



EMERGING HEALTH INSURANCE SOLUTIONS

Daniël Erasmus



THE IDEAL - INTEGRATION

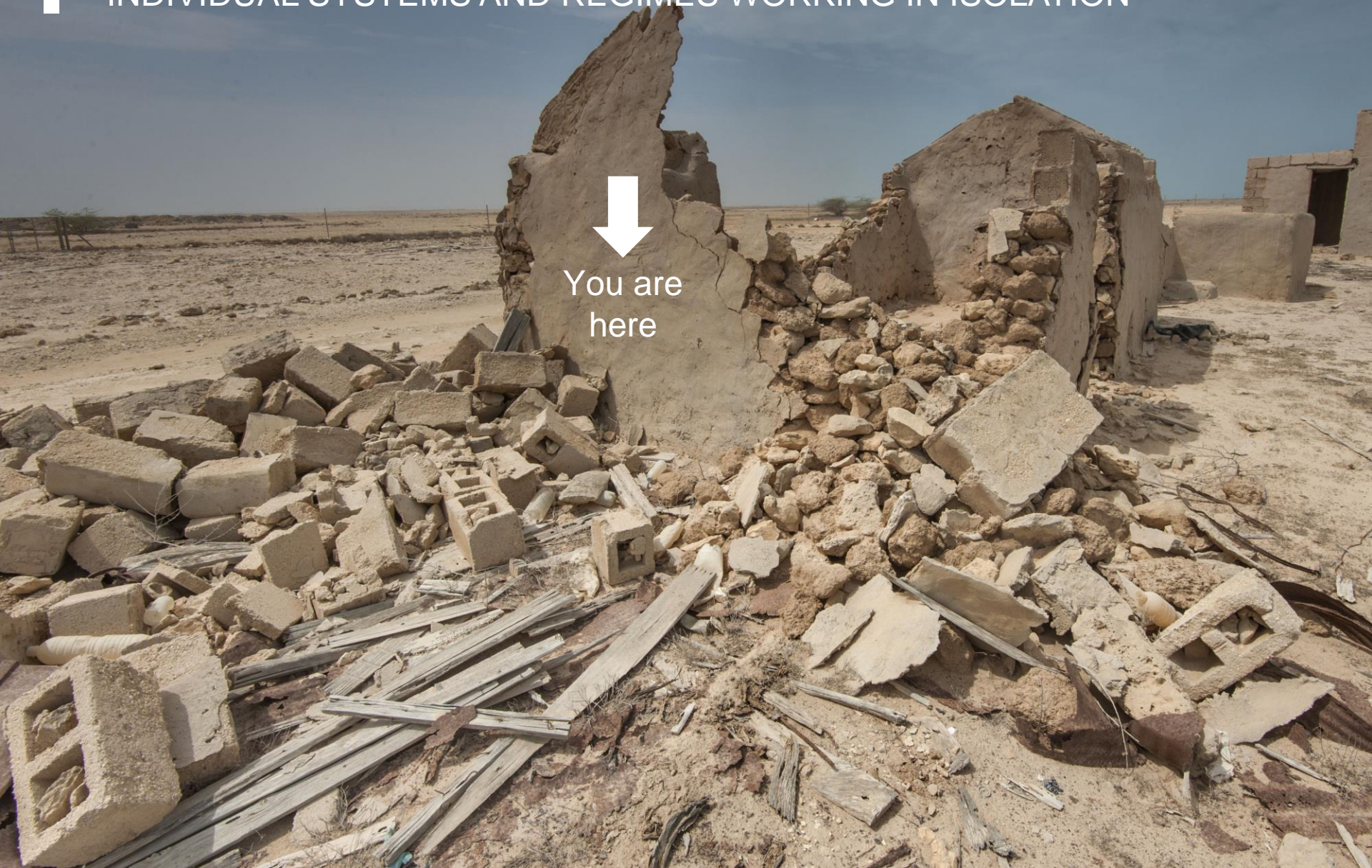
A FULLY INTEGRATED SYSTEM

REALITY- FRAGMENTATION

INDIVIDUAL SYSTEMS AND REGIMES WORKING IN ISOLATION

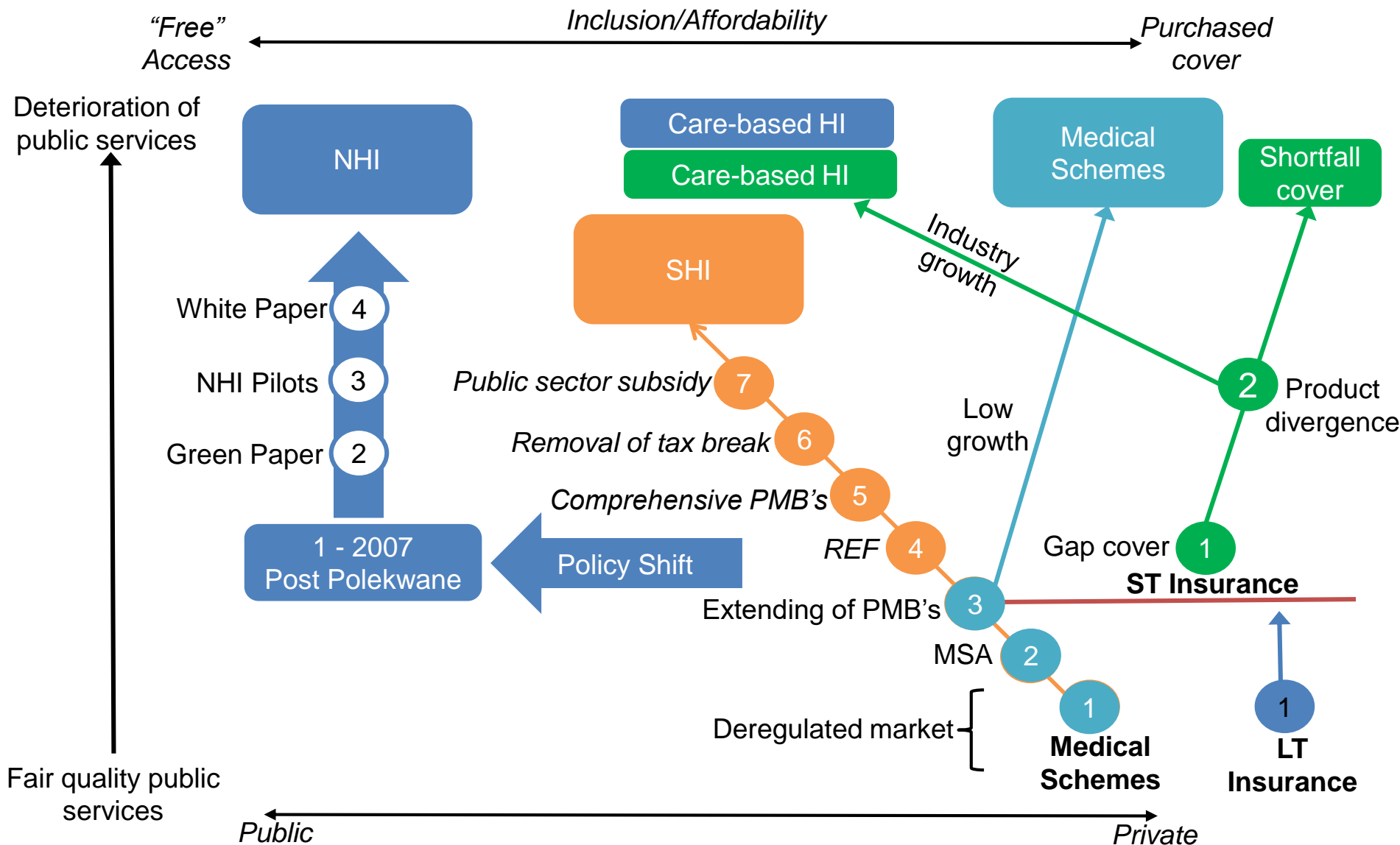


You are
here



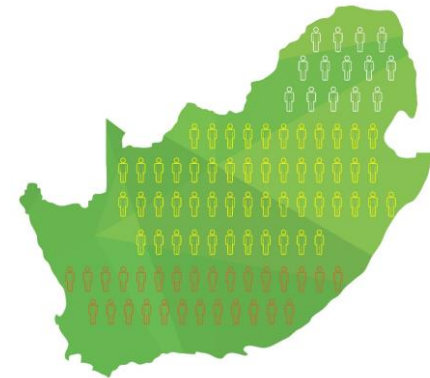
ROADMAP

HOW DID WE GET “HERE”



IMPLICATIONS

THE CURRANT LANDSCAPE



8 - 10

Million uncovered but
willing and able at the
right price

**54 Million
People**

8.8

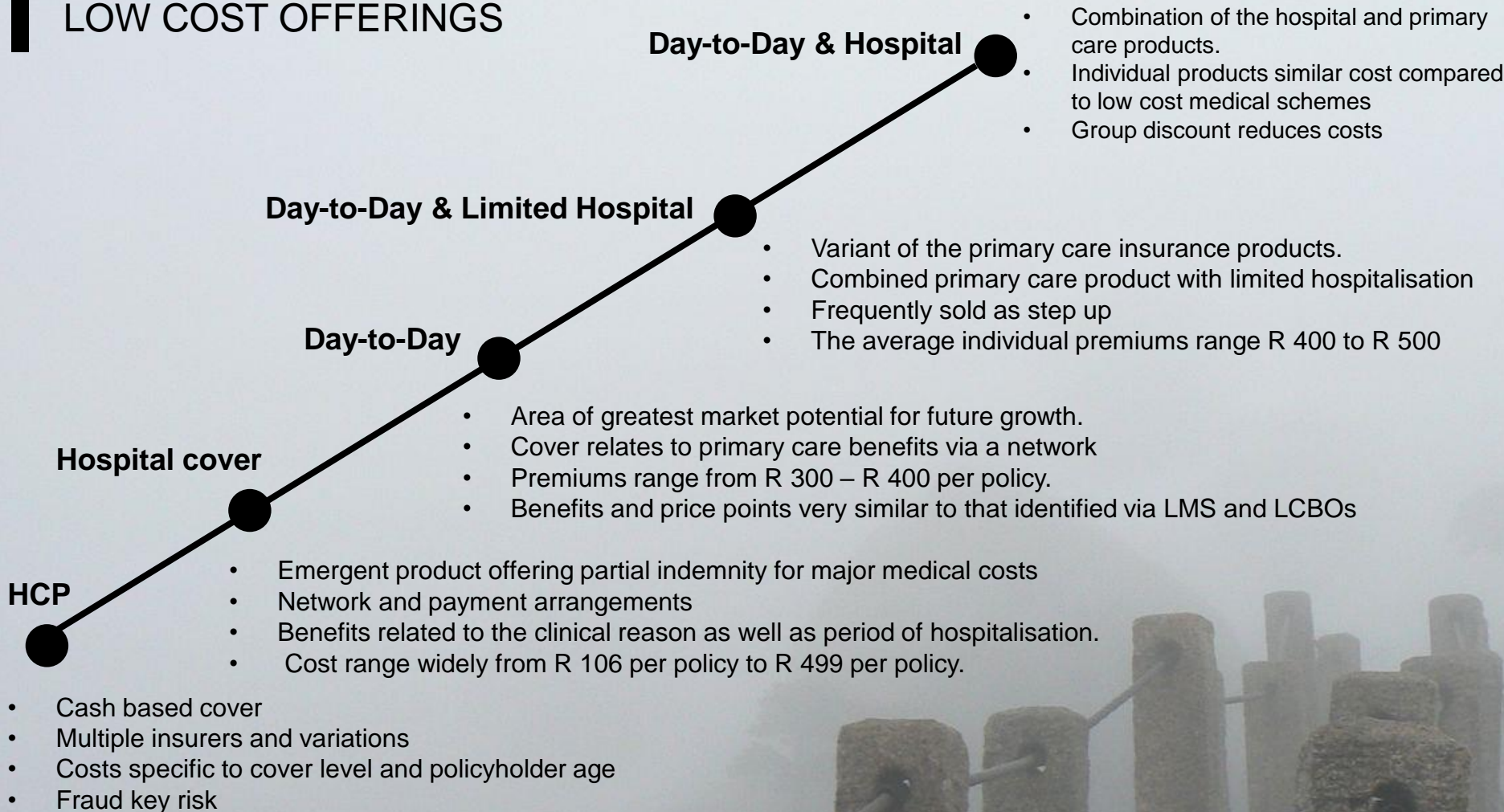
Million lives covered by
medical schemes

Rest

rely on public
services - waiting
for NHI?

HEALTH INSURANCE

LOW COST OFFERINGS



HEALTH INSURANCE

LOW COST OFFERINGS

- Limited information
 - No data depository or line level reporting
- Market responding “naturally”
- Cash and indemnity offerings
- Unionized market
- Group discount (up to 50%) and employer subsidy play significant role in affordability



FILLING THE GAP

HEALTH INSURANCE MARKET GROWTH

“Innovations in the low cost market have been driven by health insurance offerings”

Meeting consumer
needs

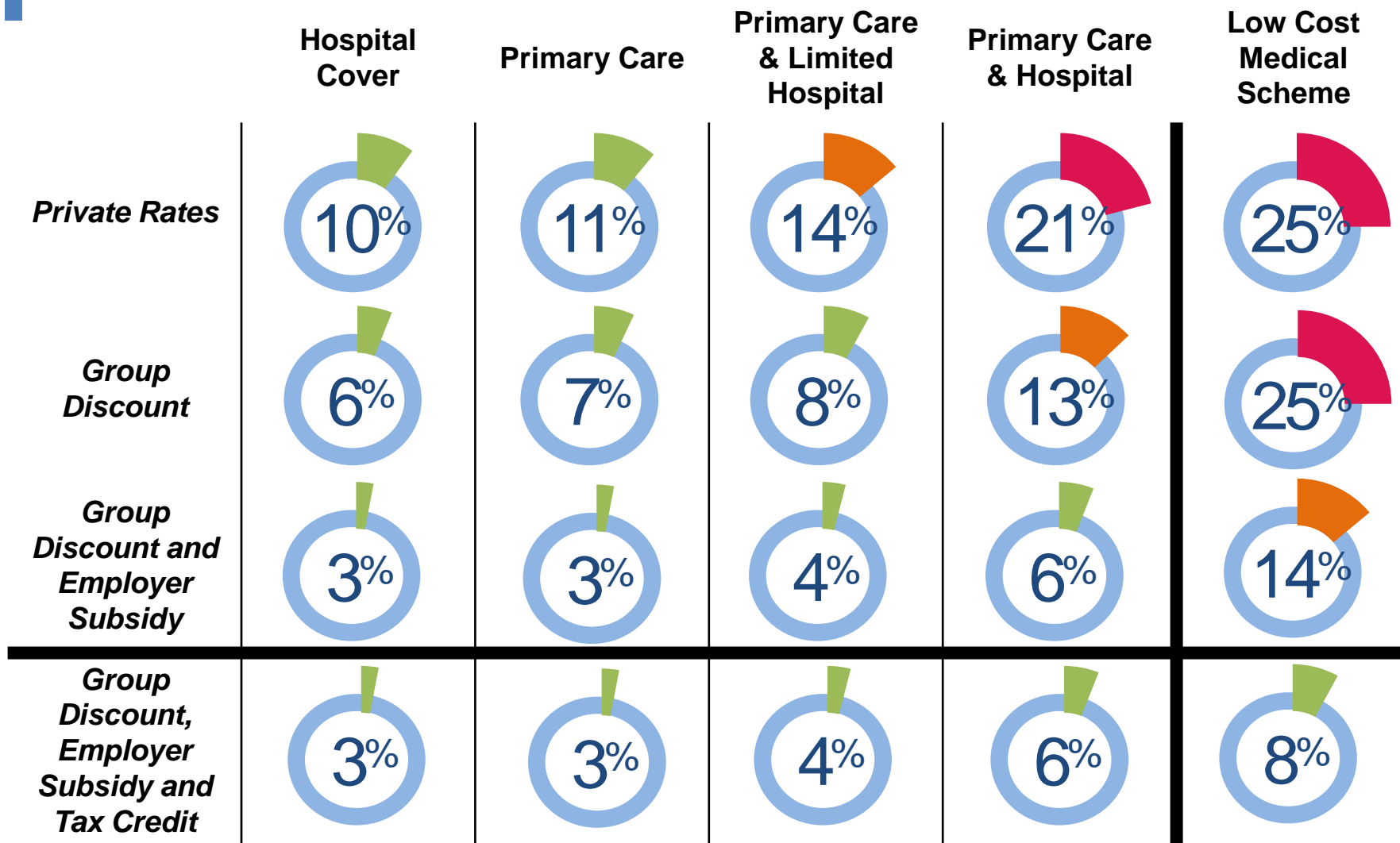
Offering an
affordable
solution

“Blank canvas”
regarding innovations



AFFORDABILITY COMPARISONS - % OF INCOME*

HEALTH INSURANCE AND LOW COST MEDICAL SCHEMES



*Rates based on a family income between R 6200 and R 6300 per month

THE GOOD, THE BAD AND THE (POTENTIALLY) UGLY

“THE MARKET WILL FIND A WAY”

Insurance market features to date:

- Growth – products and insurers. Policies?
- Increased private sector access
- Greater provider participation
 - ARM models, and
 - Risk sharing

But,

- Large insurers not entering the market – grey area
- Ethical concerns regarding split market solution
- Cost escalations in insurance market
- Lack of information



THE WAY FORWARD

MARKET SOLUTIONS

Allow market
forces to compete
and innovate for
members

A product based
exemption not
ideal

**Insurance market
needs clear
regulatory framework**

Framework
should entice
participation
and competition
on price and
products

Medical schemes
unlikely to be able
to service this
market

