



**competition commission**  
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## **COMPETITION COMMISSION'S HEALTH MARKET INQUIRY PUBLISHES THREE DOCUMENTS FOR STAKEHOLDER REVIEW**

The Competition Commission's Health Market Inquiry (HMI) has released three reports in November 2016 relating to its investigation into the private healthcare sector. These reports have been published on the Commission's website to provide information to stakeholders ([www.compcom.co.za](http://www.compcom.co.za)):

### **Report on the analysis of medical schemes claims data – descriptive statistics**

To allow the HMI to understand expenditure trends in the private healthcare sector, the HMI requested and gathered various data from medical schemes and/or administrators. The medical schemes claims data was submitted by medical schemes and/or their administrators and covers the period 2010-2014. The data gathered likely represents the largest data set ever accumulated for the private health sector in South Africa.

The report represents the analysis of data from 75 schemes covering 8 294 452 beneficiaries which equates to 94.41 percent of industry as at 2014.

The HMI is releasing the report to present and test the analyses and findings before drawing conclusions. It is the first of a set of reports and is a descriptive analysis of the industry's payment and expenditure trends. Further reports will use the available data to describe how various factors influence costs and change in costs over time (the attribution analyses), describing the impact of prescribed minimum benefits, billing practices and other related analyses.

Stakeholders are invited to provide their comments on this report to the HMI by 19 December 2016.

### **Summary of results from healthcare consumer survey**

The HMI was able to gather some information on key issues experienced by patients during the first round of hearings. However, the evidence presented to the HMI was fragmented. The HMI, therefore, decided to gather additional information via a consumer survey in which 1507 South Africans participated, over the period April 2016 to May 2016.

Along with the consumer survey, the HMI sought to bolster the results and place them into context by making use of focus groups. For both the consumer survey and focus groups, the HMI focused specifically on consumers and their decision-making pathway in utilising private healthcare.

A summary of the results of this study have been published to provide information to stakeholders.

## **Market definition for financing of healthcare**

As a starting point for assessing competition in the private healthcare sector, the HMI has to define relevant markets. Market definition is an analytical tool that provides a framework to assess the existence (or otherwise) of market power, and thus the prevailing state of competition in the market. This document defines the various markets within the broader category of financing of healthcare, particularly medical schemes, medical scheme administrators and managed care organisations (MCOs).

## **Background**

The Commission initiated the market inquiry into the private healthcare sector, as it has reason to believe that there are features of the sector that prevent, distort or restrict competition. The Commission further believes that conducting the inquiry will assist in understanding how it may promote competition in the healthcare sector.

The market inquiry is thus a general investigation into the state, nature and form of competition in the private healthcare sector.

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