# NATIONAL ASSEMBLY

**FOR WRITTEN REPLY**

**QUESTION NO. 1456**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 05 MAY 2023**

**(INTERNAL QUESTION PAPER NO. 15)**

**Mr K Ceza (EFF) to ask the Minister of Health:**

What is the current update on the retaining of medical insurance as a low-cost benefit option until the full integration of the National Health Insurance? **NW1684E**

**REPLY:**

The National Department of Health is determined to implement National Health Insurance (NHI) as the only viable and sustainable intervention to effectively transform the South African health system into one that offers equitable, accessible, affordable and quality health care to all irrespective of their social or economic status. A tiered approach to the provision and access of needed health services is contrary to the values of the Constitution, specifically the rights of every South African as enshrined in the Bill of Rights.

Concerning developments around the Low Cost Benefit Options (LCBOs), the Council for Medical Schemes (CMS), the statutory body responsible for regulatory oversight of all duly registered medical schemes, issued Circular 13 of 2023: Update on the status of the Development of LCBO Guidelines dated 28 March 2023. This Circular provides an industry update. In this Circular, it was indicated that through a series of industry consultative meetings initiated in 2015 with key government departments, regulatory entities and industry stakeholders, three Advisory Committees supported by technical work-streams were established by the CMS to work on developing draft LCBOs guidelines. The Committees produced the LCBOs Framework Report and Risk Assessment & Roadmap, together with the proposed LCBO guidelines, which were published in Circular 53 of 2022 for public comments and inputs.

Subsequently, at the request of stakeholders and other interested parties, Circular 57 of 2022 was issued, notifying the public of an extension for submitting comments. At the end of the public comments period, 44 submissions had been made to the CMS. The comments and inputs primarily covered three core areas, namely (i) legal and compliance matters; (ii) benefits and pricing issues; and (iii) the market and affordability of products.

The CMS is at the tail-end of thoroughly evaluating all comments so as to finalise the LCBO guidelines and recommendations. It is also crucial that appropriate policy options presented to the Ministry of Health are adequately evaluated and assessed to ensure they do not conflict with the purport, object and intent of the Medical Schemes Act, Act 131 of 1998 and the Department’s policy priorities, especially in relation to the phased implementation of NHI. To this effect, the CMS established an Internal Working Committee consisting of key business functions to provide further inputs on the recommendations of the Advisory Committee.

The purpose of the Internal Working Committee was to provide an independent and informed view on industry issues to the Minister of Health as per Section 7 of the Medical Schemes Act, Act 131 of 1998.

It must be noted that there is no intention for LCBO to be integrated into the NHI environment. Instead, the intention is to create an integrated health financing system that prioritises the health of all South Africans through ensuring access to a comprehensive set of personal health services. Within such a system, medical schemes would only play a complementary role as suggested in Clause 33 of the NHI Bill that is currently serving in Parliament.

END.