

Q&A with Health Care Inquiry Director Clint Oellermann



Adv. Clint Oellermann, Director of the Health Market Inquiry,
Competition Commission

***Adv. Oellermann, can you tell us
About which stage the Inquiry into
private health care is at this point?***

The Inquiry is currently in its information gathering and analyses phase. Following the submissions and responses to submissions received, the Inquiry sent out information requests to over 160 stakeholders in the healthcare sector, in order to conduct further investigation into the potential access and competition concerns highlighted in both the submissions and the Statement of Issues. Currently, the Inquiry is also hard at work preparing for the Public Hearings, which are set to commence early February 2016.

Which aspects of private healthcare are you investigating?

Firstly, it must be understood that a market Inquiry is a general investigation into the state, nature and form of competition in a market, rather than a narrow investigation of specific conduct by any particular firm. Having said that, the Health Market Inquiry (HMI) is particularly interested in understanding what the key drivers of costs in the private healthcare sector are. It will assess the interrelationship between the various markets in the private healthcare sector, including examining the contractual relationships and interactions between and within the health service providers. Access to healthcare services is an important aspect of the HMI and it will be examining the nature of competition within the sector, and looking at ways in which competition can be promoted.

There's been criticism about whether the Commission can handle an inquiry of this magnitude, what do you have to say to that?

The HMI certainly has a big task ahead of it and there are a number of complex issues it will be examining in the private healthcare sector. However, we have been encouraged by the levels of participation and cooperation received to date from industry stakeholders and the general public. The HMI has appointed a panel of experts, chaired by former Chief Justice, Sandile Ngcobo, to oversee the Inquiry and has a dedicated technical team consisting of lawyers, economists and healthcare specialists who are all committed to ensuring that the Inquiry achieves what it set out to do in the Terms of Reference.

Among other things, consumers are concerned anti-selection deterrence mechanisms medical aids use such as late joiner penalties; will you be looking into that?

The views and concerns of consumers are important to the Inquiry and we welcome their participation in the upcoming Public Hearings, where such issues will be dealt

with in more detail. The Inquiry is looking at such issues and is also interested in understanding how consumers access and use information to make health related decisions.

The Department of Health has submitted a proposal of cost-based tariff that is independently produced, are you at liberty to tell us more?

The Inquiry will be engaging with the views and submissions of all stakeholders throughout the process in understanding the cost drivers in healthcare. The proposals of the Department of Health are but one of many the Inquiry will consider in making its own recommendations to the Minister once it has completed its work.

Medical aids' expenditure on specialists and private hospitals is at 12%, what are your thoughts on that?

The Inquiry team is in the process of reviewing a large volume of data related to private healthcare expenditure, including expenditure on specialists and private hospitals. Ultimately, the Inquiry would like to determine what the drivers of expenditure are in healthcare and if any of these factors are anti-competitive.

What do you hope to achieve with the re-opening of the oral submissions and the oral submissions as a whole?

The Inquiry opened the first registration period for oral submissions in February 2015. However, given the extent and scope of the Inquiry, the volume of submissions and data received, it was not possible to proceed with the public hearings with the timetable originally envisaged. Given that the Inquiry has been extended to 15 December 2016, the decision was taken to re-open the registration for oral submissions. This presents an opportunity for all stakeholders and consumers who missed the initial deadline to register in

order to have their voice heard at the upcoming public hearings.