ANNUAL REPORT 2020/21

REGULATING THROUGH A PANDEMIC

20th ANNIVERSARY

CMS

Council for Medical Schemes

BURDEN OF DISEASE AND UTILISATION OF HEALTHCARE SERVICES

Healthcare utilisation annual statutory returns data collection system

Section 7 (e) of the Medical Schemes Act describes that one of the key functions of the Council is to collect and disseminate information about private health care, this also includes utilisation of health care services. The Dynamic Data Driven Return (DDDR) System was implemented recently, coupled with continuous improvement of utilisation statistics indicators and data specification guidelines. The CMS continues to see an improvement in reporting the quality of healthcare data. Various circulars were published that looked at critical areas for data improvement, including new validation rules to define better and standardised the indicators.

Analysis of scheme risk measurement returns

The CMS continued to collect Scheme Risk Measurement (SRM) data to measure and report on the risk profiles of medical schemes and benefit options. This allows schemes to better understand the impact of age and chronic disease on the beneficiaries covered by medical schemes. Medical schemes are further categorised into risk categories measuring the degree of difference from the industry community rate (ICR) at both scheme and option level. Furthermore, measuring schemes' deviation from their expected community rate, gives an indication of worsening or improving risk profiles over time. Individual scheme reports are shared with schemes and aggregated information shared in the industry report.

There was a noticeable increase in the variation between schemes' risk profiles, evident by the rise in the risk rate measured from the ICR. Schemes with favourable risk profiles (young and healthy beneficiaries) recorded at rates of R558 below the ICR and schemes with unfavourable risk profiles recorded rates at over R1 299 above the ICR.

The findings continue to depict a significant degree of variation in risk between medical schemes and is directly attributable to the actual differences in the risk profiles of individual medical schemes. The observed increase in the industry community rate is possibly a result of a change in the risk profile of medical schemes' beneficiaries.

Scheme-specific reports detailing the Scheme Community Rate by benefit option

The CMS also continued with the analysis of and reporting on the scheme community rate (SCR). Scheme-specific reports were sent to each scheme detailing the scheme's monthly community rate in relation to the industry community rate at scheme and benefit option level. The variations observed are reported in the SRM Industry Report.

Prevalence of chronic diseases in the medical schemes' population

The CMS continues to monitor the prevalence of chronic conditions in the medical schemes' population. Hypertension, hyperlipidemia and diabetes mellitus type 2 are the most prevalent chronic conditions, and these are also ranked highest in beneficiaries that are 60 years and older as well as for the entire industry.

Analysis of the PMB coverage for beneficiaries with chronic conditions revealed that 7.77% was admitted to hospital. Close to 21.04% of beneficiaries admitted to hospital received treatment for hypertension, 11.62% for coronary artery disease and 11.83% was treated for diabetes mellitus 2.

General prevalence that is defined as beneficiaries having at least one claim for a chronic condition, at rates over 1.8 times higher than the strict prevalence, set by the Entry and Verification criteria. Considering the current COVID-19 pandemic, all beneficiaries with underlying conditions are at higher risk for severe COVID-19 infection. This analysis has assessed the prevalence of conditions in the specific vulnerable proportions of the population, such as beneficiaries 60 years and over, beneficiaries with hypertension, diabetes, respiratory conditions, cardiac conditions and chronic renal disease, as indicated by the Ministry of Health.