

COUNCIL FOR MEDICAL SCHEMES ANNUAL REPORT 2015/16



OUR MEMBERS, OUR FOCUS



CMS

Council
for Medical Schemes

BRIEFING
October 2016

CMS ANNUAL REPORT 2015/16

Membership and Utilisation

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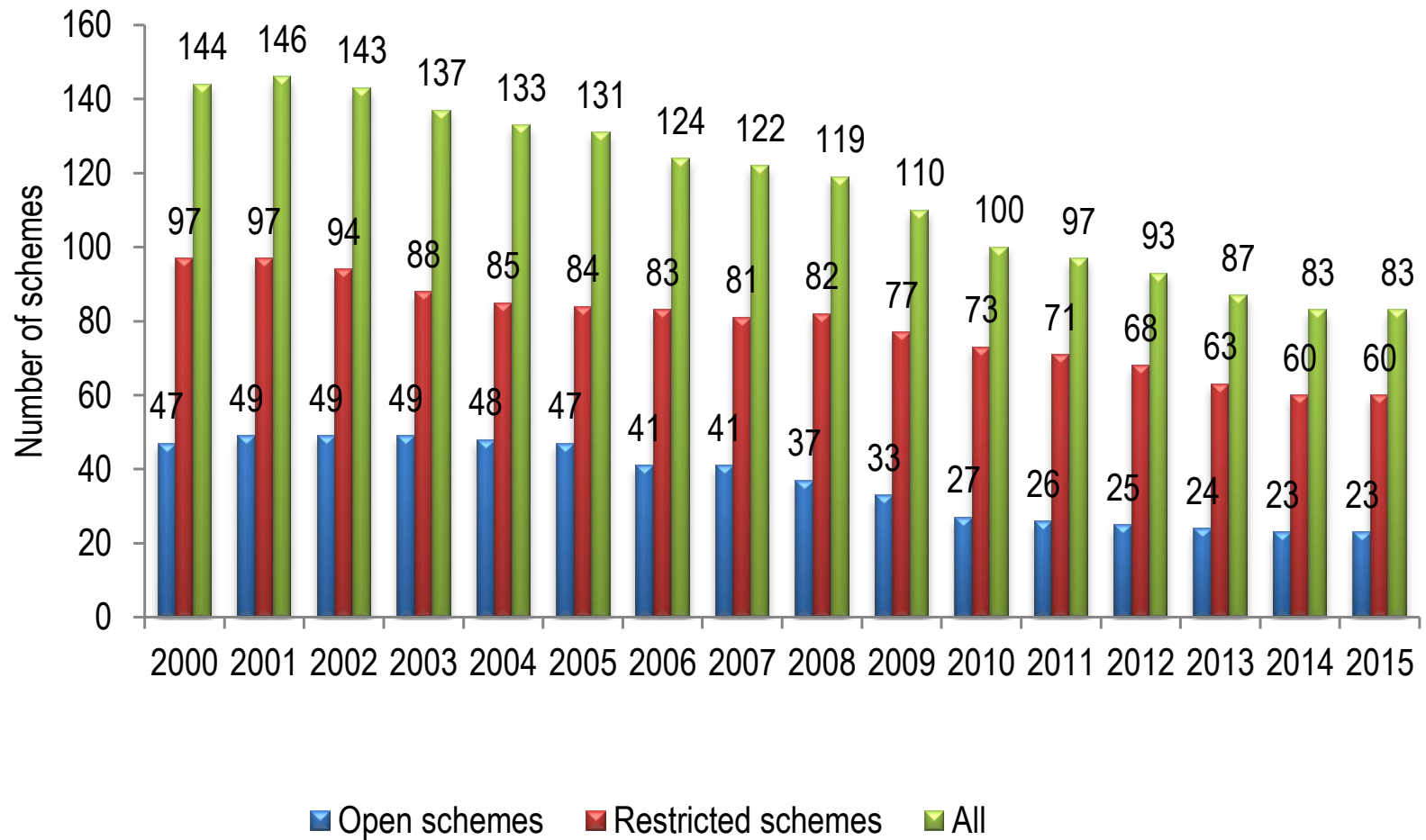
General Manager: Research and Monitoring

October 2016

Outline of presentation

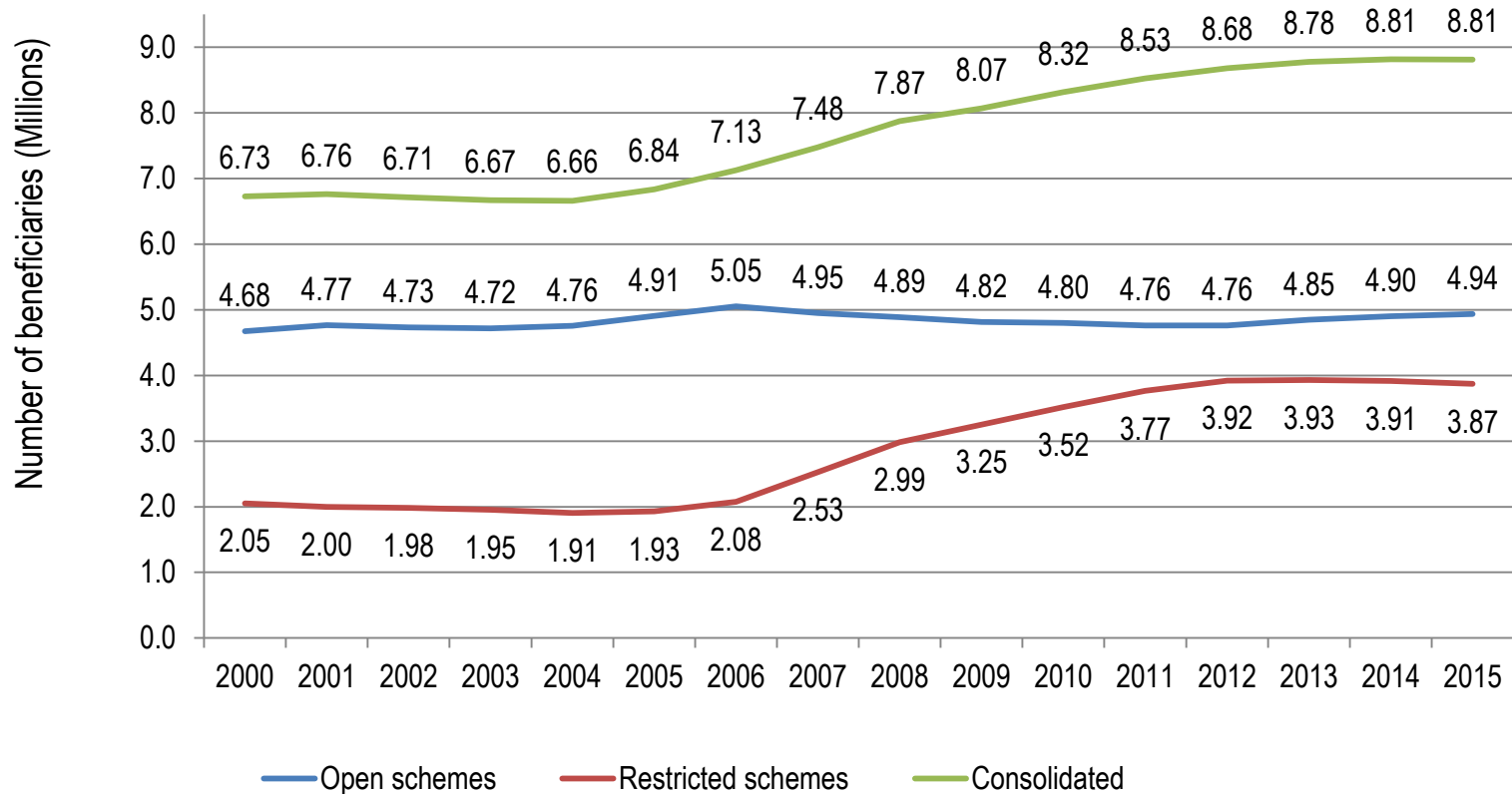
1. Demographic information
2. Utilisation statistics
3. The cost of the PMB's
4. Managed care
5. Healthcare resources
6. Conclusions

Trend in the number of schemes



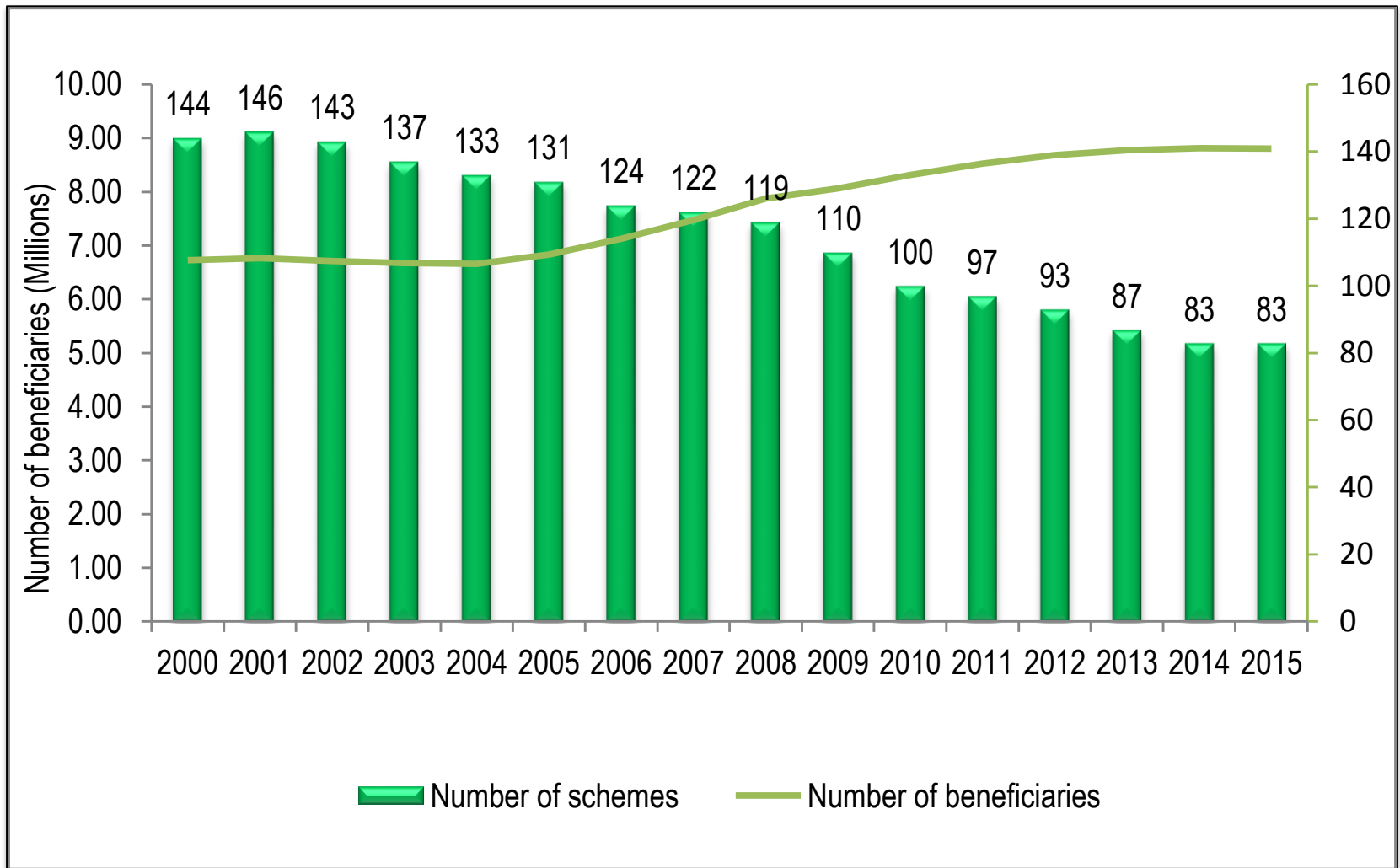
144 Schemes in 2000

Trend in membership



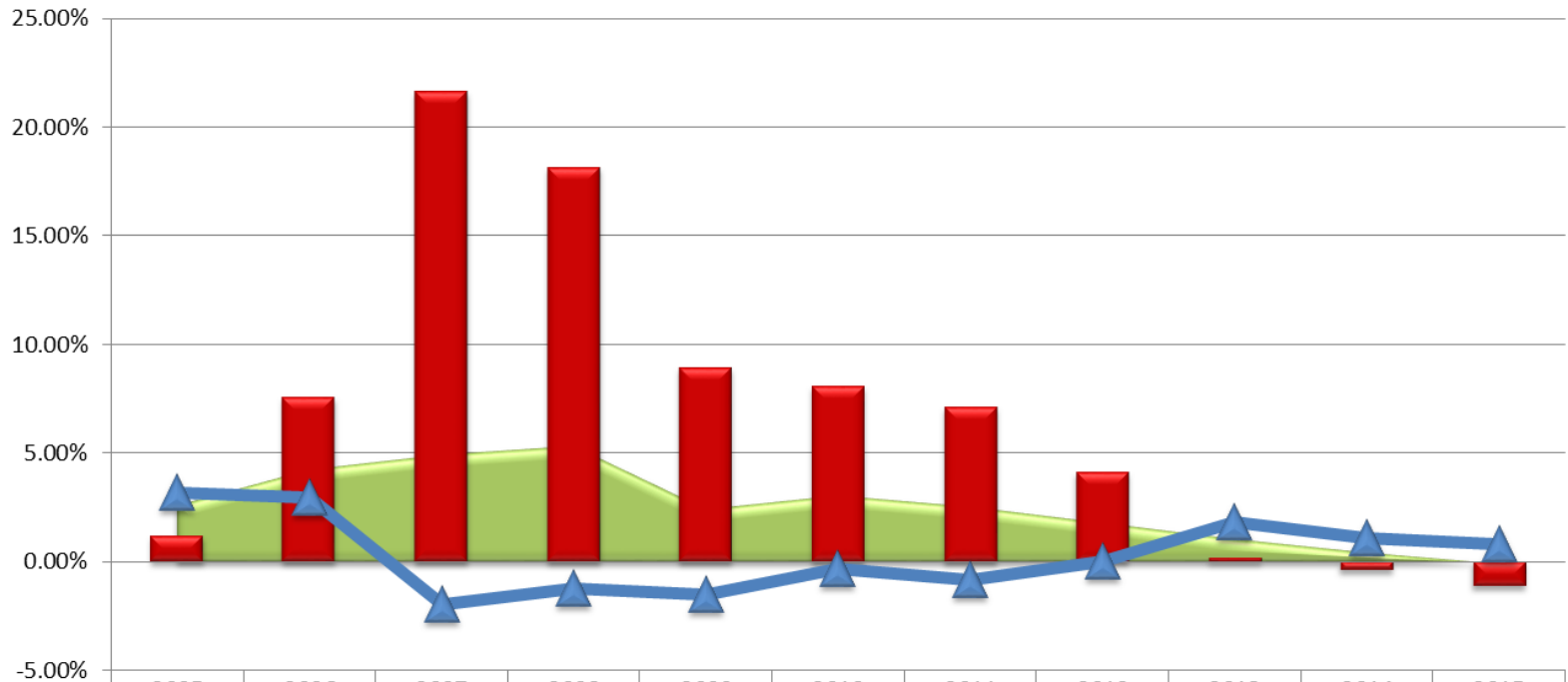
Negative growth of 0.06% (restricted schemes)

Membership and schemes combined



Percentage growth in membership: 2005 - 2015

Trends in the industry

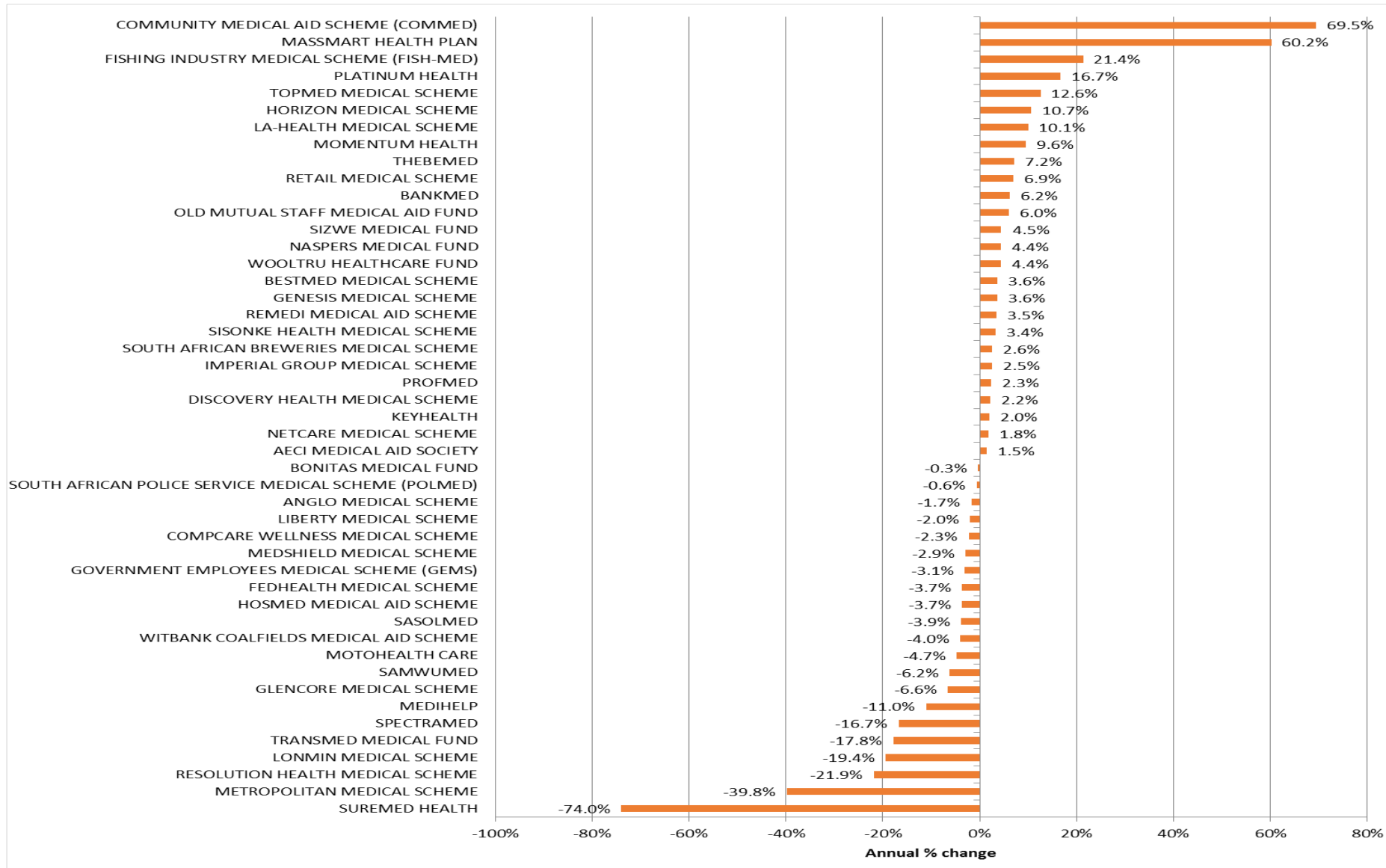


- Since 2010 industry growing at a decreasing rate

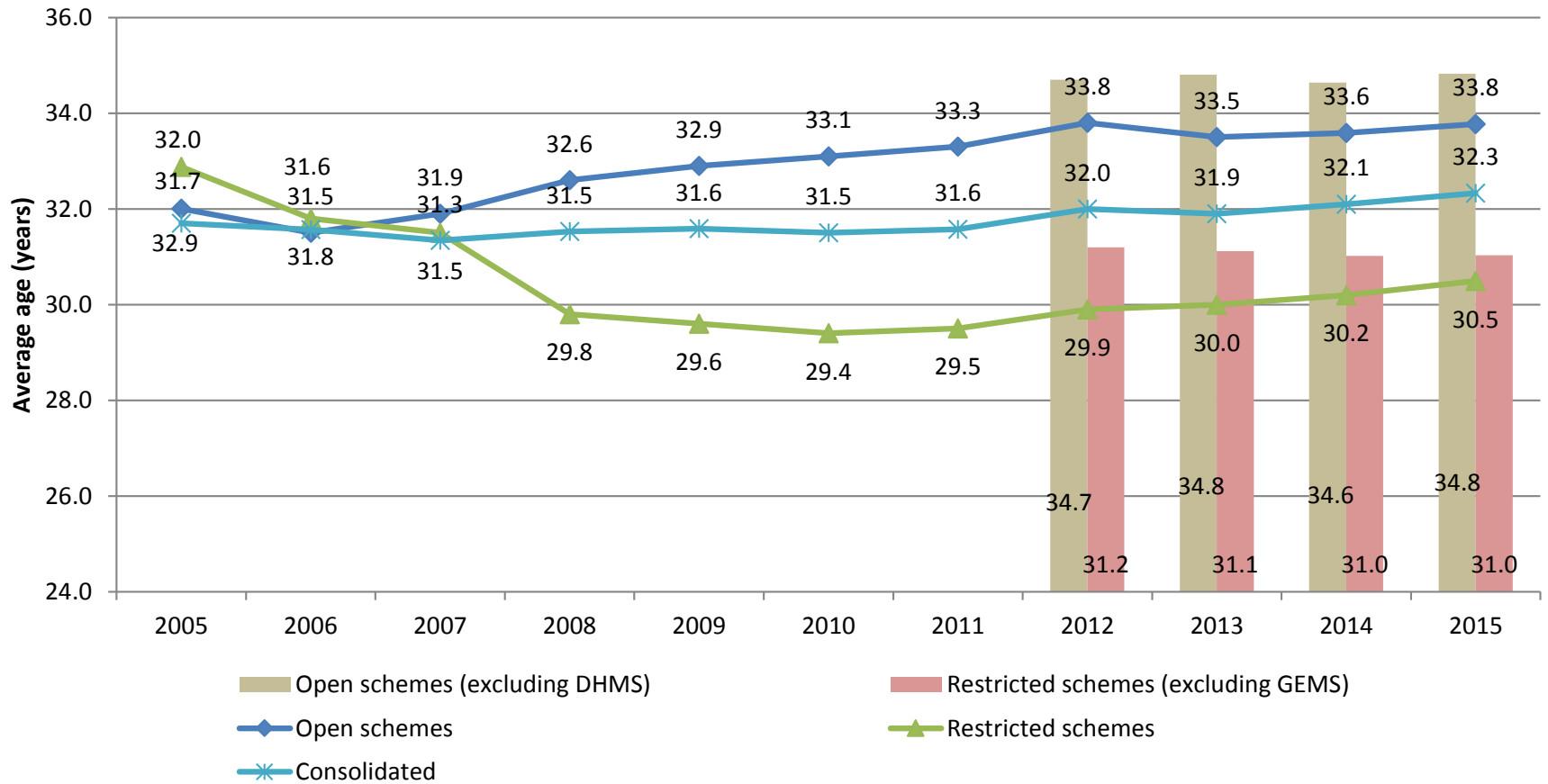
Membership: Impact of DHMS and GEMS

Year		2014	2015	Annual Change	+ / -
Consolidated		8,814,458	8,809,523	-0.06%	↓
Open		4,899,975	4,938,453	0.79%	
	Open excl DHMS	2,265,156	2,246,601	-0.82%	↓
Restricted		3,914,483	3,871,070	-1.11%	↓
	Restricted excl GEMS	2,076,284	2,089,300	0.63%	
DHMS		2,634,819	2,691,852	2.16%	
GEMS		1,838,199	1,781,770	-3.07%	↓

Membership trends



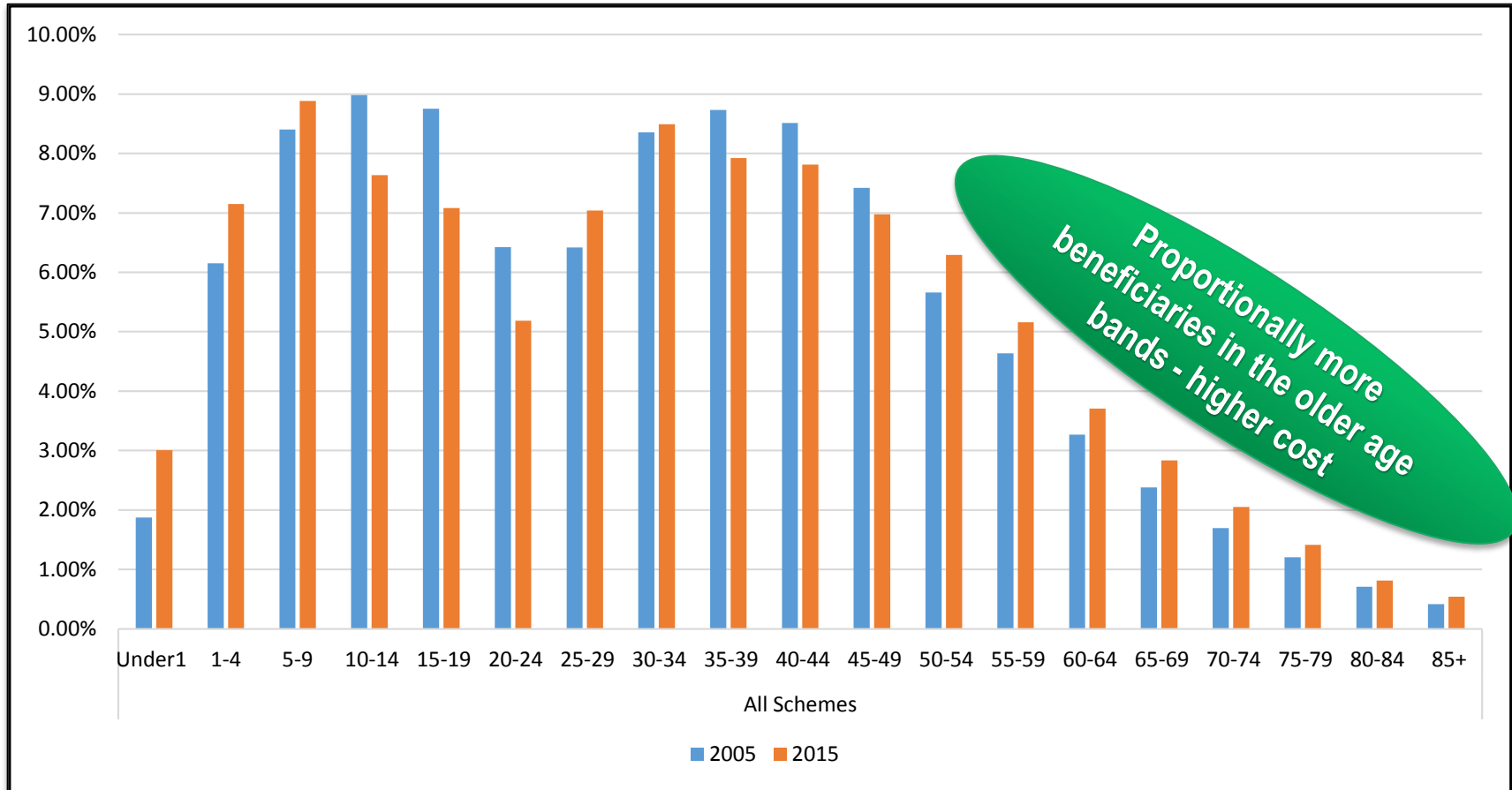
Trends in Age



2005: 31.7 years and 2015: 32.3 years

Note: Healthcare cost is not constant per age band

Proportion beneficiaries by age band 2005 versus 2015



The effect of change in demographic profile from year to year is almost 1% on average on the cost of the PMBs

Healthcare benefits paid

Total Healthcare benefits paid

2014: R127.2 billion	2015: R138.6 billion	9% increase
2014: R14 511 pabpa	2015: R15 822 pabpa	9% increase

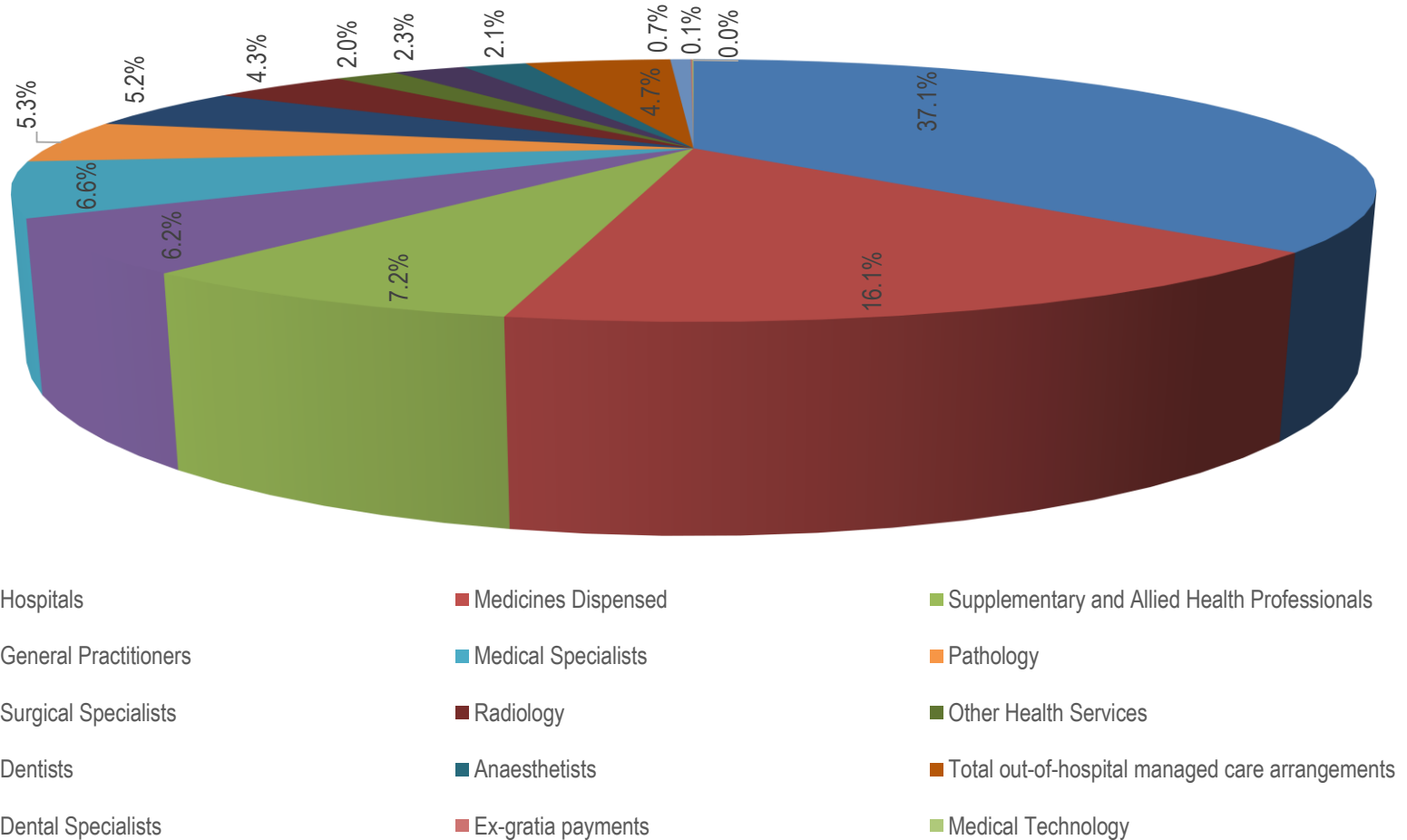
Healthcare benefits paid from risk pool

2014: R114.8 billion	2015: R124.6 billion	8.53% increase
2014: R13 098 pabpa	2015: R14 220	8.57% increase

Benefits paid from savings

2014: R12.4 billion	2015: R14 billion	13.4% increase
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Total benefits paid per discipline



All Specialists: 23.5% (5 categories)

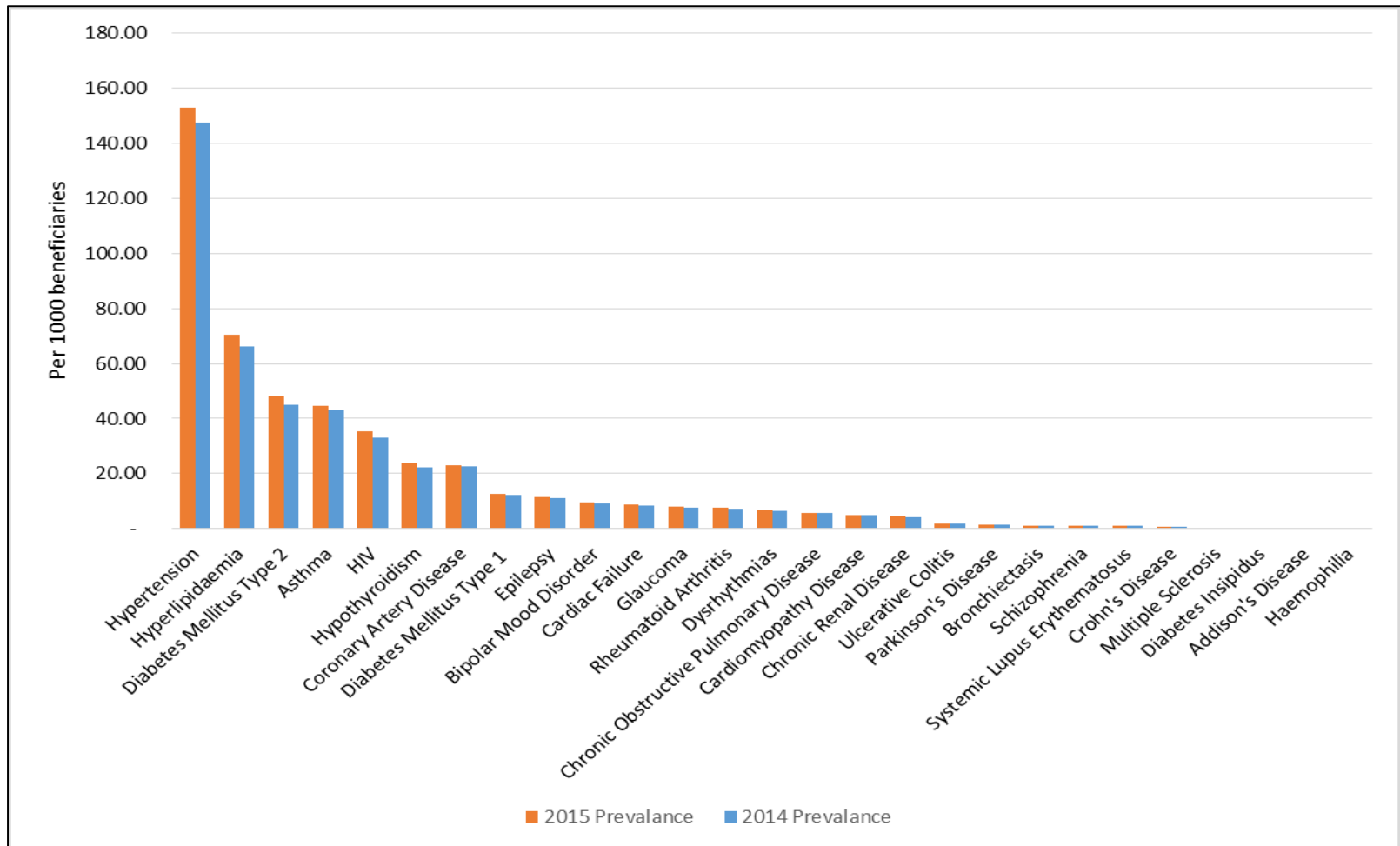
Risk benefits: Hospitals 41.1%

Total benefits paid to Specialists

All Specialists: 23.5%

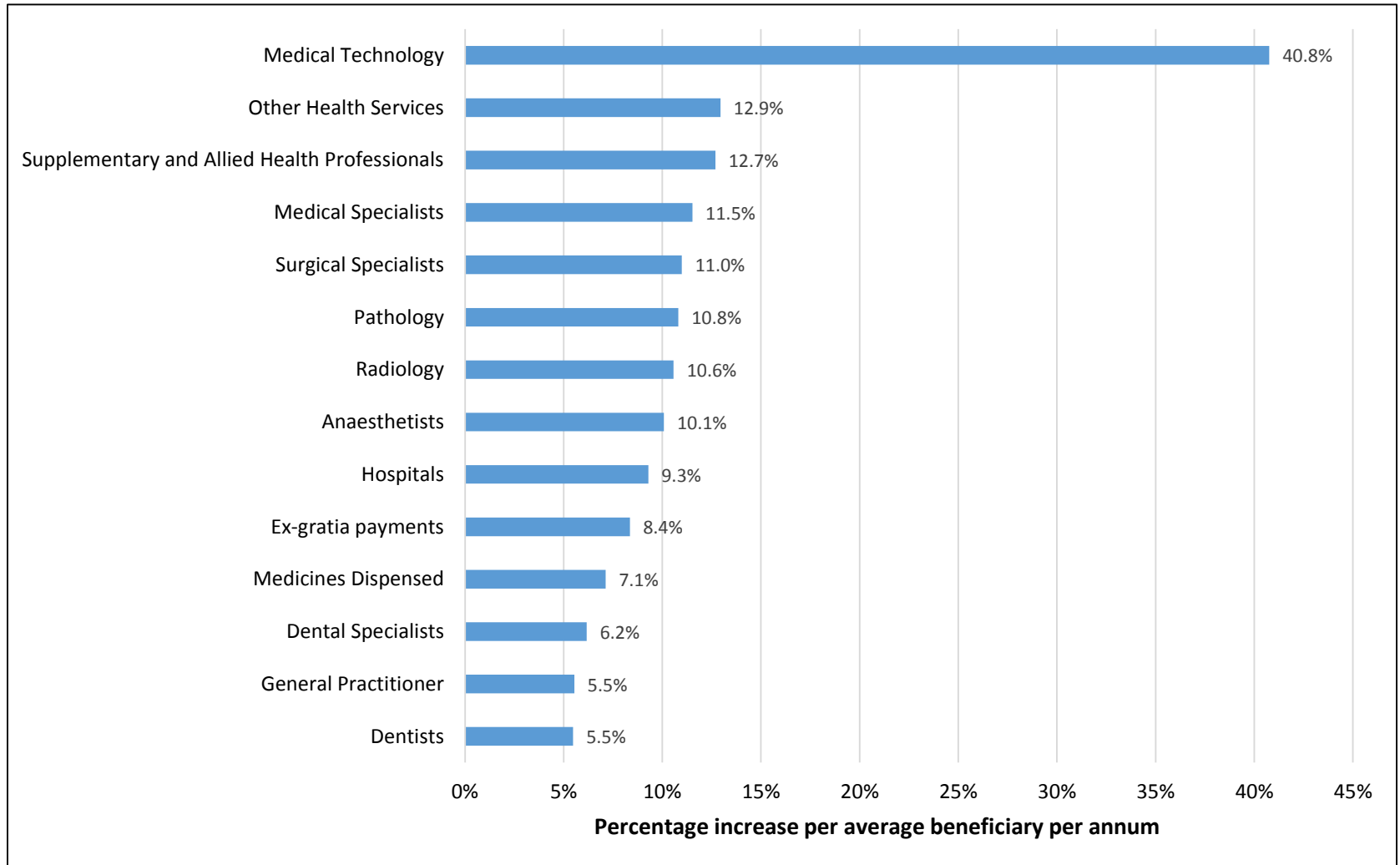
- Anaesthetists: 2.1%
- Pathology : 5.3%
- Radiology: 4.3%
- Medical Specialists : 6.6%
- Surgical Specialists: 5.2%

Prevalence of Chronic Conditions (per 1 000 beneficiaries)

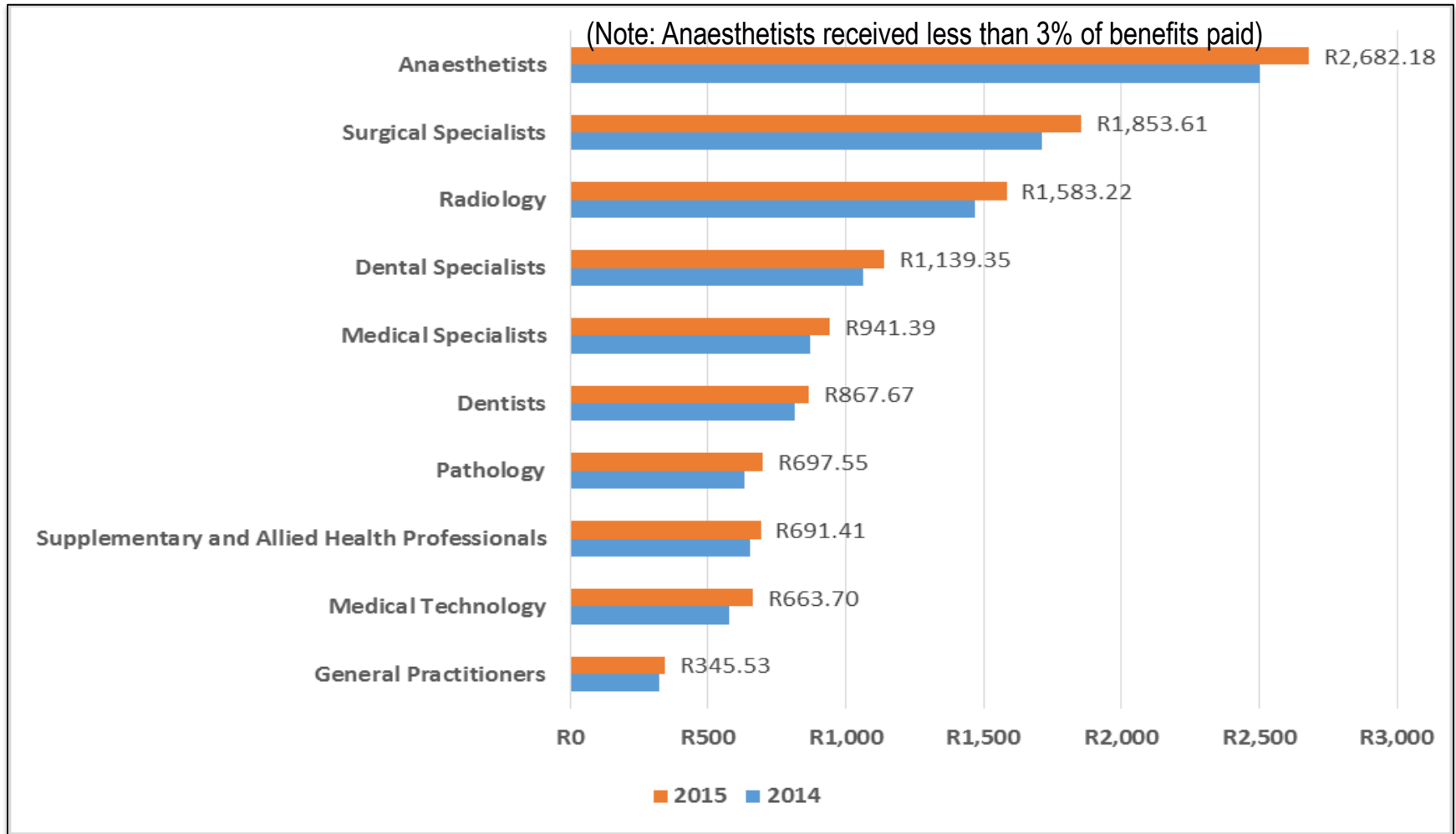


Top 5: Hypertension, Hyperlipidaemia, DM2, Asthma and HIV
Notice an increase in prevalence rates for the industry

Percentage increase per average beneficiary per annum per discipline



Total Benefits paid per visit



Utilisation of healthcare services

Inpatient (≥ 24 hours) across all hospital types by admission category in 2014 and 2015

Hospital Admission	2015			2014*		
Category	Open	Restricted	All	Open	Restricted	All
Inpatient admissions for Medical cases						
Admission rate per 1 000 beneficiaries	114.32	149.84	129.75	109.07	153.99	128.86
Average Length of Stay	4.82	4.97	4.89	4.82	5.43	5.15
Inpatient admissions for Surgical cases						
Admission rate per 1 000 beneficiaries	68.23	15.33	45.26	65.06	16.87	43.84
Average Length of Stay	3.96	3.99	3.96	3.88	3.78	3.86
Inpatient admissions for Maternity cases						
Admission rate per 1 000 female beneficiaries	27.42	26.60	27.06	27.02	30.11	28.42
Average Length of Stay	2.73	2.63	2.69	2.73	2.69	2.71
Inpatient admissions for All hospital cases						
Admission rate per 1 000 beneficiaries	196.41	179.26	188.96	187.76	186.79	187.33
Average Length of Stay	4.37	4.70	4.51	4.34	5.05	4.65

Utilisation of private hospital services

Utilisation of medical technology in 2014 and 2015

	2015			2014*		
	Open	Restricted	All	Open	Restricted	All
Number of utilising beneficiaries per 1 000 beneficiaries						
PET scans	0.41	0.20	0.32	0.34	0.19	0.27
Angiograms	1.76	0.71	1.31	1.64	0.61	1.19
Renal dialysis services	6.42	3.95	5.38	5.53	3.65	4.73
Bone density scans	7.38	4.29	6.01	7.32	4.32	5.96
MRI scans	28.49	19.01	24.28	26.24	17.91	22.49
CT scans	48.67	33.71	42.02	45.95	32.19	39.74

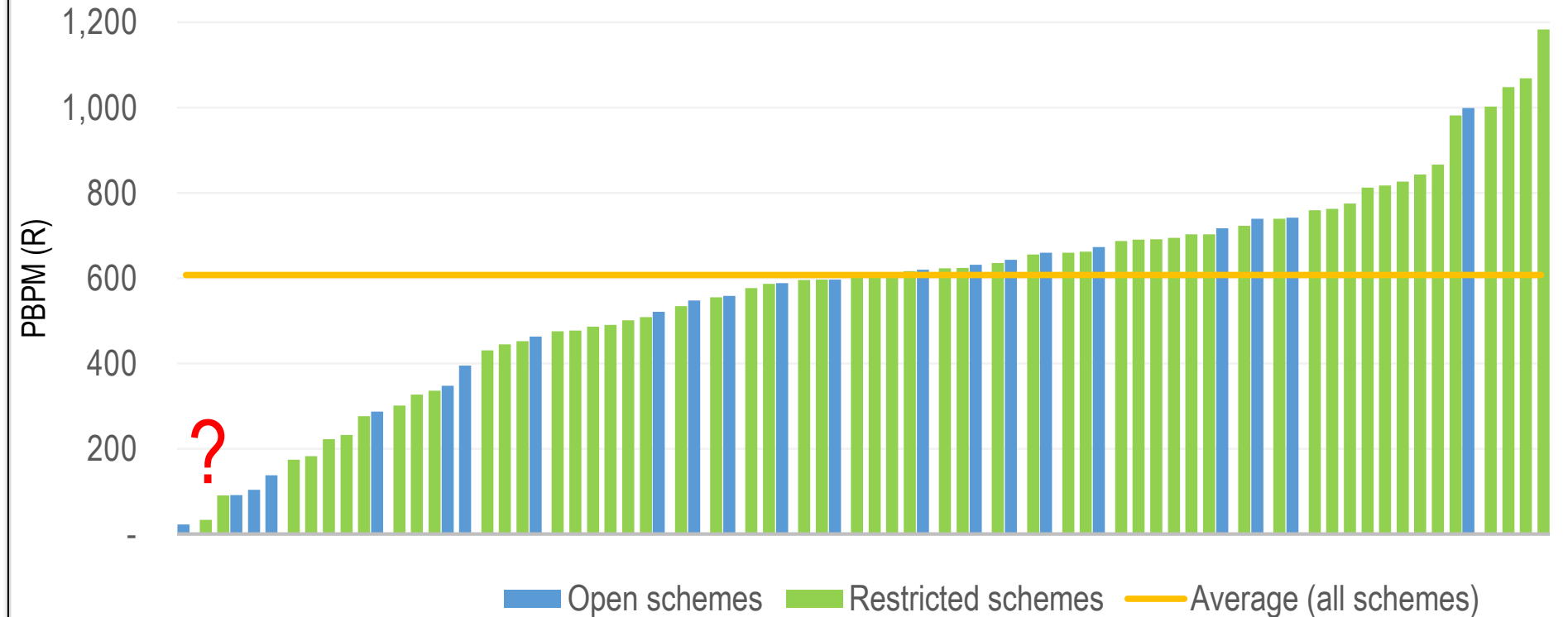
See Annexure E for more detail

Cost of the PMB's for 2015

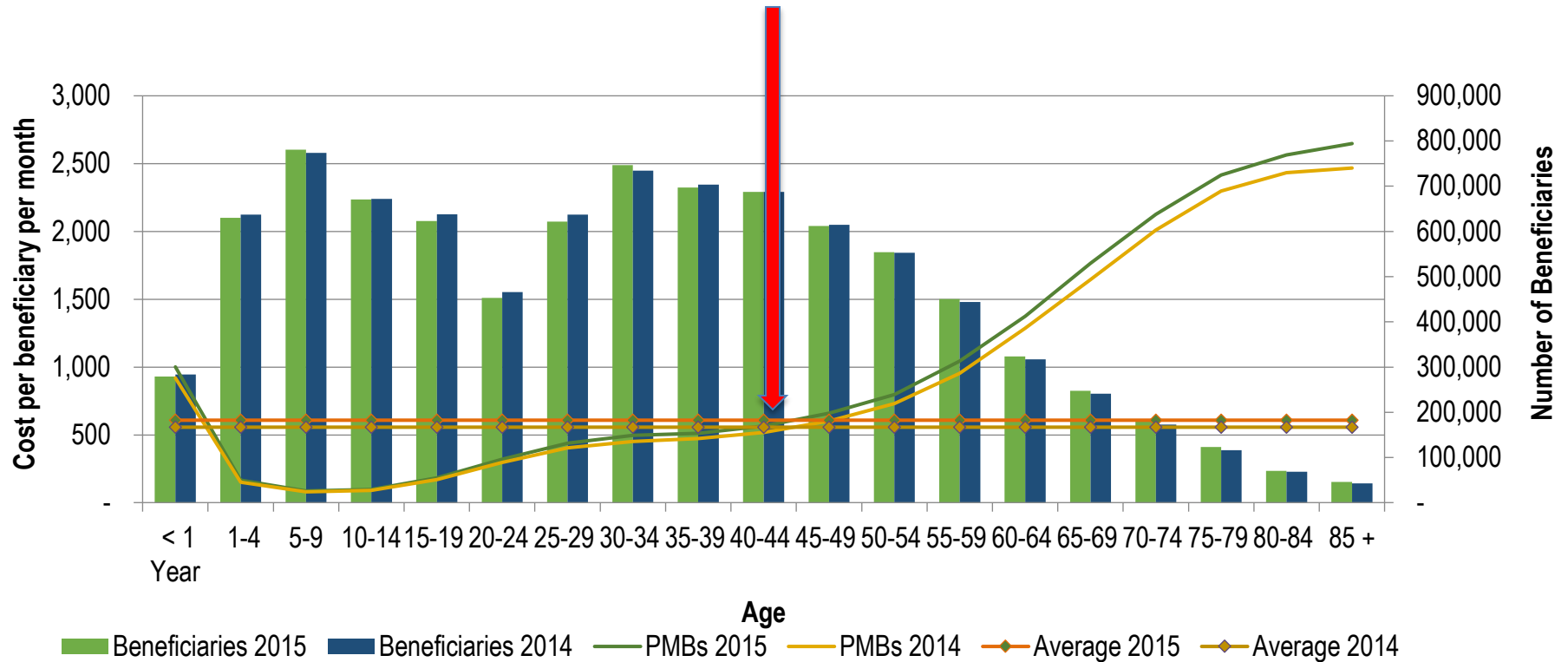
- Actual cost per beneficiary per month: R608
- Proportionally 51% of all risk benefits paid out are for the PMB's (flat for the last three years)
- Schemes and Administrators find it difficult to split the CDL cost from DTP cost – Figures 19 and 20
- Significant variation in the cost of the PMBs from scheme to scheme

Cost of the PMB's for 2015 (continue)

Scheme Community Rate for 2015



Cost of the PMB's (continue)



Managed Care

- CMS and ITAP are involved in a process of identifying minimum standards of care for CDL conditions
- So far 11 conditions have been discussed
- Process and outcome indicators were identified for each of these conditions
- What is the definition of Value?

Value = Quality / Cost (reflecting efficiency)

Quality:

- ✓ Process indicators and measurement
- ✓ Outcomes: Hospital admission rates, mortality, transition to next stage of disease, etc.
- ✓ Patient experience

Cost: Fee of managed healthcare service

Process & outcome indicators

Process indicators (Suppose to do)

- i. These are what a good disease management program should do when caring for patients
- ii. These are minimum and universal interventions that a care provider should do and apply to all patients with the specific condition
- iii. The indicators identified are cost effective
- iv. The indicators identified are also measurable

Outcome indicators (Result of interventions)

- i. These indicators help conclude 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

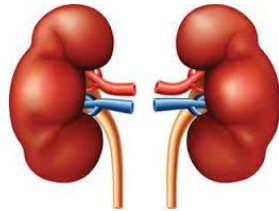
Diabetes Mellitus

- ❑ Diabetes mellitus is a condition where a patient has high blood glucose levels
- ❑ High blood glucose often leads to damage, dysfunction and failure of various organs especially:

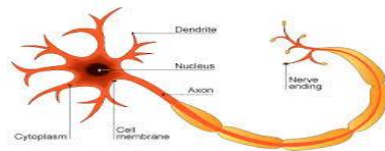
eyes,



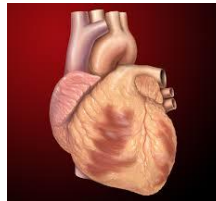
kidneys,



nerves,

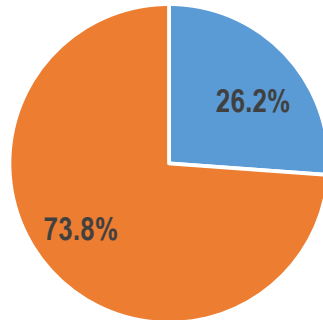


heart and blood vessels



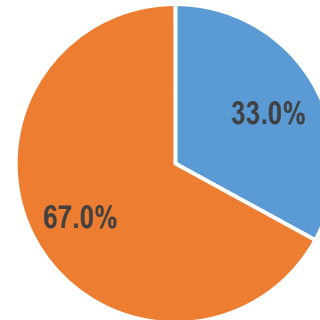
Coverage: Diabetes Mellitus 2

Two or more HbA1c tests



■ Covered ■ Not Covered

One or more Creatinine test



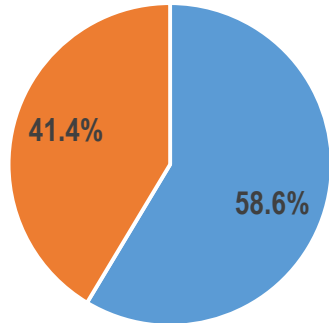
■ Covered ■ Not Covered

- 28,8% of DM2 patient were on chronic medicine in 2015 up from 27,3% in 2014
- In 2014 coverage ratio for HbA1c tests was 25,8% and Creatinine was 31,7%

One of the fastest growing chronic conditions

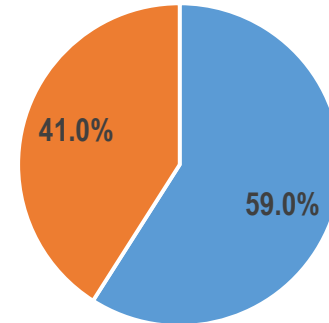
Coverage: HIV

Two or more CD4 tests



■ Covered ■ Not Covered

Two or more Viral Load tests



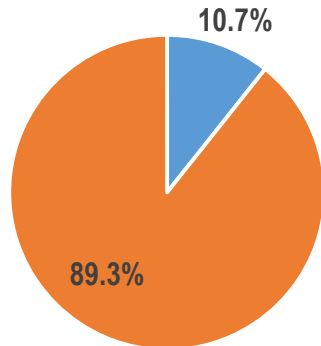
■ Covered ■ Not Covered

- 67,4% of HIV patient were on ARVs in 2015 up from 61,9% in 2014
- In 2014 coverage ratio for CD4 tests was 52,7% and viral load was 53%

Best managed chronic condition

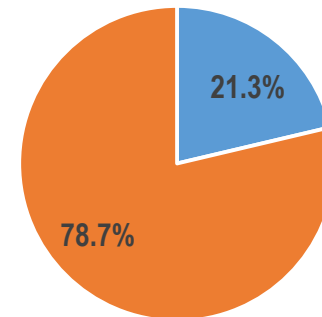
Coverage: Hypertension

One or more Electrocardiogram test



■ Covered ■ Not Covered

One or more Total Cholesterol test



■ Covered ■ Not Covered

- 59,3% of hypertensive patients were on chronic medicine in 2015 a slight drop from 59,4% in 2014
- In 2014 coverage ratio for electrocardiogram test was 11,0% and total cholesterol was 21,1%

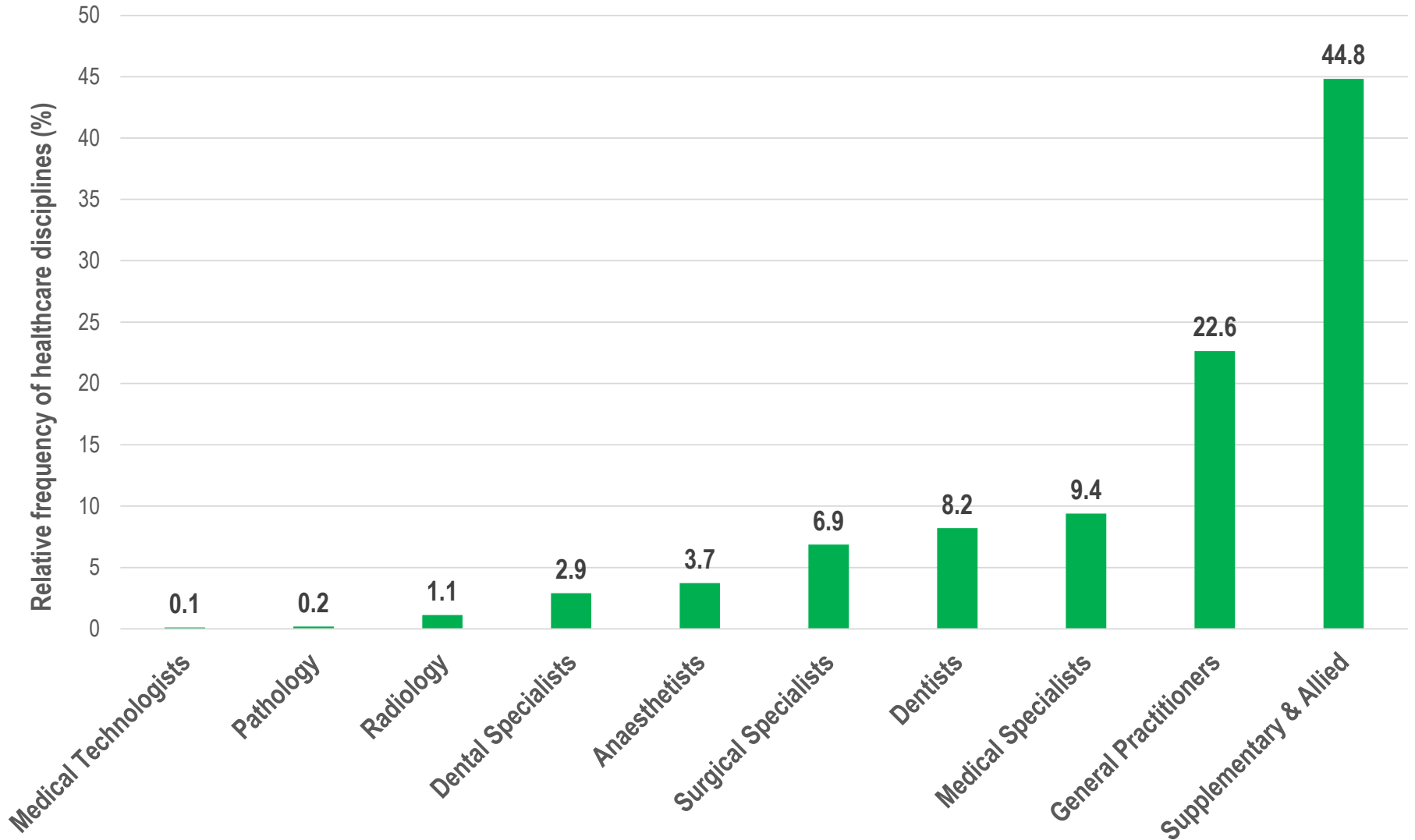
The most prevalent chronic condition among beneficiaries

Managed Care - The way forward

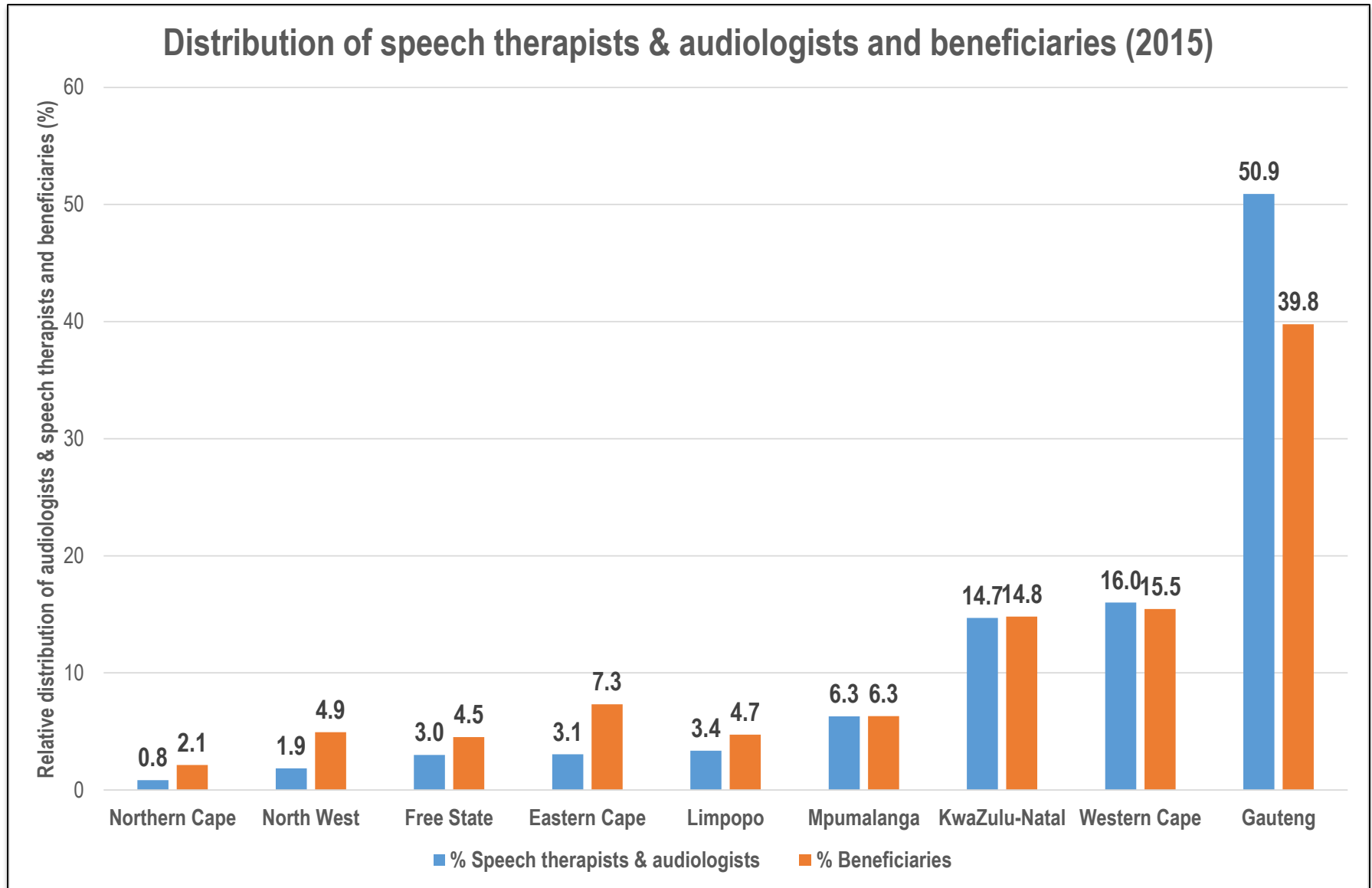
- Continue with the process of identifying indicators
- We will expand data collection to include conditions as they are discussed through ITAP
- We will engage with schemes to help improve quality of data submissions
- We will continue to report actively on the quality
- Patient compliance
- Annexure K: Coverage ratios per scheme, benefit option and CDL for 2014 and 2015

Healthcare resources

Distribution of healthcare disciplines (2015)

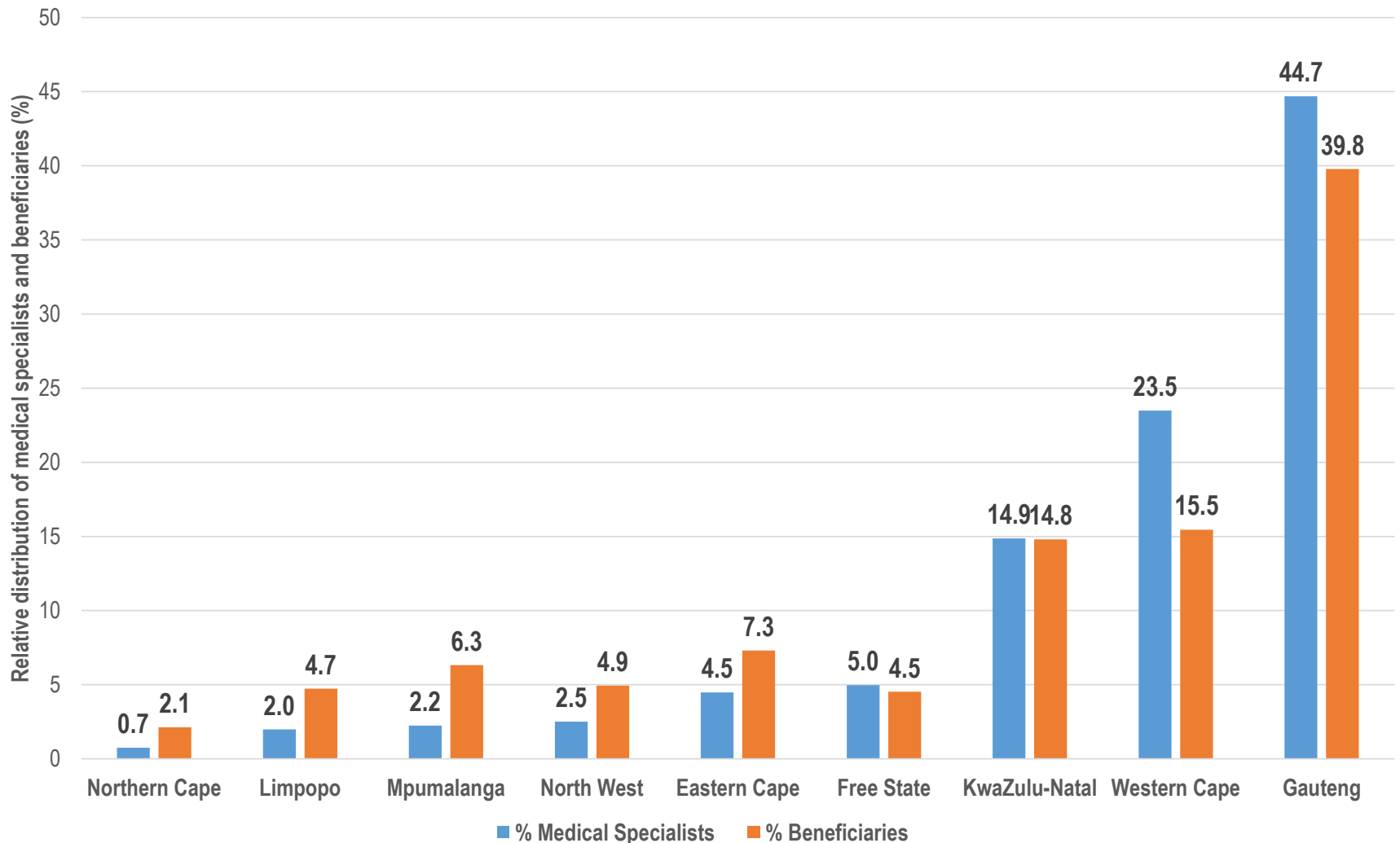


Healthcare resources (continue)



Healthcare resources (continue)

Distribution of medical specialists and beneficiaries (2015)



Conclusions

- Growth in membership is a concern
- Above inflation increase in healthcare benefits paid - HMI
- Still a significant proportion of risk benefits offered by schemes on top of the PMBs
- Are members getting value for money?
- Improvement in utilisation data – Consider to have parts of the utilisation data audited in future

