

Medical aid claims up 1

The medical association says Namibia's private healthcare is heavily leaning towards specialist and hospital-based care as opposed to a primary oriented approach.

• THERESIA TJIUORUNA

THE Namibian Association of Medical Aid Funds has expressed concern over the 16,49% increase in claims paid out to healthcare service providers over the past 12 months, saying this will not be sustainable over the long term.

The chief executive officer of Namaf, Stephen Tjiuoro, said the increase was considerably higher than the country's average inflation rate of 7% over the corresponding period.

He told a press conference in Windhoek yesterday that the pattern of behaviour of medical aid fund members and service providers should be addressed to contain healthcare costs, and keep medical aid premiums at reasonable levels.

The association revealed that over 89 274 families were currently covered by medical aid funds countrywide, with 194 588 beneficiaries. Namaf also revealed that claims of N\$3,8 billion were received in 2016, and of that amount, about N\$2,9 billion was paid out.

Tjiuoro added that hospital claims constituted 33% of the total claims, while 17% were from pharmacies. Specialists constituted 11% of claims, while general practitioners claimed 10%.

The private sector was also heavily leaning towards specialist and hospital-based care, as opposed to a more primary care-oriented approach.

"Claims paid to hospitals increased by 25,4%, of which 43,3% is due to an increase in utilisation. The association also revealed that payouts to specialists went up by 19,28%," Tjiuoro stated.

Namaf commissioned a study of claim

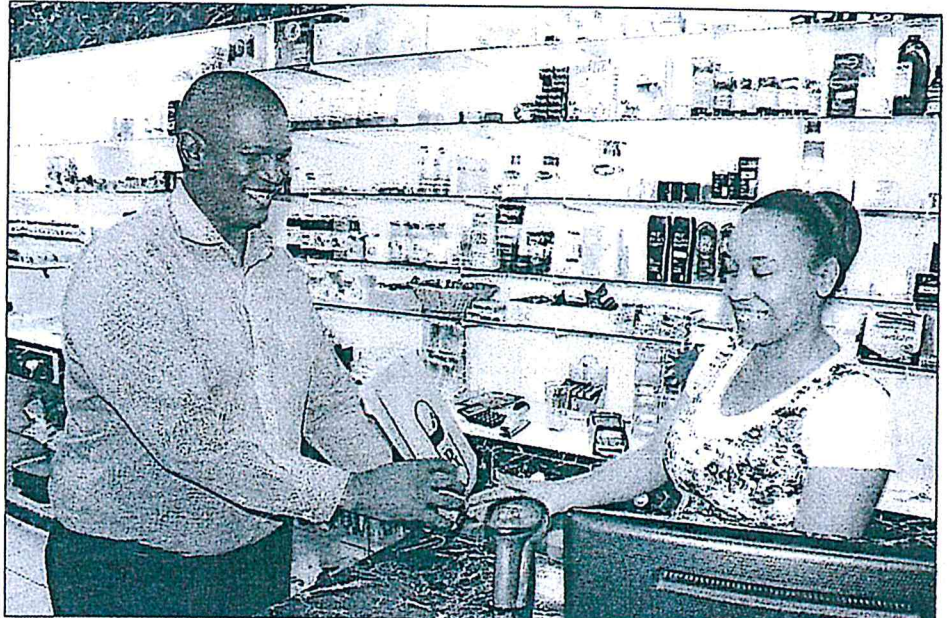


Photo: Henry van Rooi

ON THE RISE ... Namaf says pharmacies account for 17% of total medical claims over the past few months.

trends to determine the cause of the increases, and to provide a factual breakdown of cost drivers in the sector before embarking on a turnaround strategy towards restoring an affordable and sustainable private healthcare funding system.

The results of the study, by risk management firm Willis Towers Watson, revealed various trends. A portion of the increases was attributed to an increase in membership of Namaf-affiliated funds by 4,55% since June 2016.

Tjiuoro said after taking into account the growth in membership, the costs of submitted claims increased by 5,8%, while the cost claim payments increased by 12,65%, representing a significantly bigger percentage than previous years.

The association said before taking into account the impact of increases in the costs associated with medicines and consumables, the cost of benefits paid out by medical aid funds affiliated to Namaf increased by 18%.

"The fact that 3,49% of this increase is at-

tributed to a growth in membership is positive. The net increase was 15%, which contrasts an average increase in the Namaf benchmark tariffs of 7,68%," Tjiuoro stated.

These trends could be attributed to different reasons, including that younger and healthier members opted out of the system until such time that they felt they needed cover; healthcare consumers becoming increasingly educated and demanding more healthcare; improved technology which is increasing the availability of treatment options, as well as making previously untreatable conditions treatable.

Other factors included the increased prevalence of lifestyle-associated diseases, such as diabetes and hypertension.

Tjiuoro noted that Namaf intended to conduct nationwide awareness campaigns aimed at changing cost-driving behaviour patterns of medical aid funds' members, over-servicing, and the excessive utilisation of high cost procedures and technology generated by providers.