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Industry Outlook

UNPACKING SOUTH AFRICA'S HEALTHCARE LANDSCAPE. EXPLORING THE UPSIDES, DOWNSIDES & SOLUTIONS WITH GAP COVER



Tony Singleton, CEO at Turnberry Management Risk Solutions

As South Africa's healthcare landscape braces for 2024, a myriad of factors, from annual policy reviews to the impending National Health Insurance (NHI) Bill, shape the environment.

Medical schemes, undergoing yearly evaluations, anticipate changes ranging from coverage enhancements to premium increases. Regulated by the Council for Medical Schemes, premium adjustments align with the Consumer Price Index, hinting at a potential 9% average increase for 2024. However, specific plans may deviate, with some facing substantial hikes, posing challenges for affordability.

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Escalating Co-Payments in South Africa's Changing Healthcare Landscape

Co-payments pose a challenge for South Africa's healthcare consumers. Co-Payments are associated with medical procedures, they are increasingly common and costly due to rising medical inflation, creating financial strain for consumers. With co-payment amounts varying from R5,000 to over R30,000, individuals on lower-tier medical plans may face heightened expenses. Gap cover emerges as a crucial tool in alleviating these financial burdens, offering protection against out-of-pocket expenses. Covering non-Designated Service Provider hospitals, scopes, scans, and specialist co-payments, gap cover provides specified or unlimited benefits, with a 2023 annual limit of R198,660.43.

The Crucial Role of Gap Cover in the Era of Economic Challenges & Advanced Medical Technologies

Furthermore, the economic impact of the Covid-19 pandemic continues to reverberate, adding another layer of complexity to the healthcare landscape. Reduced income coupled with increased expenses have made top-tier comprehensive medical aid plans less accessible, pushing individuals towards lower plans, which offer decreased coverage. This shift may leave individuals vulnerable to greater out-of-pocket expenses in the event of accidents, surgeries, or illnesses.

The need for affordable access to private healthcare becomes more pronounced, making gap cover an indispensable tool in managing unforeseen financial burdens. As the list of medical procedures requiring co-payments expands, particularly for those on lower-tier medical plans, gap cover provides a cost-effective safety net, ensuring individuals can claim back potentially significant sums and safeguard their financial well-being.

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With the global economy still on the back foot, industry players are grappling with the challenge of balancing the delivery of quality healthcare with cost containment. Advanced medical technologies, such as robotic-assisted surgeries and next-generation cancer treatments, offer improved outcomes but come at a substantial financial cost. The gap between what medical aids pay and what practitioners charge continues to widen, with costs for many procedures reaching two to three times the scheme rate.

Safeguarding Your Health and Wealth in South Africa's Shifting Healthcare Dynamics

In this evolving healthcare landscape, the role of gap cover becomes even more critical. While South Africans may not have control over the rising cost of day-to-day living and medical treatments, gap cover offers a feasible way to ensure access to private healthcare remains within reach. Once considered a 'nice to have,' gap cover has transformed into a necessity. Individuals looking to safeguard their financial future from potentially substantial out-of-pocket medical expenses should proactively seek the guidance of their financial advisors or brokers. Tailoring the right combination of medical aid and gap cover ensures comprehensive coverage, offering peace of mind in an environment of ongoing change and uncertainty.

