore in more technical detail competition that exists among healthcare practitioners and private hospitals. This set of hearings will concentrate on analyses done by the HMI and some stakeholders in their various submissions.</p>	<p>During the period 9 – 12 May 2016</p>
<p>6th set of hearings</p> <p>Regulatory framework</p>	<p>The HMI will explore whether the health regulatory environment enhances or hinders competition among sector stakeholders, and thus access to quality health care by all. Main issues to be considered include the following:</p>	<p>25 & 26 May 2016 and 30 & 31 May 2016</p>

	<ul style="list-style-type: none">• Are policy objectives set for the benefit of the general public being met?• How to enhance the South African health policy environment with reference to relevant international experience?• Interaction between the public and private health sectors in South Africa.• Interaction between market failure and Government failure, i.e. misdirected or ineffective regulation.	
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