



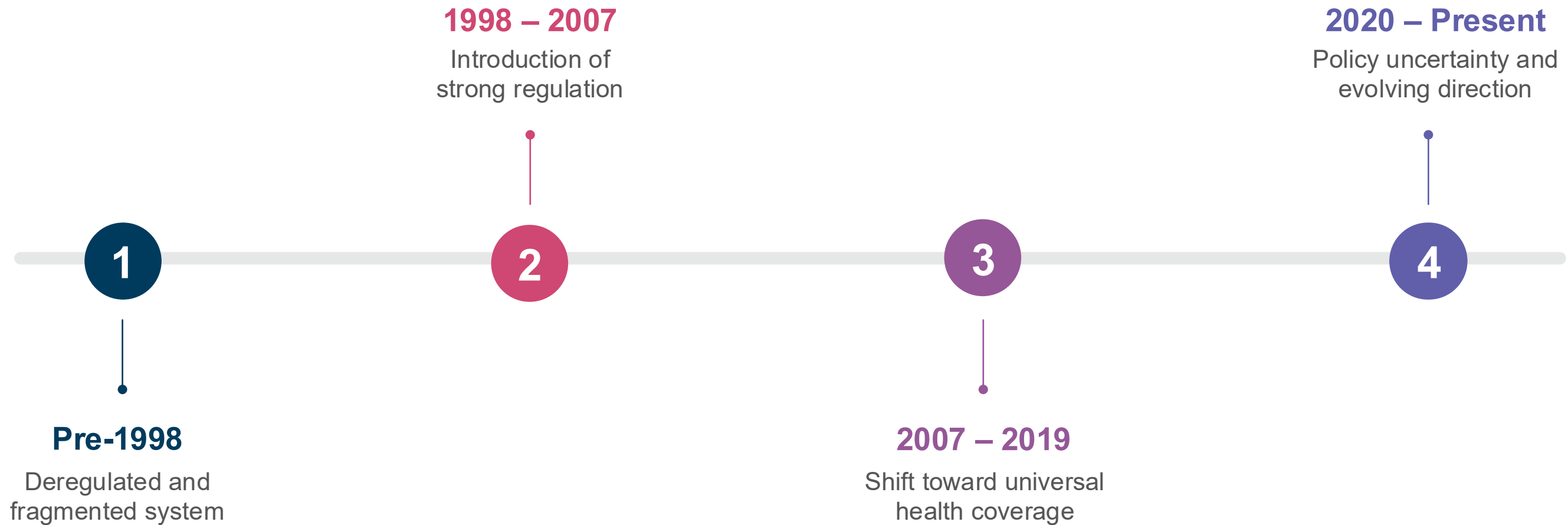
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2026

Health Reform – What got us here won't get us there

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# Agenda

From deregulation to strong regulation to an uncertain future direction





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## Pre-1998

A fragmented, deregulated and risk-selective system

# Pre-1998 prioritised market flexibility over consumer protection

## Market Structure

- Fully deregulated market with no central oversight
- Unequal benefit designs across schemes
- For-profit medical schemes permitted
- Fragmented risk pool with 200+ schemes
- Many schemes technically insolvent

## Member Impact

- Individual risk rating drove up premiums for the vulnerable
- Pre-existing condition exclusions widespread
- Restricted benefits with limited coverage
- Pensioners systematically excluded from schemes
- No formal recourse or dispute resolution

# Structural weaknesses created a clear need for regulatory intervention



Rising contribution costs, fragmented risk pools and limited access for vulnerable populations created mounting pressure to reform the regulatory framework — setting the stage for the **1998 Medical Schemes Act**.

The pre-1998 era demonstrated that an unregulated market cannot sustainably deliver equitable healthcare coverage.



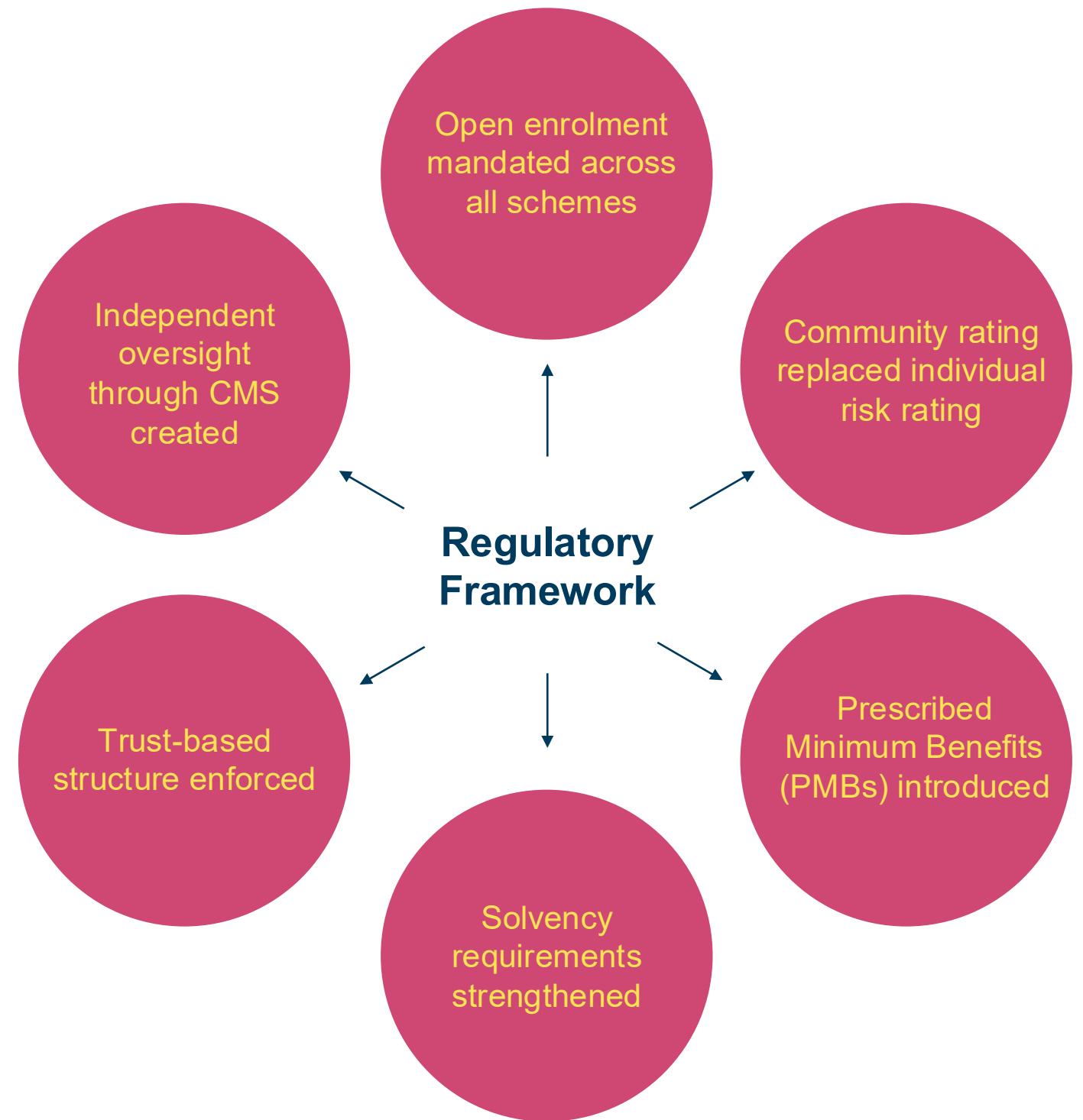


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1998 - 2007

A shift toward strong regulation  
and system stabilisation

The **1998 Act** introduced a fundamentally more regulated and structured system



# Stronger regulation improved equity, but introduced cost and competition trade-offs

## Benefits

- Reduced discrimination
- Improved consumer protection
- Stability and governance

## Costs

- PMB cost pressure
- Adverse selection
- Compliance burden
- Industry consolidation

## Tensions

- Affordability pressures for members
- Reduced competition and innovation
- Limited flexibility in benefit design
- Growing debate on sustainability
- Health Market Inquiry flagged cost and competition concerns

**South Africa has only partially implemented SHI, with key reforms still outstanding.**

Pre-1998

1998 – 2007

2007 – 2019

2020 – Present



3

2007 -2019

A shift toward universal health coverage and systemic reform

# Persistent disparities between public and private healthcare shaped the reform agenda

~15%

SA population  
on medical aid

~85%

Depend on public  
health care

R290bn+

Annual private  
health spend

44%

Public share of  
healthcare funding

- Public facilities face critical staff shortages, aging infrastructure & supply chain failures
- Medical scheme membership has stagnated or declined in real terms since 2010
- Out-of-pocket costs remain a barrier to care for uninsured households

# NHI marked a decisive shift, but structural tensions persist

## The NHI Shift

- Core reform path
- System overhaul
- Single national fund
- Sole purchaser
- Two-tier divide targeted

## Implementation Design

- Fund accredits providers
- Determines the service basket
- Medical schemes limited to complementary cover only (Section 33)
- Phased rollout: fund establishment → contracting → full implementation

## Structural Tensions

- No costed funding model
- 10–15 year transition creates prolonged uncertainty
- Section 33 seen as effectively abolishing medical aids
- Implementation assumes functional public system
- Constitutional and legal challenges

# The public system cannot yet carry the weight NHI places on it

## Capacity Gap

Doctor ratio remains well below WHO target

Infrastructure and medicine stockouts persist

NHI assumes delivery capacity not yet in place

## Governance Gap

Single fund adds major complexity risk

State capacity raises oversight concerns

Full benefit costing is still unpublished

## Sequencing Problem

Funding and accreditation still unfinished

Global models phased reform before single fund

Legislation is ahead of system readiness



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## 2020 - Present

Policy uncertainty and an evolving reform direction

# Legal dynamics are increasingly reshaping the reform trajectory



## Court Roll

- 1. BHF (65 schemes, 4.5m beneficiaries)**  
*ConCourt – May 5–7, 2026*
- 2. HASA, SAPPF, SAMA, HFA, Sakeliga**  
*Stayed pending ConCourt ruling*
- 3. Premier of Western Cape**  
*ConCourt – May 5–7, 2026*
- 4. Record of Decision**  
*Presidential appeal ongoing*
- 5. Solidarity – Certificate of Need**  
*CON struck down 18 May 2026*

## What this means for schemes now

- **CON struck down:** Private facilities can now invest and expand without DOH certificates — monitor for new provider entrants and capacity shifts
- **ConCourt hearings (May 2026):** The ruling on Section 33 and Fund powers will define the boundaries of scheme survival — legal counsel and actuarial scenario planning should be active now
- **Record of Decision appeal:** Parliament’s role in the process remains contested — schemes should engage with the BHF’s industry coordination structures

# Medical schemes face increasing pressure to adapt in an uncertain environment

## Risk Pool Pressure

- Young and healthy members exiting under affordability pressure
- Risk pool pressures
- LCBO's critical for sustainability

## Market Evolution

- Evolution of schemes toward supplementary models
- Public-private collaboration
- Consolidation
- Insurance threats/opportunities

## Governance & Compliance

- Regulatory uncertainty
- Need investment in compliance to be better prepared

Pre-1998

1998 – 2007

2007 – 2019

2020 – Present

# The future remains contested, with medical schemes needing to adapt

- Status quo unsustainable
- NHI Act is law but is deeply contested with a key pillar struck down
- CON ruling signals that courts will not accept centralisation without constitutional justification
- Schemes remain relevant but must evolve now, not when Act is implemented
- Path forward requires collaboration for reform that works within constitutional constraints



Pre-1998

1998 – 2007

2007 – 2019

2020 – Present

# Three possible paths forward

## Scenario A

### **NHI Modified**

### ConCourt upholds Act

- NHI Fund established; Section 33 re-drafted to allow gap cover
- Phased implementation over 10–15 years
- Schemes retain a complementary role



Pre-1998

1998 – 2007

2007 – 2019

2020 – Present

# Three possible paths forward

## Scenario B

### **NHI Significantly Delayed**

Courts strike down key provisions

- Act returned for redrafting; 5 –10 year delay
- Private sector retains current structure but under sustained political pressure
- Affordability and access crisis in public sector deepens



Pre-1998

1998 – 2007

2007 – 2019

2020 – Present

# Three possible paths forward

## Scenario C Hybrid Model

Political negotiation yields middle ground

- Strengthened public health system through targeted private-public partnerships
- Medical schemes retained with expanded mandatory membership reforms
- Risk pool broadened through income cross-subsidisation



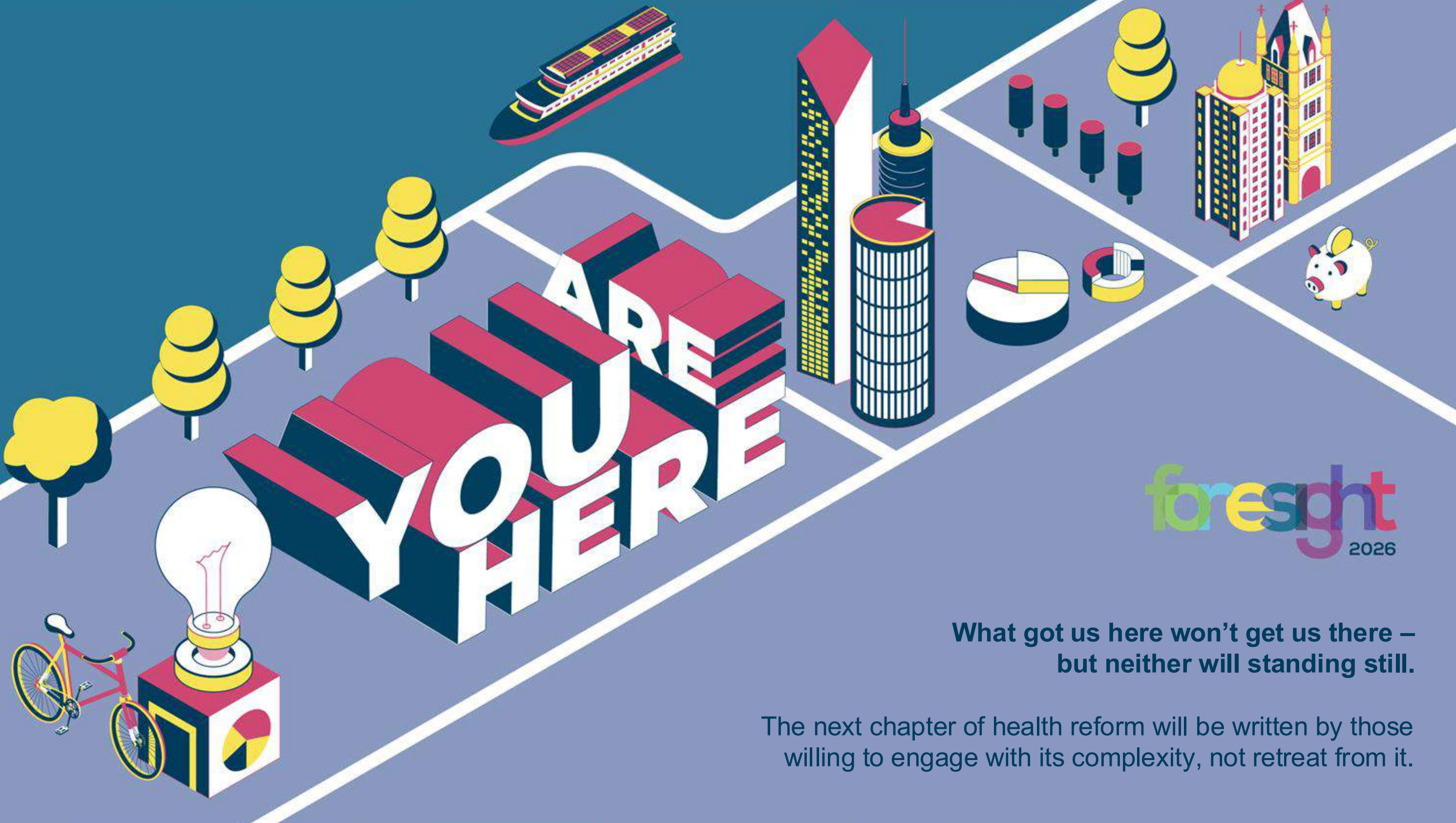
Pre-1998

1998 – 2007

2007 – 2019

2020 – Present

# YOU ARE HERE



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2026

**What got us here won't get us there –  
but neither will standing still.**

The next chapter of health reform will be written by those willing to engage with its complexity, not retreat from it.