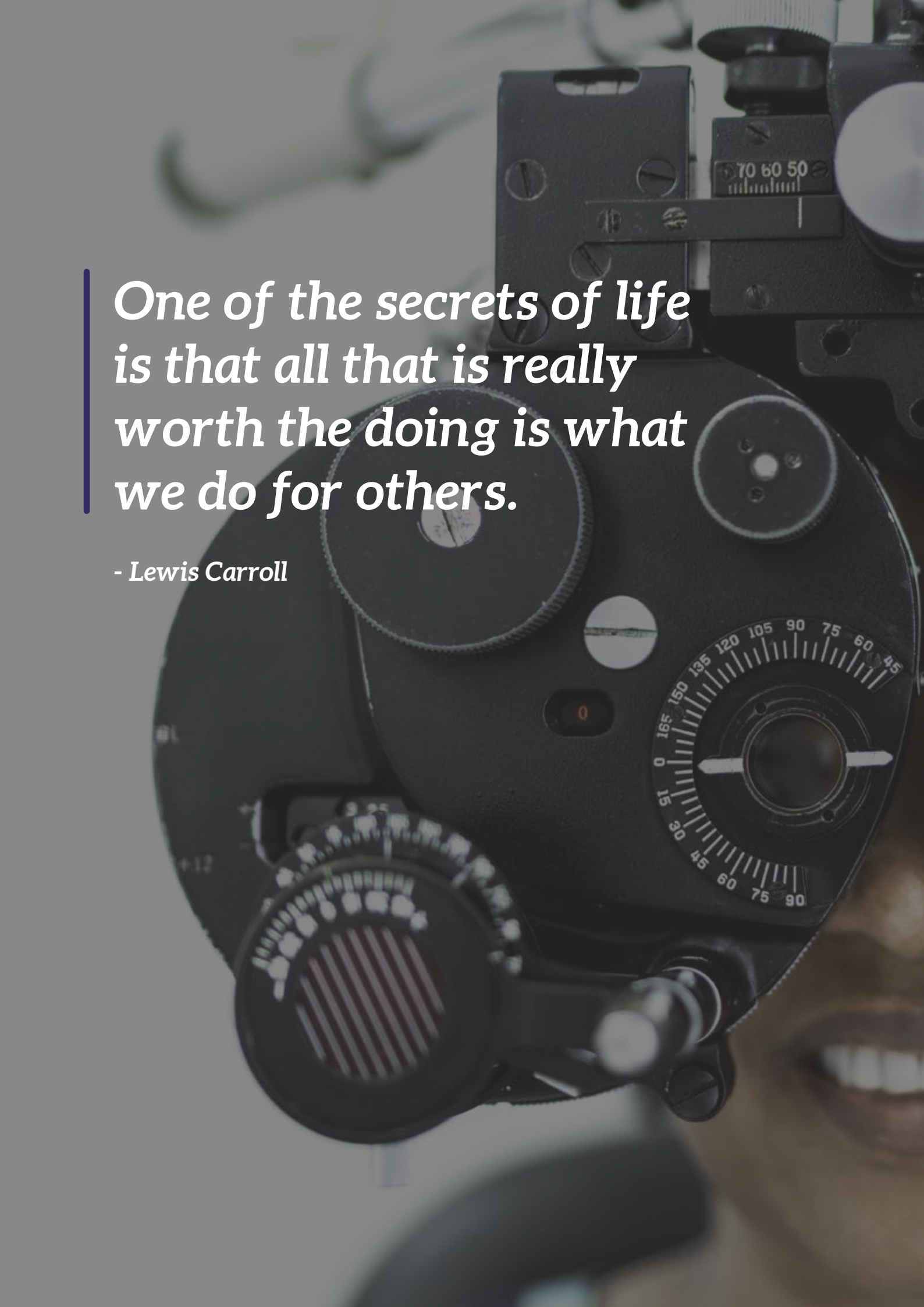


Annual

# REPORT<sup>+</sup>

2020

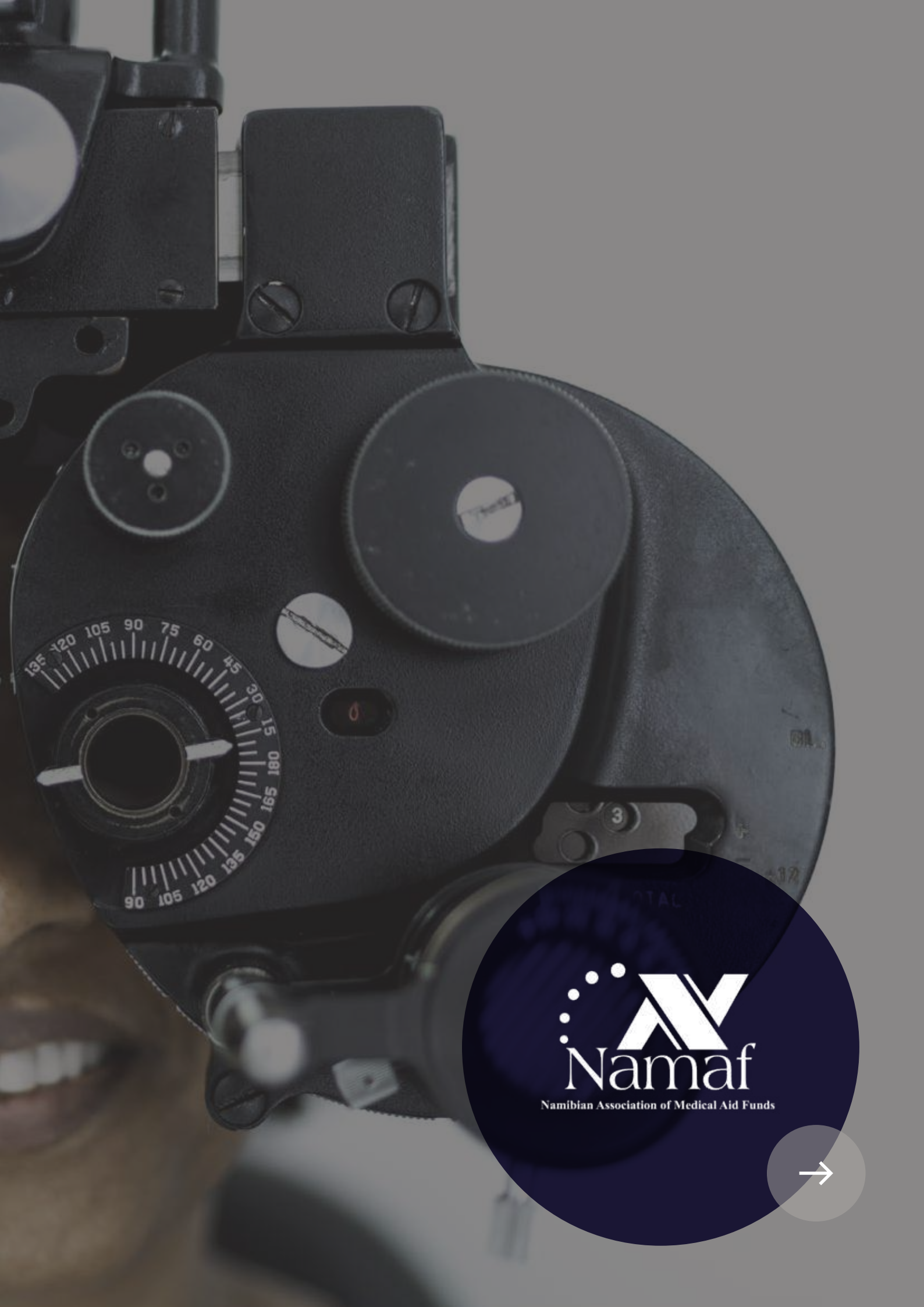





**One of the secrets of life  
is that all that is really  
worth the doing is what  
we do for others.**

**- Lewis Carroll**





OTAL



**Namaf**  
Namibian Association of Medical Aid Funds



**Company:**

**Namaf Annual Report**

**Period:**

**1 January – 31 December 2020**



**“The secret of +  
change is to focus  
all of your energy,  
not on fighting the  
old, but on building  
the new.” - Socrates**



**So it is such a critical role that this association  
has to play in the country in ensuring access to  
private affordable healthcare.**

**- Mr. Stephen Tjuoro, CEO**

# Acronyms<sup>+</sup>

|          |  |
|----------|--|
| AffCom   | Affordability Committee                              |
| COVID-19 | 2019 novel coronavirus                               |
| FWA      | Fraud, waste and abuse                               |
| HCPs     | Healthcare providers                                 |
| HPCNA    | Health Professions Council of Namibia                |
| MAFs     | Medical Aid Funds                                    |
| MC       | Management Committee                                 |
| MoHSS    | Ministry of Health and Social Services               |
| Namaf    | Namibian Association of Medical Aid Funds            |
| NAMFISA  | Namibia Financial Institutions Supervisory Authority |
| NMRC     | Namibian Medicines Regulatory Council                |
| PCNS     | Practice Numbering System                            |
| PN       | Practice number                                      |



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# 1. General Information<sup>+</sup>

**Name** **Namibian Association of Medical Aid Funds (Namaf)**

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**Physical address** **Office No 1**  
**South Port Building, Ground Floor**  
**Hosea Kutako Drive**  
**Southern Industrial Area**  
**Windhoek**

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**E-mail address** **info@namaf.org.na**

**Website** **www.namaf.com**

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**External auditors** **SGA Chartered Accounts & Auditors**

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**Bank** **Nedbank**  
**First National Bank**

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**Chief Executive Officer** **Mr. Stephen Tjiuro**

**Chairperson of Management Committee** **Ms. Lea Namoloh**

**Deputy Chairperson of Management Committee** **Mr. Pieter Daniel Theron**

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**+ Ms. Lea Namoloh**  
Chairperson



# 1.1

# Chairperson's <sup>+</sup> Report

Ensuring that effective procedure codes are available and that Namaf is using and sharing its database to facilitate the prevention of fraud, waste and abuse. Namaf performed well in relation to its objectives, goals and target that it set for itself in the 2018-2020.

On behalf of the Management Committee, I am pleased to present the 2020 Annual Report of the Namibian Association of Medical Aid Funds (Namaf). The 2020 financial year saw the completion of the three-year Transformation Strategy 2018 – 2020 and the beginning of the transition to the new three-year strategy cycle 2021 – 2023.

The 2018 – 2020 strategy was premised on a vision that sought to ensure that, as a regulatory entity, Namaf optimised income, efficiently utilised resources, and developed a contingency reserve and robust corporate governance. It also required data to be effectively interpreted to drive effective communication, investigation and wider regulatory actions. In addition, the strategy focused on the development of policies, procedures and processes. Finally, the strategy concentrated on the effective provision of procedure codes and the use and sharing of the Namaf database to facilitate the prevention of waste, abuse and

fraud. Namaf performed well in relation to the objectives, goals and targets that it set for itself in the 2018 – 2020 strategy.

## Leadership and Governance

One of the goals of the Transformation Strategy 2018 – 2020 was to build robust corporate governance. The refinement of the Namaf governance framework established and perpetuated efficiency in the organisation, thereby ensuring the achievement of organisational goals for the strategy period.

The establishment of two new sub-committees, namely the Clinical and Coding Committee and the Statutory Affairs and Risk Management Committee, as well as the modification of the Terms of Reference of all sub-committees, enabled the attainment of this objective. In addition, the membership of the sub-committees was revised, with the Management Committee

(MC) recruiting individuals based on their skills and expertise in line with the mandates of the various sub-committees. Finally, the chairmanship of all sub-committees was moved to an MC representative, thereby ensuring a more efficient reporting and recommendation process to the MC.

During the Annual General Meeting in July 2020, the representatives of all eight medical aid funds (MAFs) constituting Namaf elected a new MC. As per section 13 of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995) (hereafter referred to as the MAF Act), MAFs with more than 2,000 members nominated two authorised representatives, while MAFs with fewer than 2,000 members nominated one authorised representative. These representatives constituted the electoral college eligible to elect seven individuals from amongst themselves to serve as the MC of Namaf. In keeping with the provision of section 11 that the Association must consist of

registered funds in Namibia, the MC resolved to co-opt authorised representatives from the funds, which did not manage to secure a place through the electoral process, as non-voting MC members.

## Key Strategic Performance Highlights

The annual plans for 2018 – 2020 enabled Namaf to operate in a focused and systematic manner towards the implementation of the Transformation Strategy. The secretariat achieved an average rating of 88.2% for 2018, 94.2% for 2019 and 85.2% for 2020 for the Transformation Strategy in its performance management report, indicating that Namaf was able to carry out most activities.

The establishment of the Statutory Affairs and Risk Management Committee empowered the development of a Namaf Enterprise Risk Management Framework and Policy. This policy, which will be reviewed on an annual basis, established the organisational risk management methodology and risk categorisation. Namaf enterprise risk management methodology and assessment are maturing, with the maturity level of enterprise risk management set at level 3 on a scale of 1 to 5, as assessed in the 2018 – 2020 strategy review.

The Namaf Statutory Affairs and Risk Management Committee advises the MC on the overall system of risk management.

The Namaf Enterprise Risk Management Framework has enabled the organisation to improve its performance in key functions in relation to legal services and drivers of healthcare inflation. It involves people at every level and requires applying a view of risk across the Association. By embedding risk management techniques in day-to-day operations, Namaf was better equipped to identify events affecting its objectives and managed risks in ways that were consistent with its strategic actions.

The appointment of various clinicians to the Clinical and Coding Committee resulted in the approval of a relevant coding structure. The Clinical and Coding Committee dealt with clinical coding, including annual coding changes, where changes to tariff codes could involve the addition of new codes, removal of obsolete codes and/or revision of existing codes.

The International Classification of Diseases and Related Health Problems (ICD) is the international standard for facilitating and organising the communication of a diagnosis of a patient condition. Namaf introduced the diagnostic codes ICD-10 Phase 1 as a necessary step to improve the mitigation of fraud, waste and abuse within the medical industry in Namibia. The implementation is a multi-stage process and will be dealt with in several phases.

## Challenges

In terms of section 10 (3) of the MAF Act, Namaf's statutory objective is to control, promote, encourage and co-ordinate the establishment, development and functioning of medical aid funds in Namibia. Despite these regulatory powers, the MAF Act has, over time, proven to be functionally inadequate. To address the mischiefs, the MC approved draft regulations in terms of section 44 of the MAF Act, and facilitated a stakeholder consultative process and external legal review before submission to the Minister of Finance. To firm up the mandate of Namaf as a clinical governance regulator of registered MAFs, a legislative reform process will be embarked upon as a thrust of the 2021 – 2023 strategic circle.

On 17 March 2020, a countrywide lockdown of social and economic activities was implemented in response to the COVID-19 pandemic. The pandemic had a huge impact on the health system and its funding, and resulted in employee pay cuts and retrenchments. Nonetheless, many MAF members opted to retain their medical aid cover. The full impact of the COVID-19 pandemic on Namaf, on the lives of MAF members, on the general public, and on the economy and the funds that we regulate, will continue to be monitored going forward.

We achieved an average rating of 88.2% for 2018, 94.2% for 2019 and 85.2% for 2020 in our performance management report for the Transformational Strategy, indicating that we were able to carry out most activities.



## Outlook and Future Plans

Namaf will continue with its extensive plans to become an effective and efficient regulator. The sustained effectiveness and efficiency of Namaf as a regulator is dependent on several initiatives that will be undertaken soon. These initiatives include:

- a) The finalising and publishing of section 44; and
- b) The continued strengthening of the sustainability of the healthcare industry through unpacking of drivers of healthcare inflation and strengthening its mitigating tools.

It is our belief and considered view that Namaf will continue operating as a regulator of clinical supervision for medical aid funds and there is legislation supporting its regulatory activities, irrespective of Financial Institutions Market (FIM) Bill.

## Appreciation

I would like to voice my deepest appreciation for His Excellency, the President Dr. Hage Geingob, for assigning his special advisors Ms. Inge Zaamuani-Kamwi and Ms. Penny Akwenye to hear our plea to address key principles and challenges in Namibia's healthcare system and funding.

In addition, I would certainly be remiss if I did not express

Much remains unknown about how the health and economic impact of Covid-19 will impact levels and sources of health financing. Based on what is currently known and projected and depending on how the "hammer and dance" between new infections and the extent of lockdowns evolve across Namibia, the economic shock may continue into 2021 or even longer; considerable uncertainty remains and is likely to be higher.

my thanks to Her Excellency, Monica Geingos, for her support in understanding the challenges confronting the healthcare industry in Namibia. I would also like to thank newly appointed Honourable lipumbu Shiimi, Minister of Finance, for his support and helping to shape the legislative environment that will enable Namaf to make great strides in 2021. I sincerely thank the Honourable Minister of Health and Social Services, Dr. Kalumbi Shangula, for his support as we navigated through the uncertainties created by the pandemic.

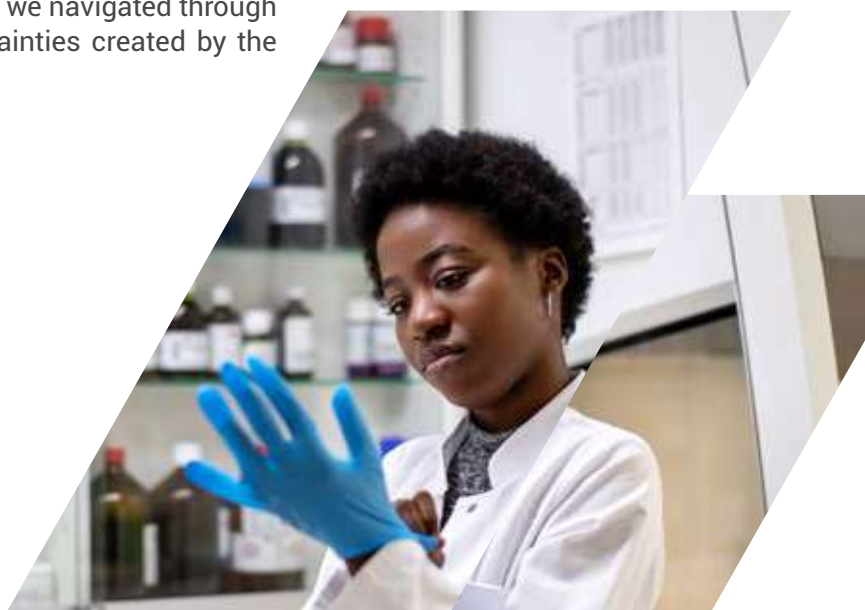
My gratitude also goes to our CEO and his team for their dedication to shape Namaf into a major industry player by implementing the 2018 – 2020 Transformation Strategy. We look forward to ongoing cooperation and collaboration as they assist Namaf to effectively and efficiently deliver on its mandate.

In closing, I wish to thank my fellow Management Committee members for their commitment and expertise in delivering on their fiduciary responsibility and ensuring good governance. I am confident that they will continue to navigate Namaf into an increasingly bright future.

**Ms. Lea Namoloh**



Chairperson





+ Mr. Stephen Tjiuro  
'LMIJ )\IGYXMZ





# 1.2 Chief Executive<sup>+</sup> Officer's Report

If we were to weed out all of the unnecessary stuff, make sure medical aids are well resourced and maintaining that liquidity, then premiums will go down.

As the executive leader of the Namibian Association of Medical Aid Funds, it gives me great pleasure to present the 2020 Namaf Annual Report covering the end of the 2018 – 2020 Transformation Strategy. Namaf leadership succeeded in striking a balance between using resources optimally and consulting with stakeholders in the execution of its mandate.

The period under review also saw the management of reputational risk being prioritised as a key strategic risk, as identified by the climate survey conducted in 2017. To that end, Namaf ensured that its engagement with stakeholders was transparent, timely and delivered relevant education and training to the industry. Since Namaf's staff members are also classified as key stakeholders, Namaf took an inward approach as well by introducing an internal culture-change initiative. Implementing

an effective change management programme together with further culture change initiatives will be a priority in the next strategy. This enabled Namaf to achieve the following key milestones during the reporting period:

- a. Development of PCNS rules and guidelines for practice number applications and renewals in line with existing legislation which regulates healthcare facilities, private hospitals, healthcare professionals and foreigners wishing to practice in Namibia.
- b. Audit of all active practice numbers to ensure completeness of information on file/record.
- c. Development and implementation of the automated practice number system.
- d. Development of procedure code and inflation submission guidelines and formal

processes. This was shared with the industry to create awareness and increase participation from industry.

- e. Review of the inflation model and changes to the inflation factors to allow increases of utilities of several urban areas in Namibia, yet only the Windhoek urban areas were taken into account.
- f. Roll-out of various coding projects over the 3 years, with a proactive approach applied in terms of reviewing, updating and maintaining the procedural coding schedules to ensure relevancy. This, however, will always be an ongoing concern due to the changes in the medical industry with respect to new technology, innovation and techniques to treat patients.
- g. Roll-out of Phase 1 of the ICD-10 coding system.
- h. Approval of quarterly claims trend analysis reports, and

the addition of information to assist the various sub-committees and MC to make more informed decisions.

- i. Two-day drivers of healthcare inflation workshop with presentations made to the Board of Trustees of MAFs to increase insight into the industry and challenges. The Health Professions Council of Namibia (HPCNA), the Public Service Employee Medical Scheme (PSEMAS) and the Namibia Financial Institutions Supervisory Authority (NAMFISA) were also invited to attend the workshop.
- j. Continued and coordinated stakeholder engagement to strengthen relationships. Training initiatives improved knowledge and understanding among stakeholders and brought to light areas that require further interventions to minimise waste, abuse and fraud in the industry.

## Operational challenges

The 2018 – 2020 Transformation Strategy highlighted the challenges resulting from not having a clear regulatory framework, which hampered the Association from delivering its core mandate. The current regulations were promulgated on 11 February 1997 and have been in existence since. Upon coming into effect, the Financial Institutions and Markets Act, 2020, will promulgate new standards, repealing all other provisions relating to the Registrar under the current 1997 regulations. Over the years, the current regulations have proven to be inadequate for Namaf to

achieve its statutory objects as set out in section 10 (3) of the MAF Act, namely to control, promote, encourage and co-ordinate the establishment, development and functioning of funds in Namibia.

Whereas for purposes of achieving its objects, section 12 of the MAF Act provides for the powers of Namaf, the current regulations do not provide for the following powers:

- a. How matters affecting members of funds are to be resolved; and
- b. Determination of subscription fees payable by registered funds to Namaf.

Whereas section 13 of the MAF Act provides for the election of the Management Committee (MC), the regulations do not provide for the following:

- a. The conduct of such election of the Management Committee and all matters incidental thereto; and
- b. The role of the Minister, both during and after the election of members of the Management Committee.

Over time, understanding of Namaf's mandate has become clearer and as such, the current regulations do not provide for:

- a. Determination of fees for allocation and maintenance of practice numbers, benchmark tariffs and guidelines; and
- b. Provision of healthcare claims data by all registered funds to Namaf.

Whereas regulation 6 (g) in its current form provides for the coding structure, there is need to clarify which codes are contemplated therein. As part of the consultation process, the industry was invited to make comments or written representations. The comments and representations received will be considered as valuable input to the draft regulations. Once finalised, the draft regulations will be submitted to the line Minister.

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Namaf ensured that its engagement with stakeholders was transparent, timely and delivered relevant education and training to the industry.

## Looking ahead 2021

The Transformation Strategy 2018 – 2020 brought clarity to our valued stakeholders about the role of Namaf within the health funding industry, as recorded in the 2020 stakeholder survey report. The survey feedback will support Namaf in paving the way for the next wave of its continued development and positive national reputation and impact within the healthcare industry.

One of Namaf's future undertakings will be to create a healthy and resilient national healthcare ecosystem with a positive outlook on long term sustainability, held



together by a spirit of trust and mutual collaboration among all role players. The introduction of ICD-10 Phase 1 will pave the way for the second phase, which will require the compulsory submission of ICD-10 codes in order for a healthcare provider's claim to be valid and, consequently, paid out. The introduction of the Namibia medicine price file and coding structure for medicine and surgical consumables will create certainty in the industry and enable Namaf to access full health episodes of patients. Once they come into effect, the Namibia price file for medicine and ICD-10 codes will represent compulsory industry standards that all healthcare providers are legally required to use when interacting with medical aid funds.

### Acknowledgement

As we welcome the new Finance Minister, Honourable Ipumbu Shiimi, our sincere gratitude goes to the former Minister of Finance, Honourable Calle Schlettwein, for his visionary leadership. My whole-hearted appreciation also goes to Honourable Dr. Kalumbi Shangula, the Minister of Health and Social Services, and his staff, as well as medical aid funds and their principal officers and administrators. In addition, we could not have reached our goals without the direction and guidance of the Namaf Management Committee under the ingenious leadership of outgoing chairperson,

Mr. Benny Amuenje, and, new chairperson, Ms. Lea Namoloh, who took office midway through the reporting period.

I am grateful for the cooperation and support of Team Namaf as we continue to pursue our mandate to effectively provide sound advice to the Minister of Finance. My colleagues and I are committed to ensuring that we attain Namaf's mission to enable the optimum functionality of the Namibian private healthcare industry to maximise value for the beneficiaries of medical aid funds.

Mr. Stephen Tjiuro



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The introduction of the Namibia price file and coding structure for medicine and surgical consumables will bring certainty in the industry and enable Namaf to have full health episode of patient.



# 1.3 Strategic<sup>+</sup> Overview



## Vision:


To be a recognised leader in the provision of a conducive environment for a sustainable private healthcare funding industry.



## Mission:

To enable the optimum functionality of the Namibian healthcare industry to maximise value\* for beneficiaries of medical aid funds.





**\*Value =**  
cost/quality, where quality  
is a combination of  
(1) structure (access);  
(2) processes; and  
(3) outcomes.

# 1.4 Legislative and Other Mandates

The Namibian Association of Medical Aid Funds (Namaf) is a statutory body, established under the provisions of section 10 of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995) (the MAF Act). In terms of section 10 (3) of the MAF Act, Namaf's statutory object is to control, promote, encourage and co-ordinate the establishment, development and functioning of funds in Namibia.







Namaf's core functions are:

**a. Promote:**

Training and education of internal and external stakeholders is central to promoting the establishment, development and functioning of medical aid funds in Namibia.

Internal education and training of MAFs and healthcare providers (HCPs) creates understanding of rules and regulations, policies and procedures, as well as the roles and responsibilities of the different industry players. This awareness enables compliance, as well as good clinical and corporate governance and optimal functioning in the claims management system and tariff benchmarking process. Engaging and communicating with medical aid members and the general public regarding the basic functioning of MAFs and Namaf's role to protect consumer interests encourages the responsible use of medical aid funds' resources and reduces the risk of fraud, waste and abuse.

Therefore, internal and external training creates stability and sustainability within the industry for the benefit of all stakeholders

**b. Coordinate:**

Namaf acts as a stakeholder coordinator by connecting and facilitating communication between MAFs, HCPs and other key industry stakeholders. This industrywide stakeholder engagement creates awareness and understanding of the issues facing the industry, allows stakeholders to interact with each other, and to give input into decision-making processes that inform policy, and contributes to an effective system.

Through its role as a functional coordinator of the industry, Namaf ensures that there is no overlap or duplication between the roles and functions of different stakeholders.





## Namaf's core functions are (continued):

### c. Control:

Setting standards, providing guidelines on industry best practice, and publishing and enforcing regulations is central to effectively controlling the industry as a whole and HI ¼ RMRK XLI IRZMVSRQIRX and HCPs operate. This framework must complement other legislative instruments within the industry to ensure an effective overall system.

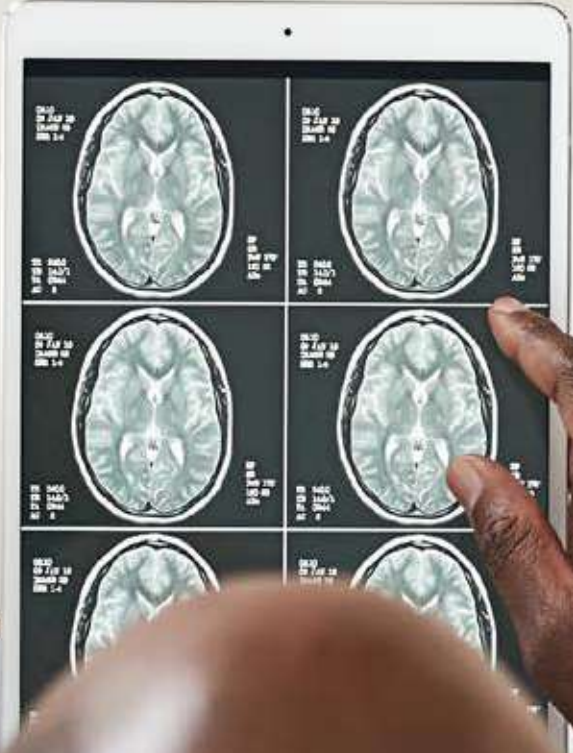
As part of the control function, Namaf, in consultation with the line Minister, is responsible for policy formulation and industry compliance in terms of section 44 of the Medical Aid Funds Act.

### d. Encourage:

Namaf encourages compliance through engaging stakeholders in the process of formulating rules, regulations, policies and procedures. This increases stakeholder buy-in, support and participation and ensures a stable industry with a clear sense of direction. Through its role in the industry, Namaf also plays a vital part in amending national laws and guiding government policies.

Although Namaf is not involved in the day-to-day operations or the benefit structures of MAFs, it encourages optimal and coordinated functioning of MAFs, which includes streamlined and standardised processes and procedures, centralised data analyses, and maintenance of tariff and procedure codes.

For achieving the above objectives, section 12 of the MAF Act empowers Namaf to consider "any matter affecting medical aid funds or the members of such funds and make representations or take action in connection therewith, as it may deem advisable." This section further provides that Namaf may "generally, do anything that is conducive to the achievement of its objectives and the exercise of its powers, whether or not it relates to any matter expressly mentioned in the section."





# 1.5 Key Partners: + Government Ministries, Regulatory Bodies and Associations

## 1.5.1 Ministry of Finance

In terms of the Medical Aid Funds Amendment Act, 2016 (Act No. 11 of 2016), the Minister of Finance is responsible for the administration of the Medical Aid Funds Act, and is therefore, the oversight and line Minister of Namaf. In terms of section 20 (3) of the MAF Act, the Namaf Management Committee must provide the Minister with audited financial statements and activities of Namaf and other information as the Minister may from time to time require after the end of each financial year. During the reporting period, Namaf convened awareness and strategic meetings with the current Minister of Finance.

## 1.5.2 Ministry of Health and Social Services (MoHSS)

The Ministry of Health and Social Services is mandated to oversee and regulate public, private and non-government organisations in the provision of quality health and social services, ensuring equity, accessibility, affordability and sustainability of the services provided.

The MAF Act was created under the auspices of the then Minister of Health and Social Services to provide a legal framework within which Namaf and MAFs would operate. The Ministry of Health and Social Services is responsible for national healthcare policies and Namaf is responsible for financing the delivery of products and services in line with those healthcare policies, thereby assisting the Ministry of Health and Social Service in addressing sustainability of healthcare.





























































































































































