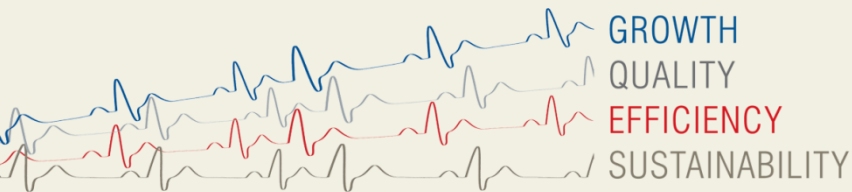




HMI Seminar

12 April 2019

Matthew Prior

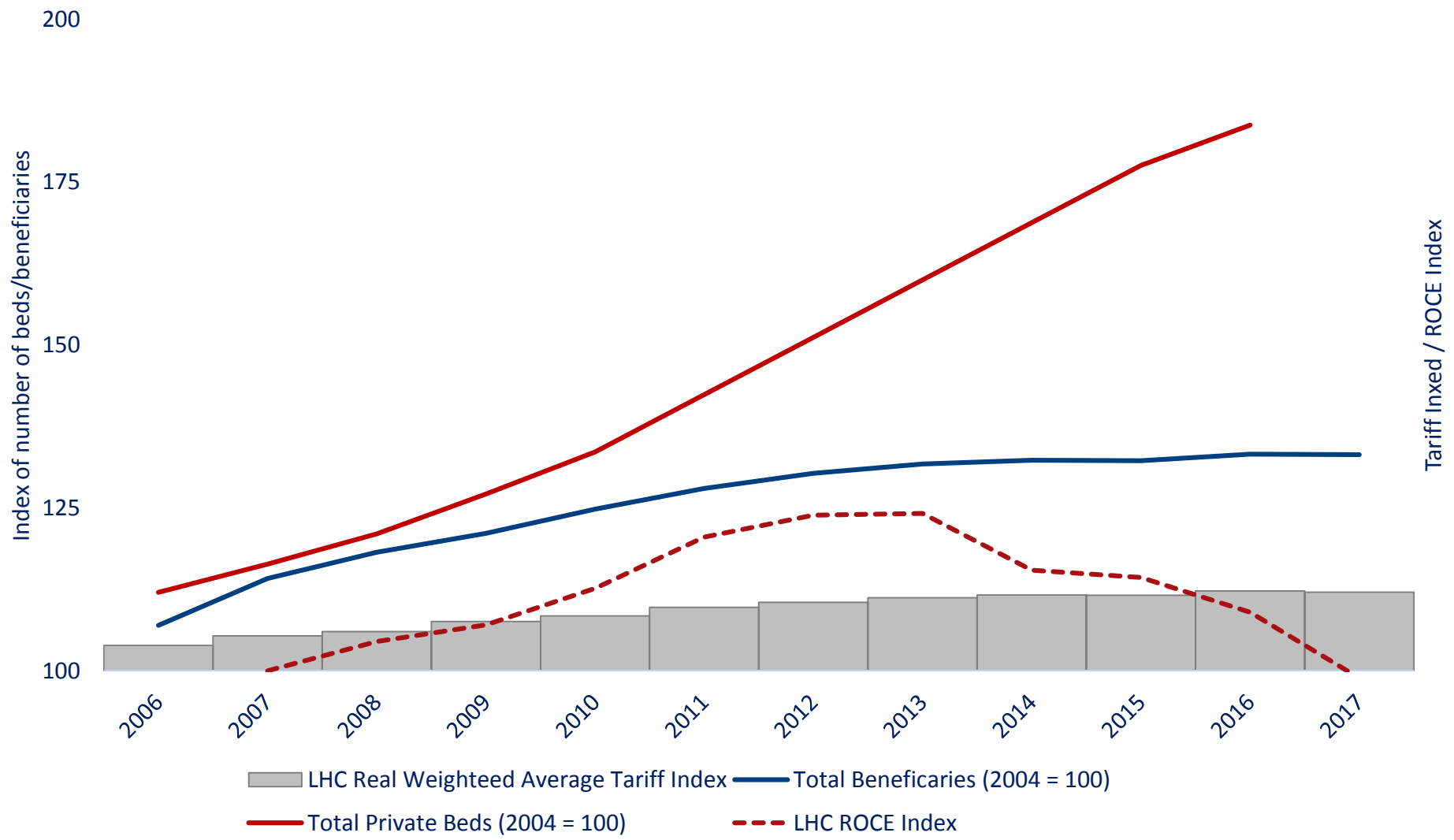


Making life better

Agenda

- LHC's Economic Cycle
- LHC Case Studies
- Basis for the recommendations
- Way forward

LHC's Economic Cycle



LHC Case Studies – Hospital A

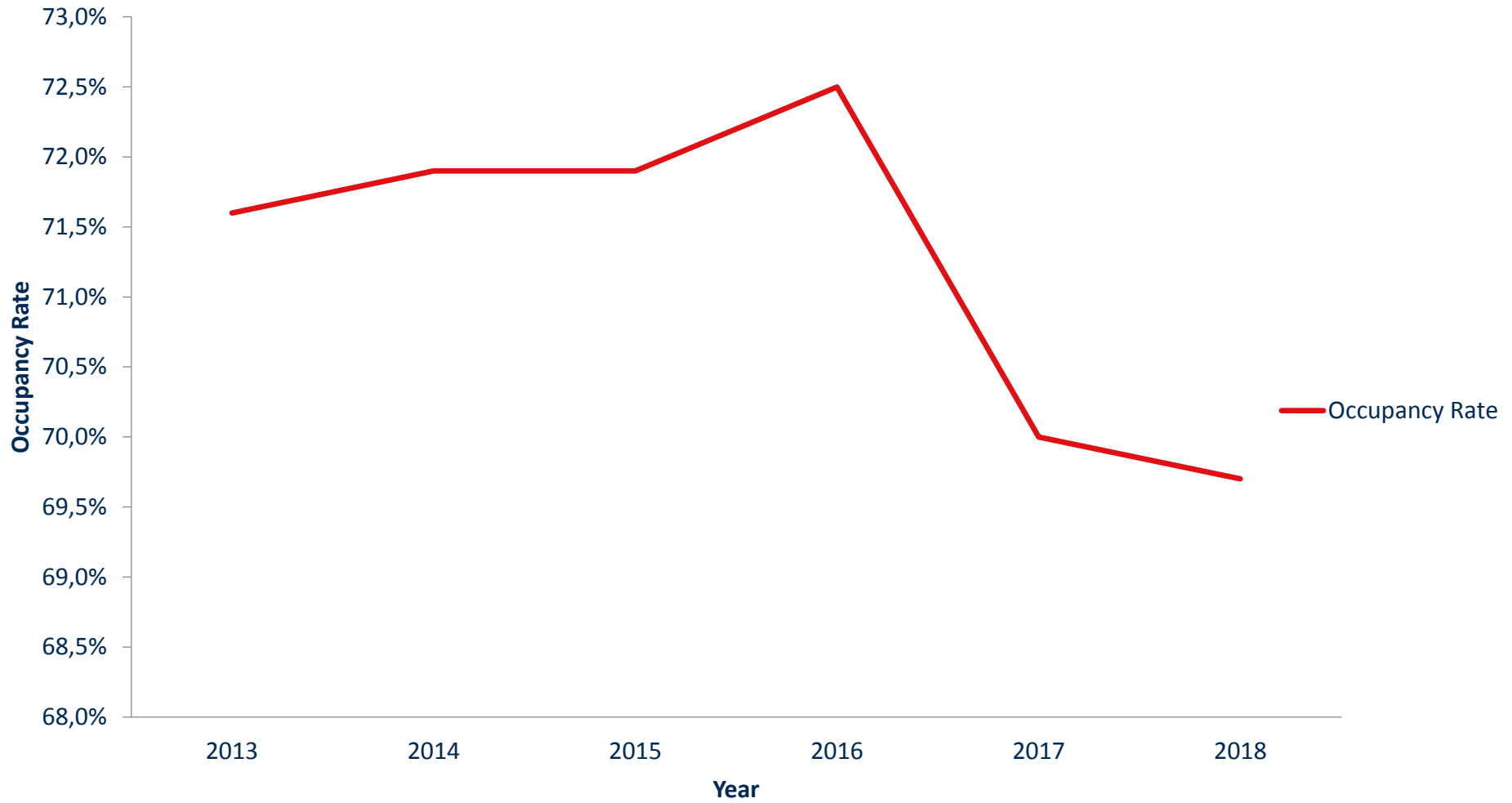
Year	Projected Occupancy Rate	Actual Occupancy Rate	Difference between actual and projected occupancy
2012	50.0%	17.6%	- 32.4%
2013	55.0%	29.9%	- 25.1%
2014	60.5%	38.9%	- 21.6%
2015	66.6%	45.1%	- 21.5%
2016	73.2%	45.0%	- 28.2%
2017	79.8%	35.7%	- 44.1%
2018	79.8%	28.1%	- 51.7%

LHC Case Studies – Hospital B

Year	Projected Occupancy Rate	Actual Occupancy Rate	Difference between actual and projected occupancy
2006	49.4%	3.4%	- 46.0%
2007	60.0%	41.9%	- 18.10%
2008	65.4%	53.8%	- 11.60%
2009	70.0%	52.7%	- 17.30%
2010	70.0%	51.8%	- 18.20%
2011	59.7%	45.5%	- 14.20%
2012	64.5%	48.3%	- 16.20%
2013	64.5%	51.7%	- 12.80%
2014	64.5%	55.8%	- 8.70%
2015	64.5%	57.1%	- 7.40%
2016	Not available as business case was projected for 10 years only	63.9%	
2017		59.2%	
2018		60.7%	

Impact of Managed Care Interventions

Group Occupancy Rate



Basis for recommendations

1. The primary purpose of the Health Market Inquiry is to investigate and put forward recommendations to address the above inflation increases in medical scheme premiums.
2. Broad consensus that these increases are driven by utilisation rather than prices.
3. Broad consensus that hospital concentration is not problematic.
4. We do not believe that potential recommendations should be limited by the current legislation.

Way Forward | Demand-side

1. Stabilise the regulatory framework under which Medical schemes operate.
 - Mandatory membership
 - Risk Equalisation
2. Incorporate primary care into mandatory benefits.

Way Forward | Supply-side

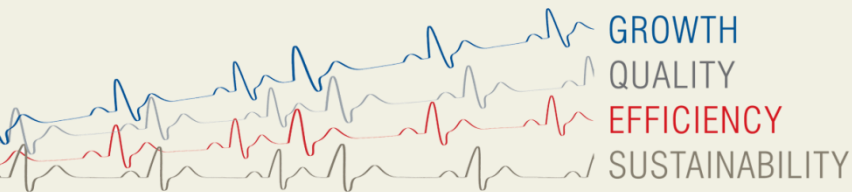
1. Standardise an efficient and effective licensing regime.
2. Establish a sustainable price for state patients.
3. Review of HPCSA ethical rules.
4. Quality reporting.
5. Increase the supply of healthcare professionals.



HMI Seminar

12 April 2019

Matthew Prior



Making life better