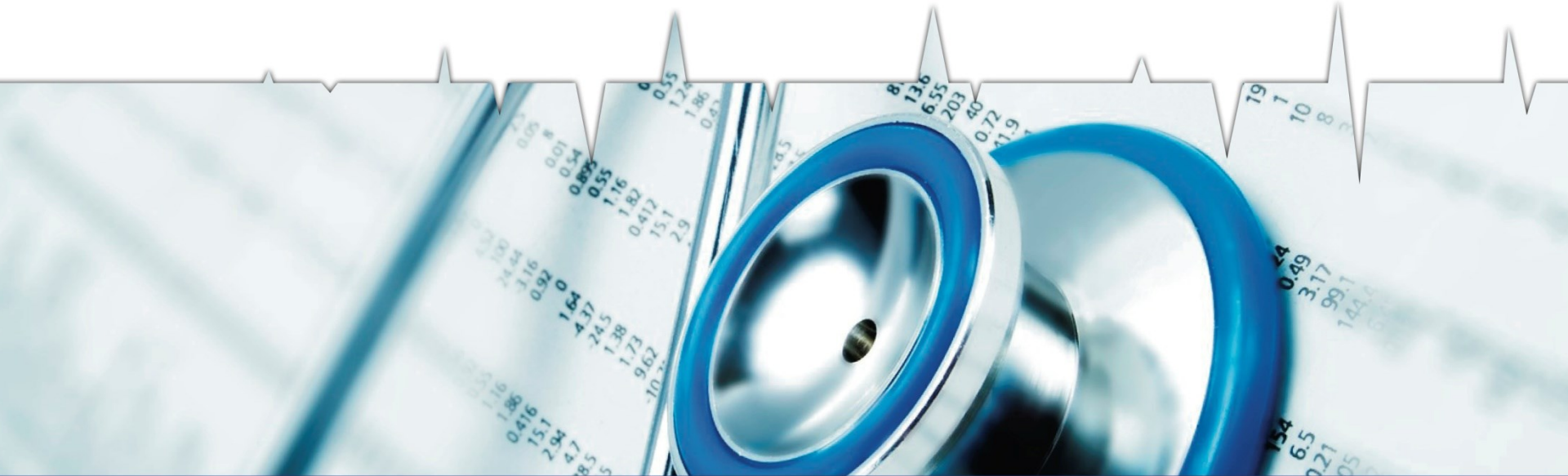


THE COUNCIL FOR MEDICAL SCHEMES

ANNUAL REPORT

2014/15



15 YEARS ON THE PULSE



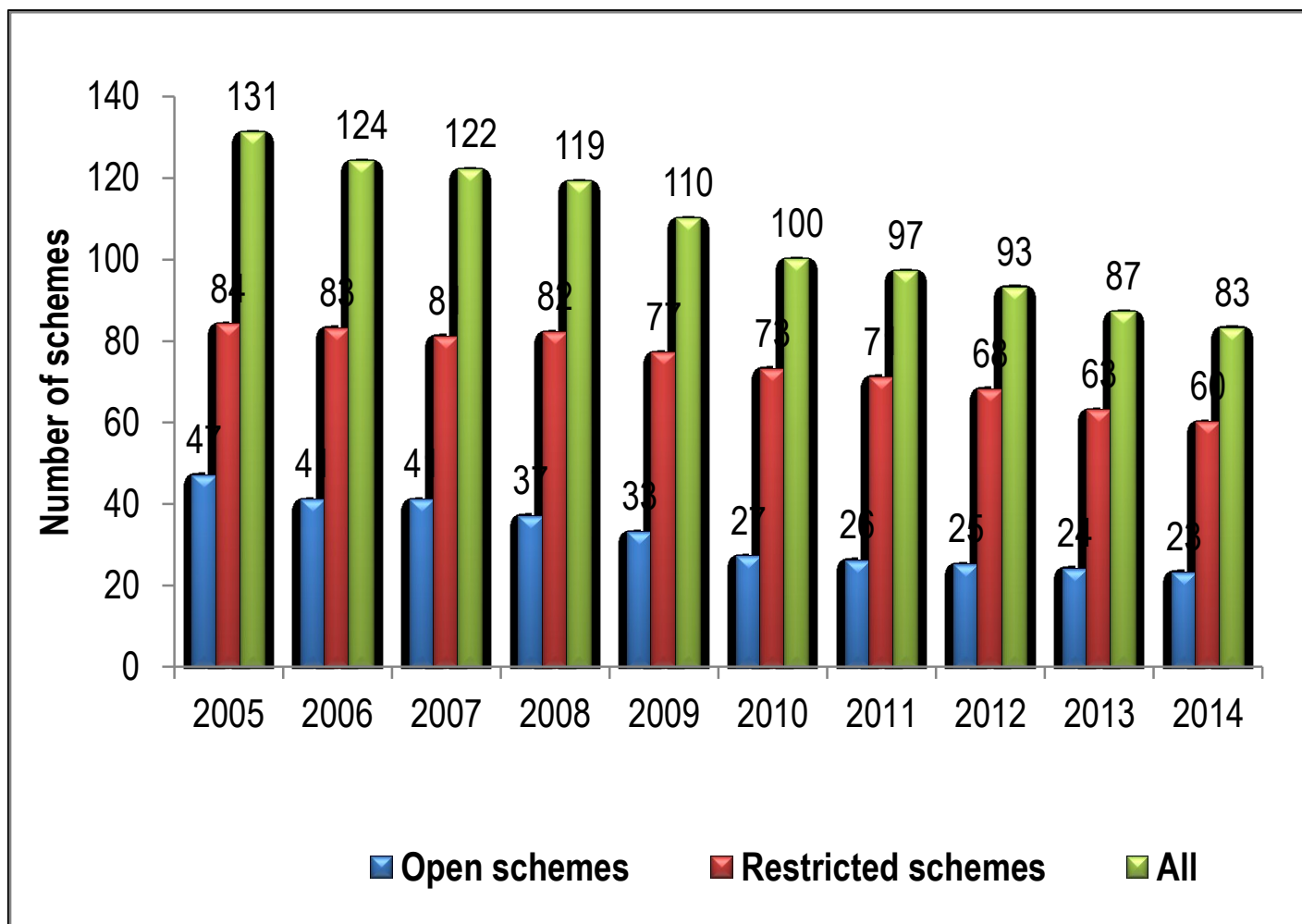
Membership and Utilisation

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GENERAL MANAGER: RESEARCH AND MONITORING
SEPTEMBER 2015

Outline

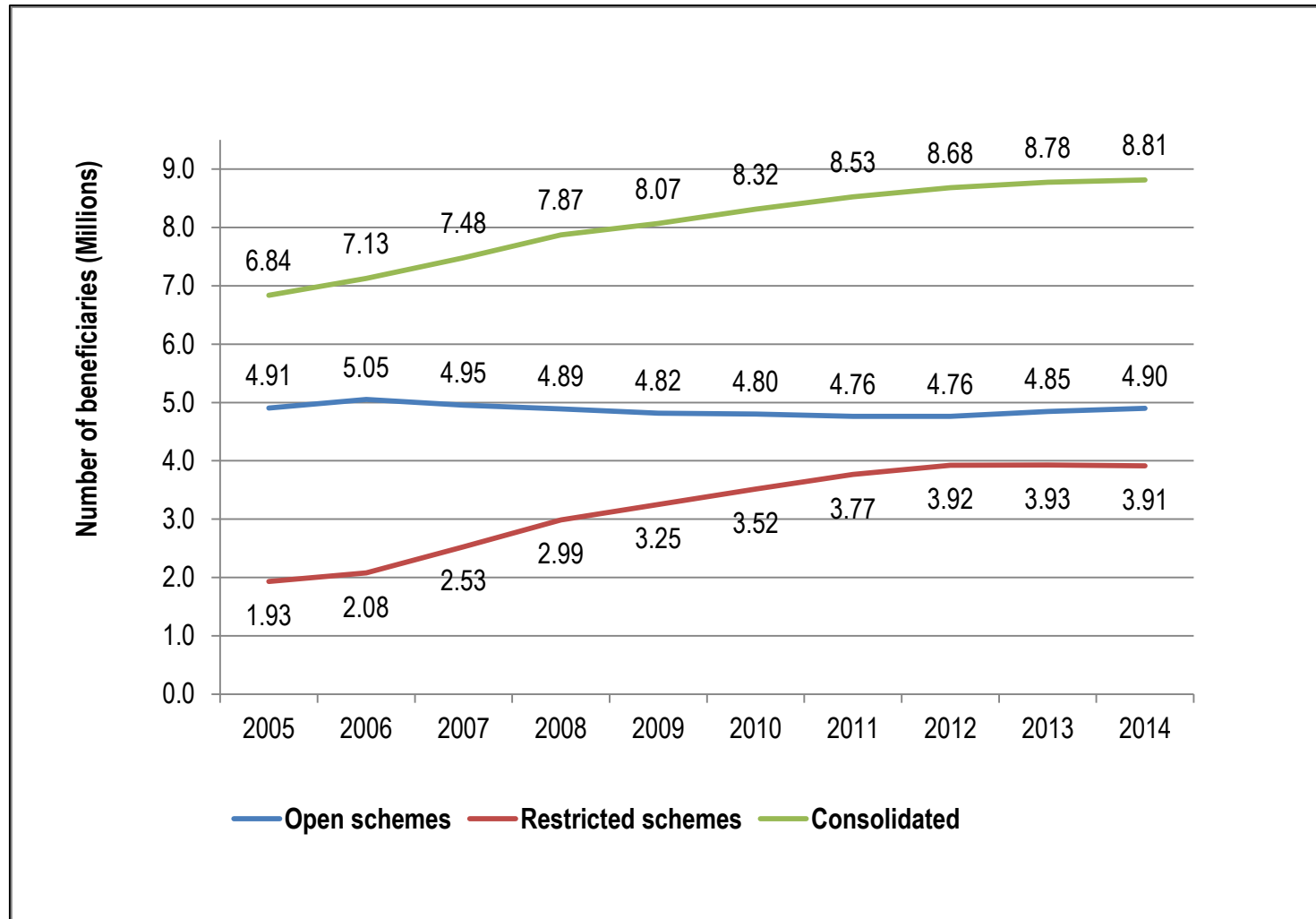
1. Membership and Number of Schemes
2. Utilisation data
3. The cost of the PMB's
4. Managed Care
5. Resources and Membership
6. Conclusions

Trend in the number of schemes



Consolidation: Small-sized restricted schemes
144 Schemes in 2000

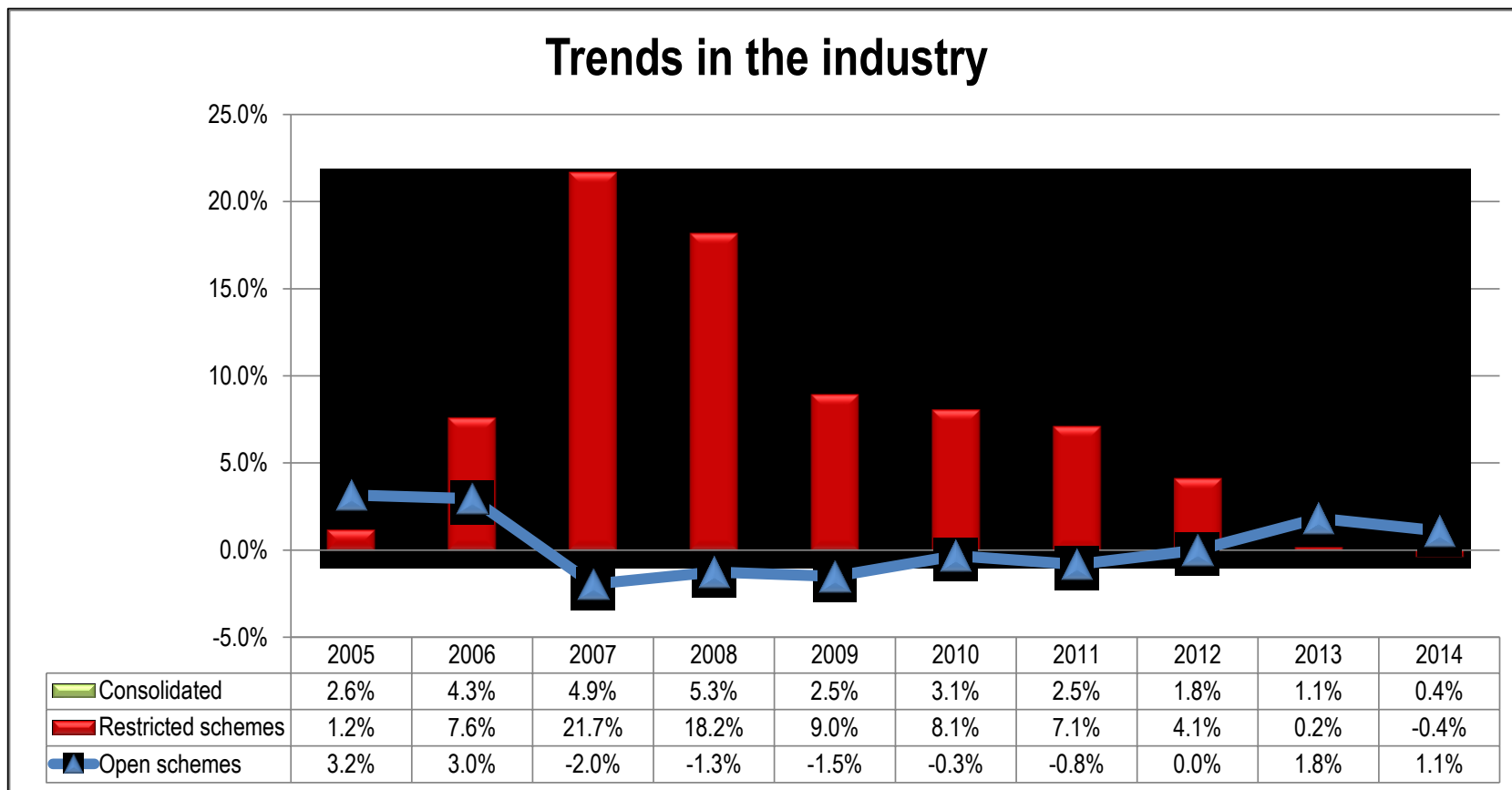
Trend in membership



Growth: 0.4% (8.78 million to 8.81 million)

Negative growth in the restricted schemes

Percentage growth in membership: 2005 - 2014

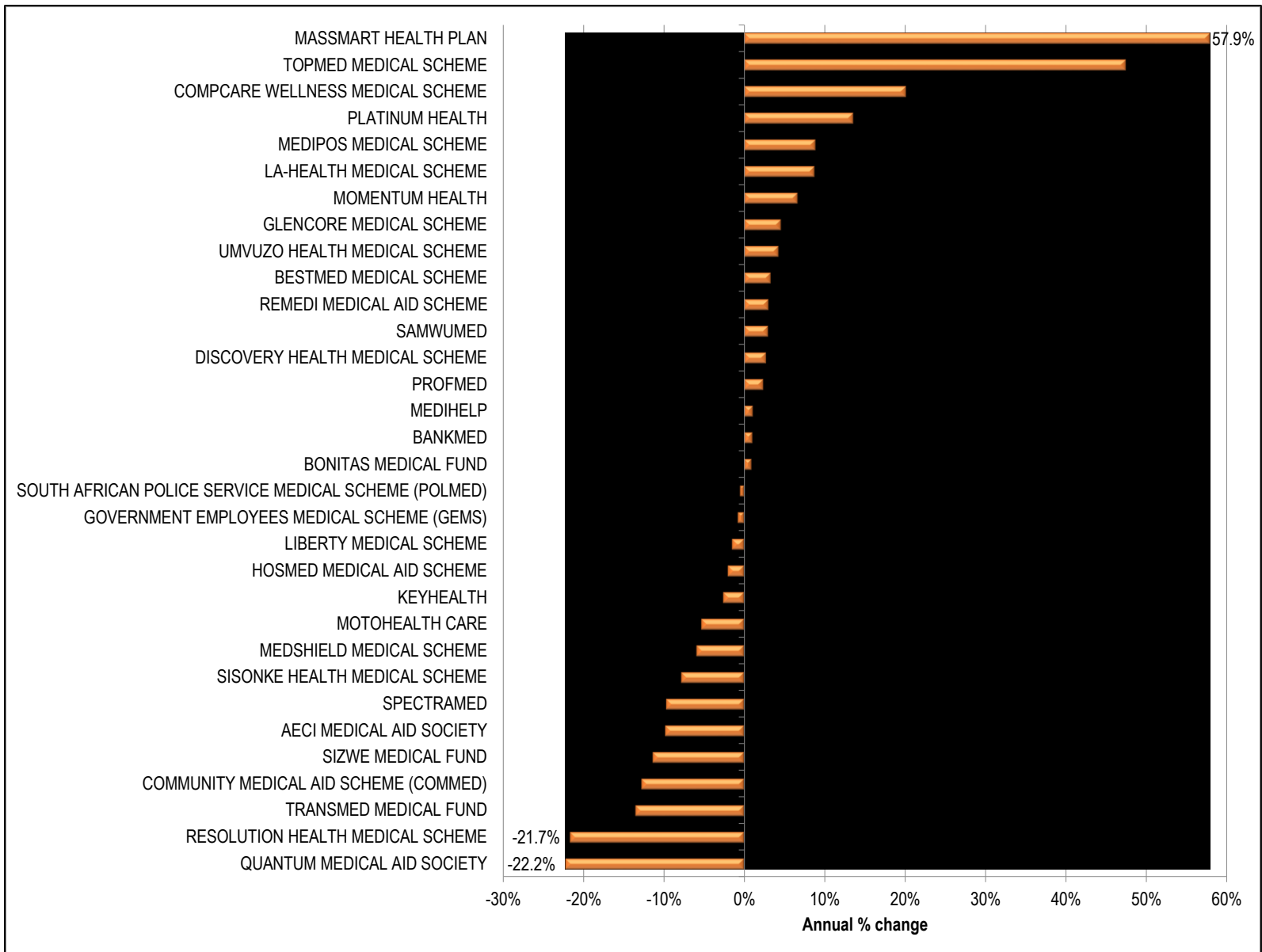


- Since 2010 industry growing at a decreasing rate
- Growth is almost flat

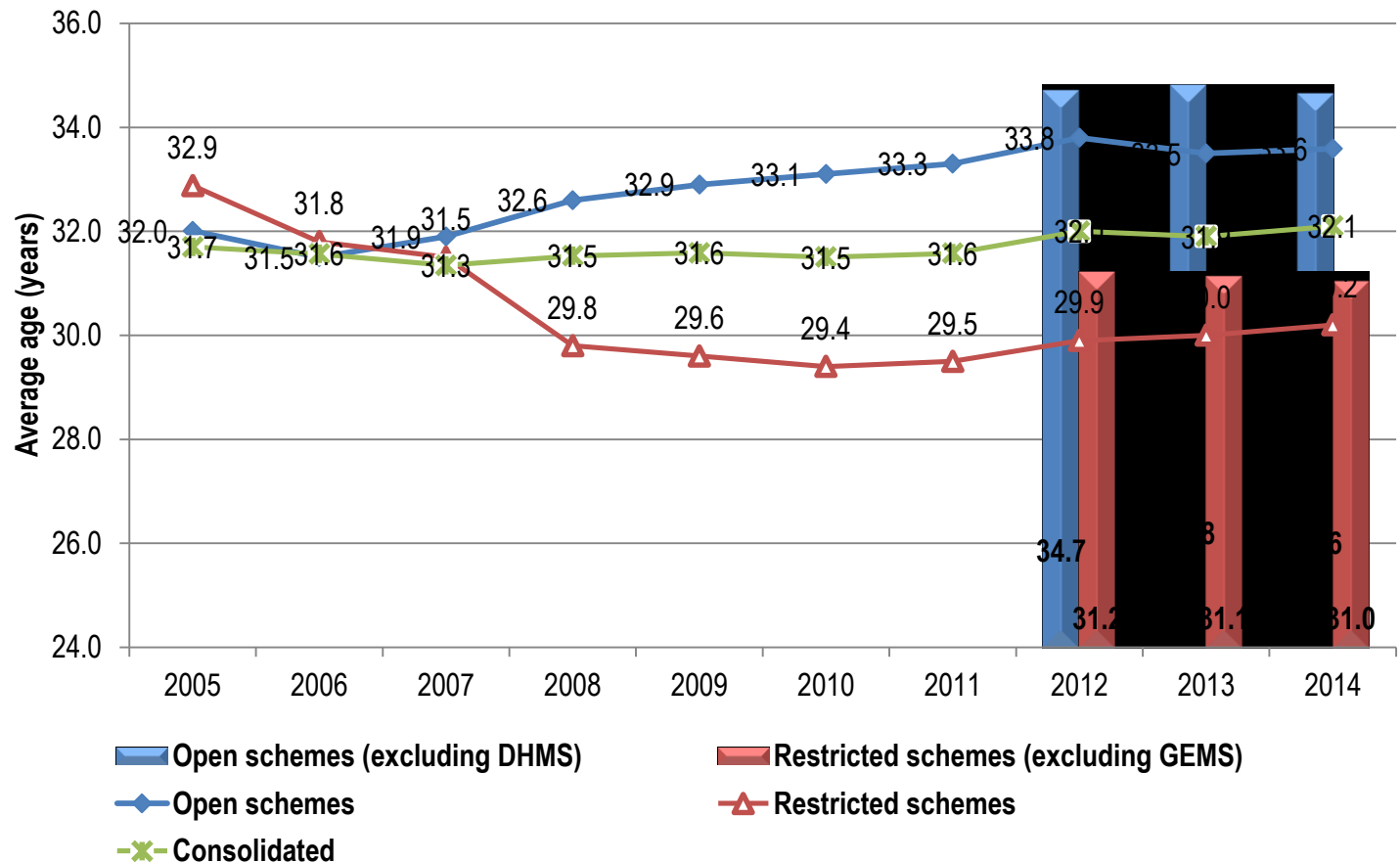
Membership: Impact of DHMS and GEMS

Year		2013	2014	Annual Change	+ / -
Consolidated		8 776 279	8 814 458	0.4%	
Open		4 846 909	4 899 975	1.1%	
	Open excl DHMS	2 282 596	2 265 156	-0.8%	↓
Restricted		3 929 370	3 914 483	-0.4%	↓
	Restricted excl GEMS	2 076 118	2 076 284	0.0%	
DHMS		2 564 313	2 634 819	2.7%	
GEMS		1 853 252	1 838 199	-0.8%	↓

Winners and losers



Trends in Age



Average age: 32.1 years

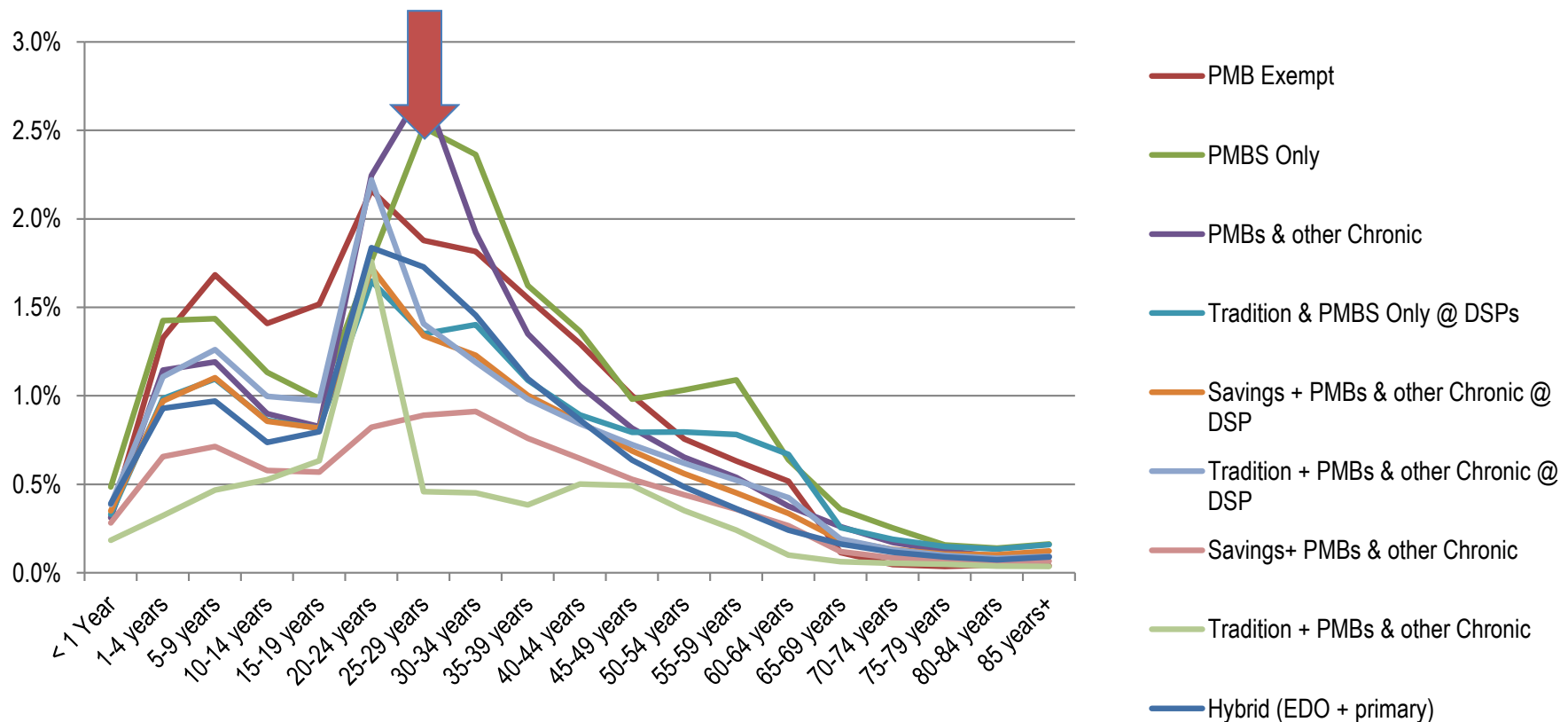
PMB/Healthcare cost can increase without an increase in the average age

Classification of Benefit options

Benefit option type	Number of benefit options			Proportion of Beneficiaries
	Open Schemes	Restricted Schemes	All schemes	
Traditional + PMBs & other Chronic @ DSP	34	59	93	35.2%
Hybrid (EDO + primary)	19	-	19	20.7%
Savings + PMBs & other Chronic	12	1	13	12.9%
Savings+ PMBs & other Chronic @ DSP	38	40	78	12.8%
Traditional + PMBs & other Chronic	1	5	6	6.0%
Traditional & PMBS Only @ DSPs	7	10	17	5.8%
PMBs & other Chronic	23	9	32	5.4%
PMB Exempt	-	9	9	0.8%
PMBS Only	3	2	5	0.4%
Total	137	135	272	100.0%

- Most common type of option offered by the schemes is the traditional option with DSP arrangements.
- The second most popular was the new savings option with DSP arrangements.
- Average number of options per scheme: Open = 6; Restricted = 2.3; Consolidated = 3.3

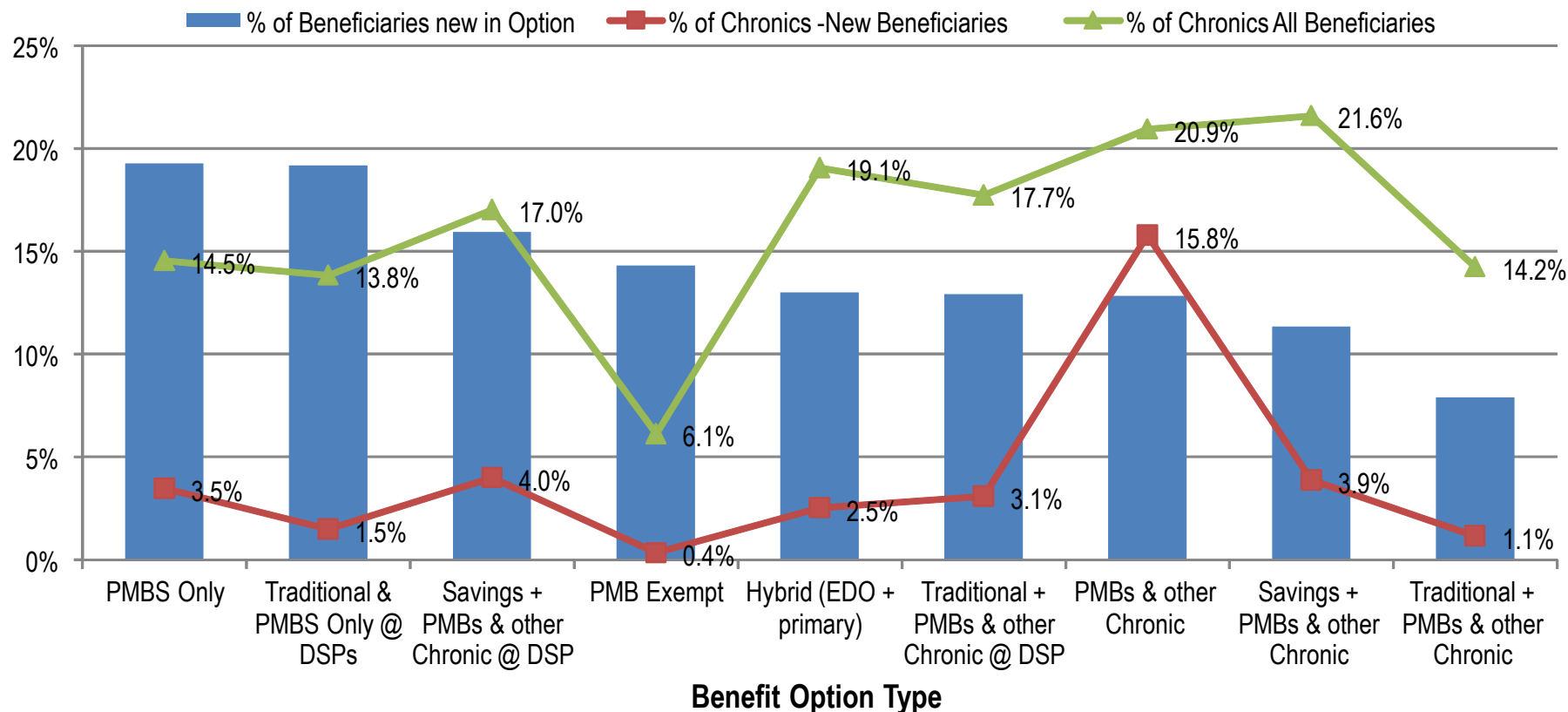
Proportion of beneficiaries exiting by benefit option type



Loss of membership: < 35 years

Hybrid (EDO + primary): Primary option and efficiency discount option

Chronic conditions among old and new beneficiaries in 2014



Highest proportion of new beneficiaries: PMBs Only and Traditional plus PMB and other chronic at DSP
 Approximately 18% beneficiaries on chronic medicine

Utilisation

Old system

Poor quality data submitted by medical schemes:

- Manual data entry (prone to data entry errors)

- Labour intensive

- Weak validation rules and vague indicator definitions

- Expansion of the utilisation section limited by current technology

- Limited indicator set

New system (DDDR, Project Lion)

Insight Actuaries and Consultants was appointed to assist CMS with the development of the new utilisation specification

Industry workshops

The new/retained indicators:

- Appropriate
- Relevant
- Properly and unambiguously defined
- Consistently available in good quality in most/all South Africa medical scheme administration platforms

Avoid big bang approach

Healthcare benefits paid

Total Healthcare benefits paid

R124.1 billion	R111.7 billion in 2013	11.1% increase
R14 185 pabpa	R12 892 pabpa in 2013	10% increase

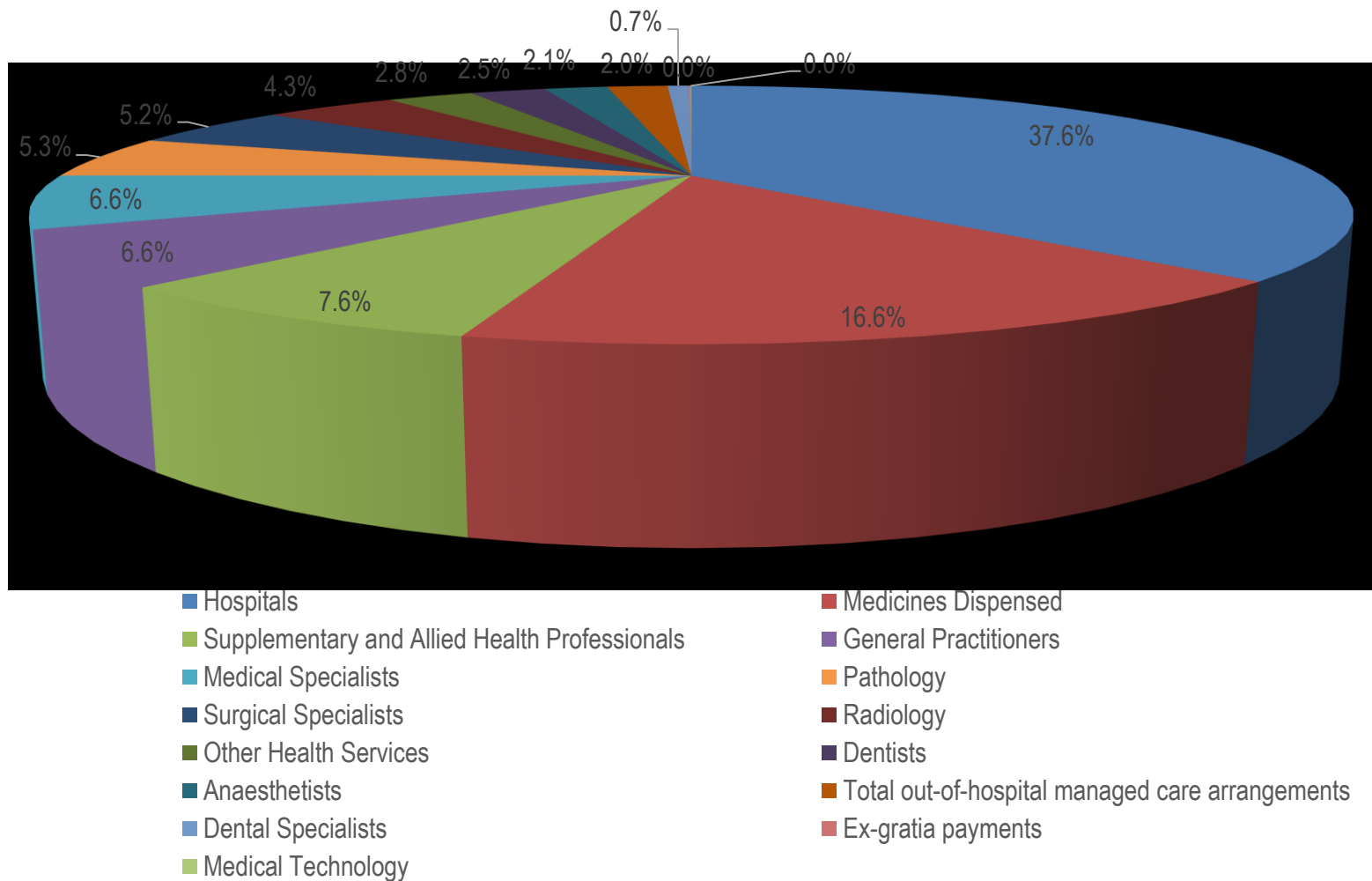
Healthcare benefits paid from risk pool

R111.8 billion	R100.7 billion in 2013	11.1% increase
R12 783 pabpa	R11 616 pabpa in 2013	10.1% increase

Benefits paid from savings

R12.3 billion

Total Benefits paid per discipline



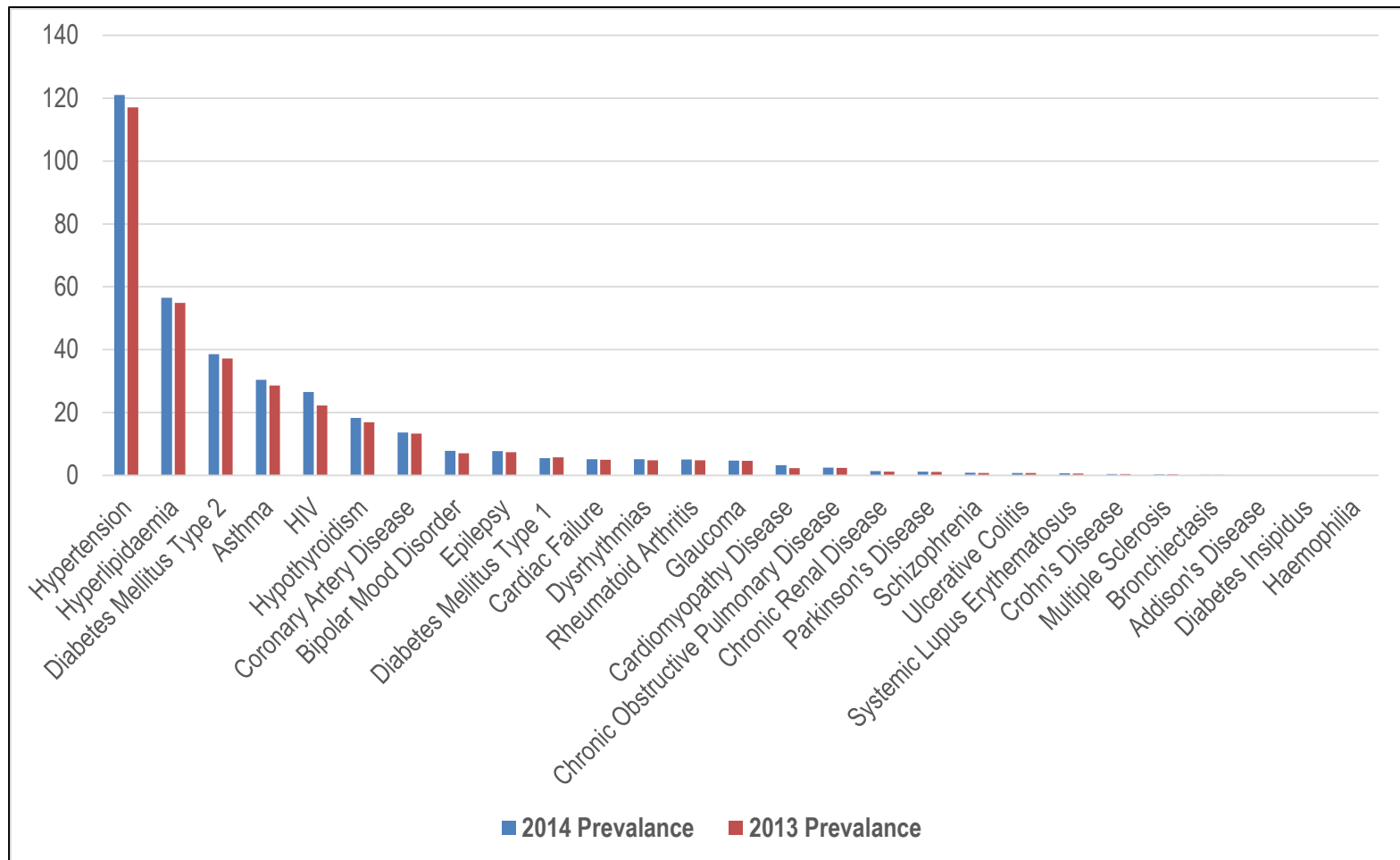
All Specialists: 23.5% (5 categories)

Total Benefits paid to Specialists

All Specialists: 23.5%

- Anaesthetists: 2.07%
- Pathology : 5.32%
- Radiology: 4.31%
- Medical Specialists : 6.61%
- Surgical Specialists: 5.2%

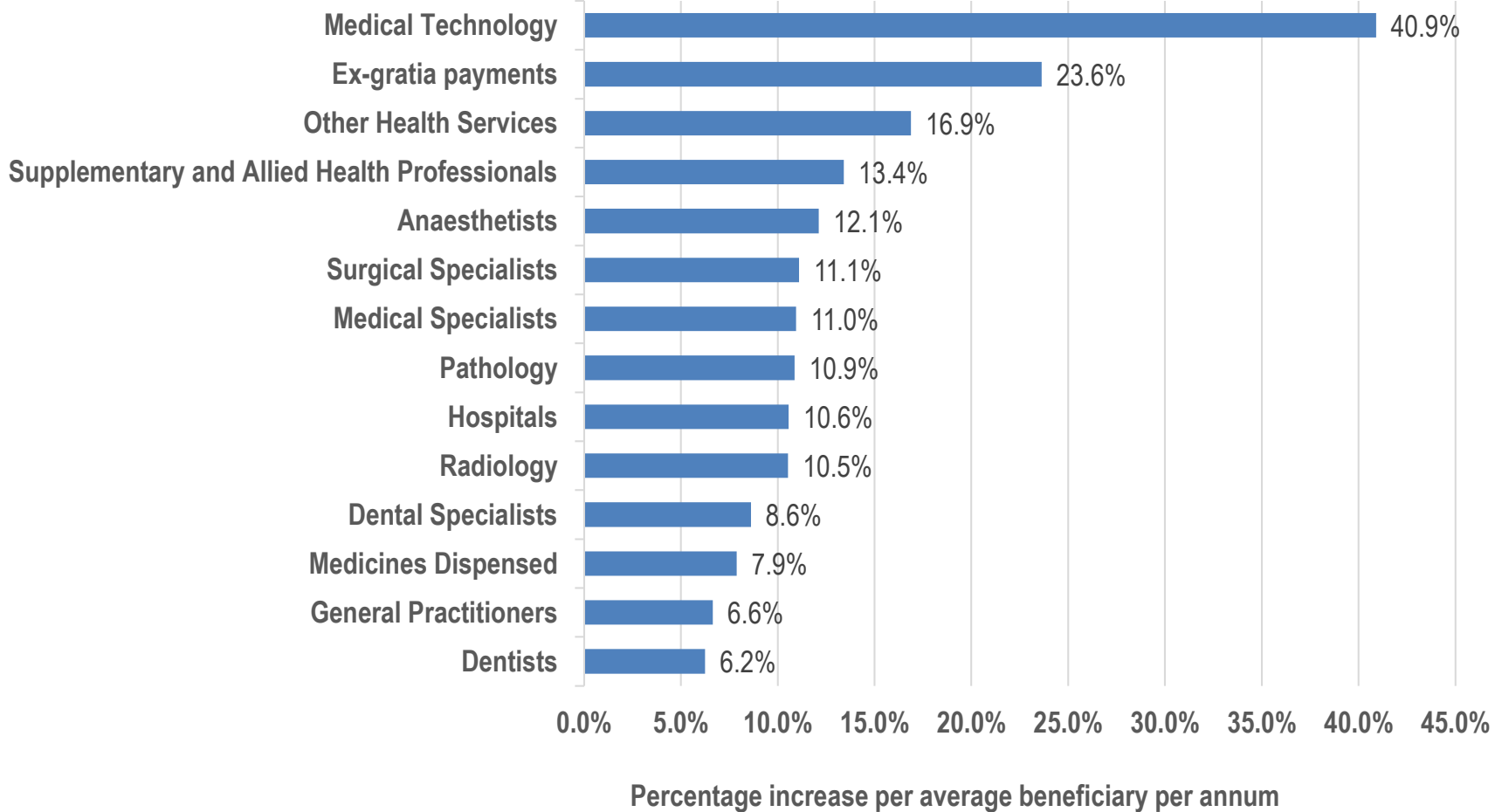
Prevalence of Chronic Conditions (per 1 000 beneficiaries)



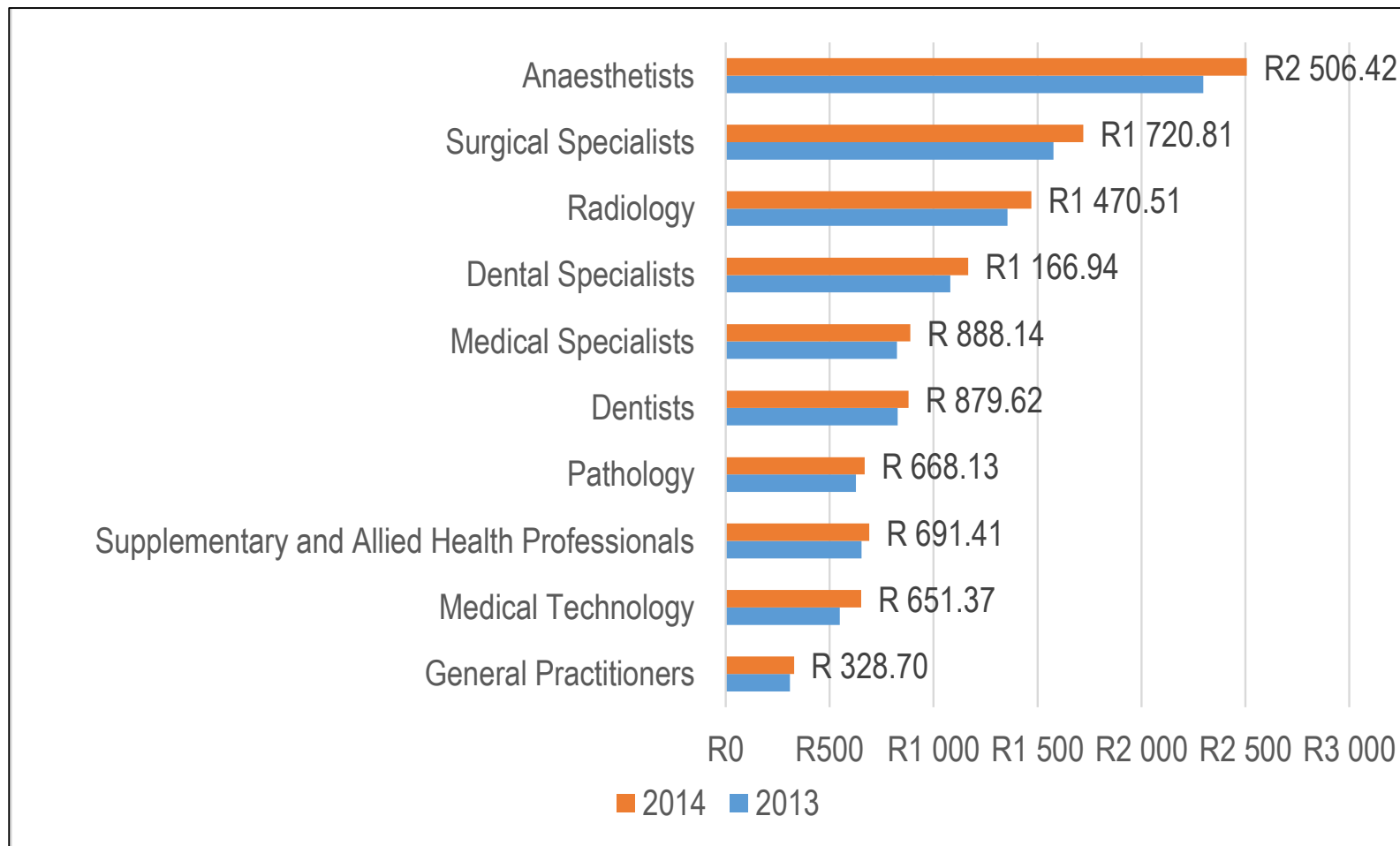
Increase in prevalence rates for the industry. Is it a concern?

Top 5: Hypertension, Hyperlipidaemia, DM2, Asthma and HIV

Percentage increase per average beneficiary per annum per discipline



Total Benefits paid per visit



Utilisation of private hospital services

Per 1 000 beneficiaries:

- Number of beneficiaries visiting GPs at least once a year: 763.1
- Number of beneficiaries visiting Dentists at least once a year: 213
- Number of beneficiaries receiving MRI: 20.3
- Number of beneficiaries receiving CT scans: 26.6

Average GP visits: 3.7

Average Dentist visits: 1.4

Average number of inpatient days per beneficiary: 4.3 days

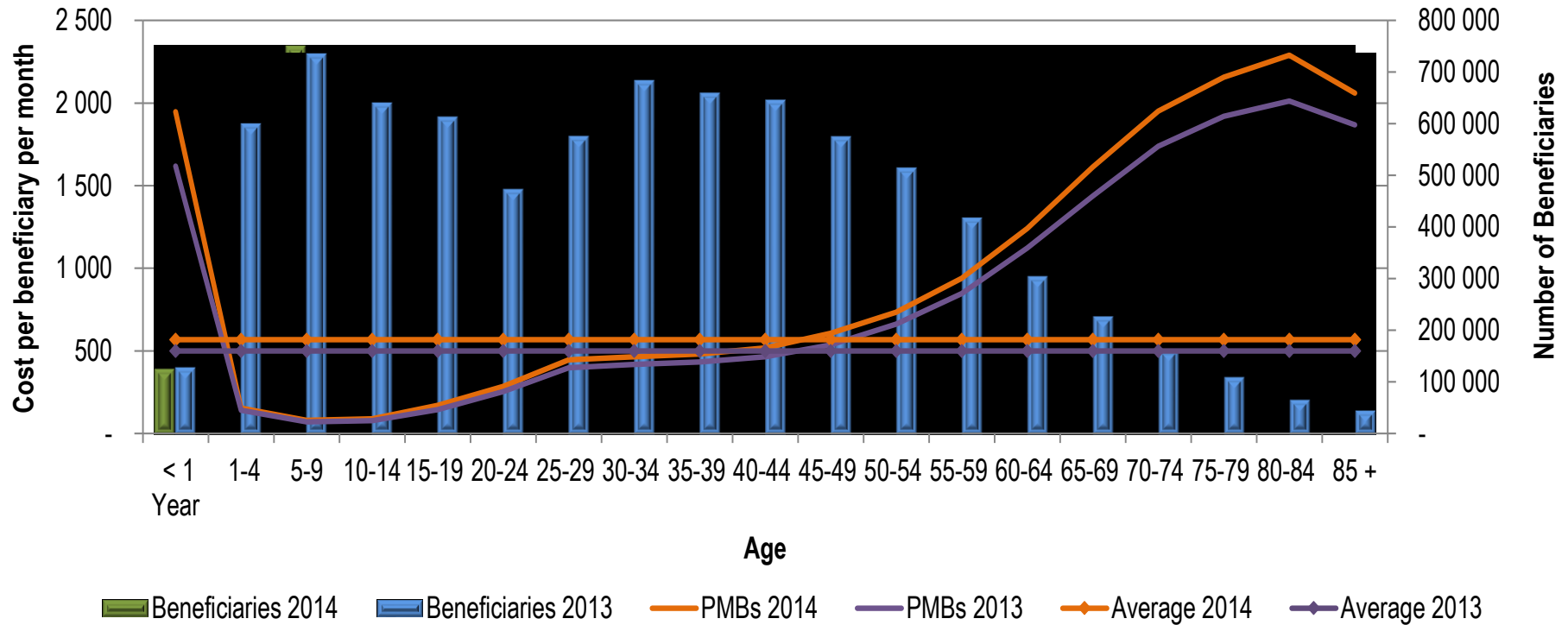
Average number of inpatient days for maternity admissions: 3 days

Caesarean sections per 1 000 pregnant females: 707.7 (slight increase)

Cost of PMB's for 2014

- Inaccurate data from 19 schemes
- Estimated cost: R552 per beneficiary per month (PMB Costing Study 2009)
- Actual cost for 2014
 - R567 per beneficiary per month
- Proportionally 52,5% of all risk benefits paid out are for the PMB's (flat for the last two years)

Cost of the PMB's



- The cost will fall if we can have an increase in membership in the age bands 1 to 40
- Membership > 40 years; increase of 68 100 beneficiaries
- Membership < 40 years; slight increase of 1 300 beneficiaries
- Haemophilia the most expensive CDL to treat: R31 900 per patient per month
- CMS will continue to collect the Scheme Risk Measurement (old REF) data, but only through the Annual Statutory Returns

Out of pocket payments

- Data not complete: Underestimate as beneficiaries do not claim for all OOP spending
- Out-of-pocket expenditure: R20,7 billion
- Bulk of payments: Medicines and specialists
- Benefit design: Differ from benefit option to option
- Estimate: R6 000 per beneficiary per annum (New generation – High, good proxy to measure OOP)
- OOP % 2014: 15.6%
2013: 15.5% (Restated)

What is the Quality of Care Beneficiaries received?

- CMS and ITAP are involved in a process of identifying minimum standards of care for CDL conditions
- So far 9 conditions have been discussed
- Process and outcome indicators were identified for each of these conditions
- Of the 9 conditions – indicators of 7 of them have been collected from the schemes through ASR

Process & outcome indicators

Process indicators (What should be done)

- i. What any good disease management program should demonstrate is quality care given to patients
- ii. These are minimum and universal interventions that a care provider should do and apply to all patients being treated for specific conditions
- iii. The indicators identified are cost effective
- iv. The indicators identified are also measurable

Outcome indicators (Result of interventions)

- i. These indicators assist to in concluding if patient has been well looked after or not
- ii. They are also disease specific
- iii. Pragmatism is important – All cause mortality and hospital admission are examples

Indicators for a few CDLs

	Diabetes Mellitus (1 and 2)	Hypertension	HIV
Process indicators			
	at least one (1) Fundus Exam test	at least one (1) electrocardiogram test	at least one ART treatment claim
	at least two (2) HBA1c tests	at least one (1) Creatinine / eGFR test	for whom CD4 count was taken
	at least one (1) LDL / lipogram test	at least one (1) total cholesterol test	for whom Viral Load was taken
	at least one (1) Creatinine/ Albumin test		
	beneficiaries receiving Statins		
Outcome Indicators			
	Hospital Admissions (All cause)	Ischemic Heart Disease	Hospital Admissions (All cause)
	Mortality (All Cause)	Chronic Renal Failure	Mortality (All Cause)
	Renal Dialysis	Hospital Admissions (for Stroke)	3rd line treatment Regimen
	Retinopathy		
	Amputations		
	Neuropathy		

Short description of a few process indicators

Electrocardiogram test: Find out whether your high blood pressure has caused any damage to your heart or blood vessels; cholesterol clogging up your heart's blood supply; a heart attack in the past, enlargement of one side of the heart, abnormal heart rhythms

Creatinine / eGFR test: Detect early nephropathy; Glomerular filtration rate (GFR) describes the flow rate of filtered fluid through the kidney. Creatinine will not be raised above the normal range until 60% of total kidney function is lost.

Total cholesterol test: High cholesterol is one of the most important risk factors for cardiovascular disease.

Fundus Exam test: Retinopathy screening; Preventing blindness

HBA1c tests: Glucose control; In diabetes mellitus, higher amounts of glycated hemoglobin, indicating poorer control of blood glucose levels, have been associated with cardiovascular disease, nephropathy and retinopathy. How well your diabetes is being controlled?

LDL / lipogram test: Aim for a lower LDL ('bad' cholesterol) and higher HDL ('good' cholesterol) levels

Creatinine/ Albumin test: Elevated levels of urinary albumin in people with diabetes or hypertension are associated with increased risk of developing cardiovascular disease; Evaluate renal function status

Statins: Are used primarily for lowering blood cholesterol and for prevention of events associated with cardiovascular disease and chronic kidney disease.

Viral load: Is the term used to describe the amount of HIV in a body fluid; Should be non-detectable

Coverage: Hypertension

	2014	2013
	Hypertension	
No of Patients in sample	404 161	382 153
Process indicators - Unique beneficiaries	2014	2013
at least one (1) electrocardiogram test	33.8%	34.6%
at least one (1) Creatinine / eGFR test	43.3%	43.7%
at least one (1) total cholesterol test	61.1%	60.7%
Outcome indicators - Unique beneficiaries		
Hospital Admissions - Day	19.3%	19.3%
Hospital Admissions - More than a day	35.3%	34.7%
Co-morbidities Diabetes Mellitus	22.7%	23.7%

Coverage: Diabetes Mellitus 1

	Diabetes Mellitus 1	
No of Patients in sample	44 608	45 355
Process indicators - Unique beneficiaries	2014	2013
at least one (1) Fundus Exam test	6.6%	6.2%
at least two (2) HBA1c tests	22.5%	21.8%
at least one (1) LDL / lipogram test	21.7%	20.5%
at least one (1) Creatinine/ Albumin test	39.7%	39.3%
on Statins	10.4%	10.2%
Outcome indicators - Unique beneficiaries		
Hospital Admissions - Day	12.7%	12.5%
Hospital Admissions - More than a day	31.5%	32.6%
Co-morbidities -Renal Dialysis	1.0%	1.0%

Third party data issues?

Coverage: Diabetes Mellitus 2

	Diabetes Mellitus 2	
No of Patients in sample	323 878	304 369
Process indicators - Unique beneficiaries	2014	2013
at least one (1) Fundus Exam test	4.4%	4.1%
at least two (2) HBA1c tests	18.8%	18.3%
at least one (1) LDL / lipogram test	23.0%	21.3%
at least one (1) Creatinine/ Albumin test	38.3%	36.8%
on Statins	6.3%	6.2%
Outcome indicators - Unique beneficiaries		
Hospital Admissions - Day	9.9%	10.3%
Hospital Admissions - More than a day	22.5%	21.6%
Co-morbidities -Renal Dialysis	0.4%	0.4%

Third party data issues?

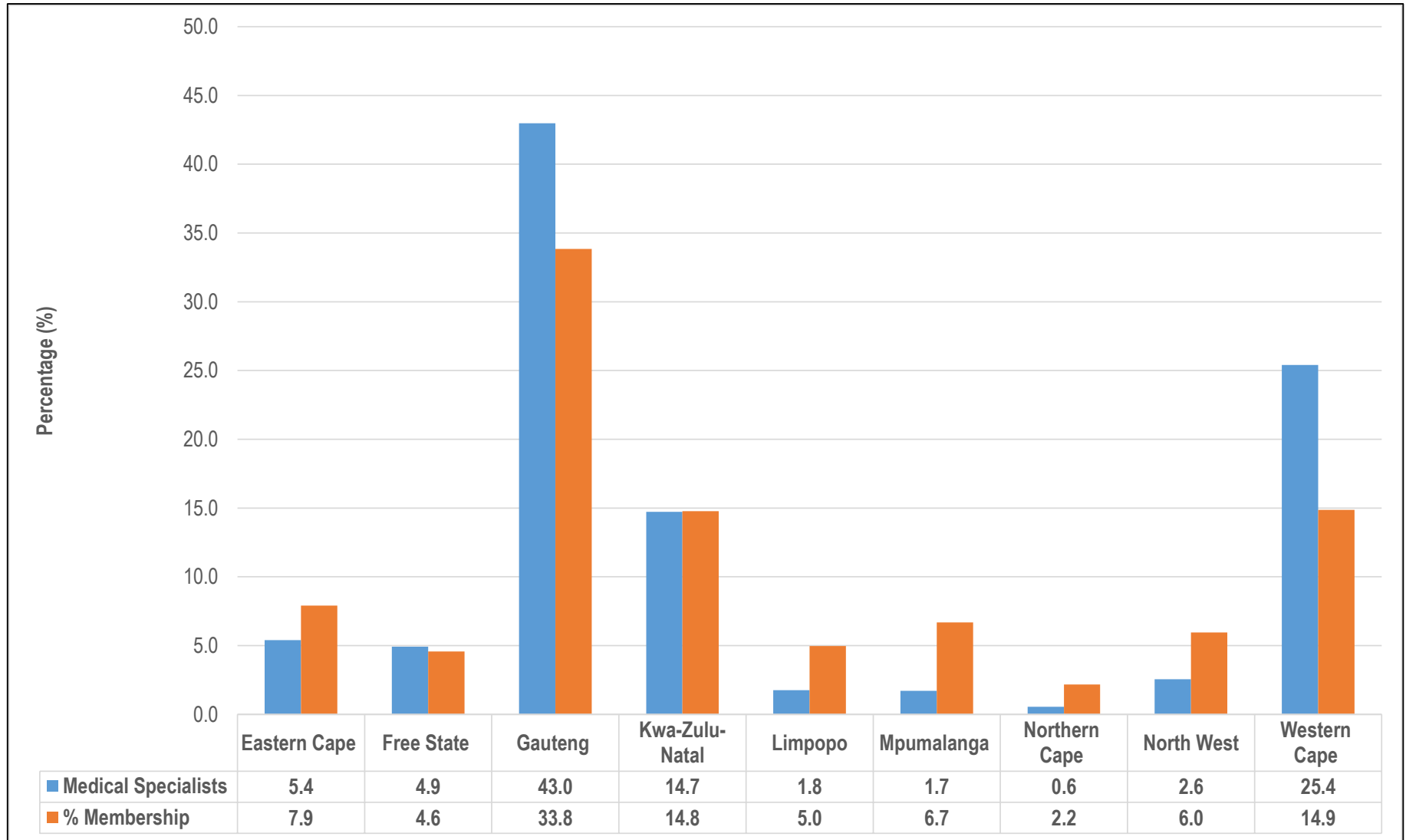
Coverage: HIV

	HIV	
No of Patients in sample	220 093	180 570
Process indicators - Unique beneficiaries	2014	2013
for whom CD4 count was taken	71%	76%
for whom Viral Load was taken	71%	75%
Outcome indicators - Unique beneficiaries		
Hospital Admissions - Day	4.6%	5.2%
Hospital Admissions - More than a day	19.5%	20.3%

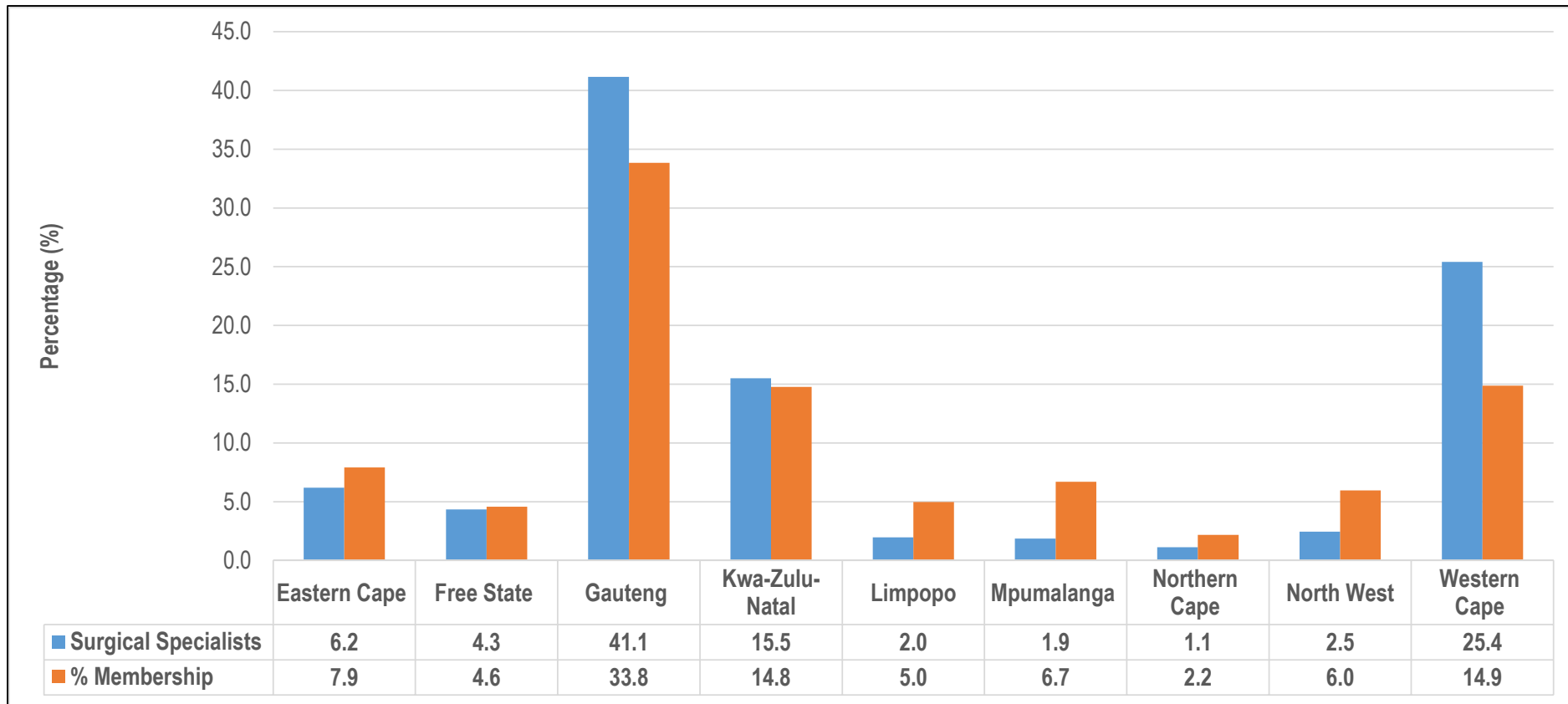
Managed Care – the way forward

- Continue with the process of identifying indicators
- We will expand data collection to include conditions as they are discussed through ITAP
- We will engage with schemes to help improve quality of data submissions
- Value = Quality/Cost
- We will continue to report actively on the quality

Resources versus Membership



Resources versus Membership



Conclusions

- Growth in membership a concern – LCBO
- Decrease in the number of medical schemes (Risk Based Solvency)
- Medical Scheme Inflation is a concern
- Still a significant proportion of risk benefits offered by schemes on top of the PMBs
- Measuring the value of managed care is a priority for CMS
- Improvement in utilisation data – Please challenge your Data Officers!

