



SANDTON C.C. J'BURG
13-14 MARCH 2024



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14 March 2024

Prescribed Minimum Benefits
– from Basics to the Latest



AGENDA

09:30 to 10:10

01

The cost to medical schemes of the PMB

02

Understanding a scheme's liability with regards to the PMB level of care according to the MSA

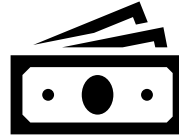
03

An overview of proposed changes to PMBs

How much is spent by medical schemes?

2022 Gross contributions

R232.49bn



SAVINGS
R20bn

2022 Risk contributions

R210.76bn

2022 Gross benefits

R224.1bn



Managed
care
R5.54bn

2022 Risk benefits

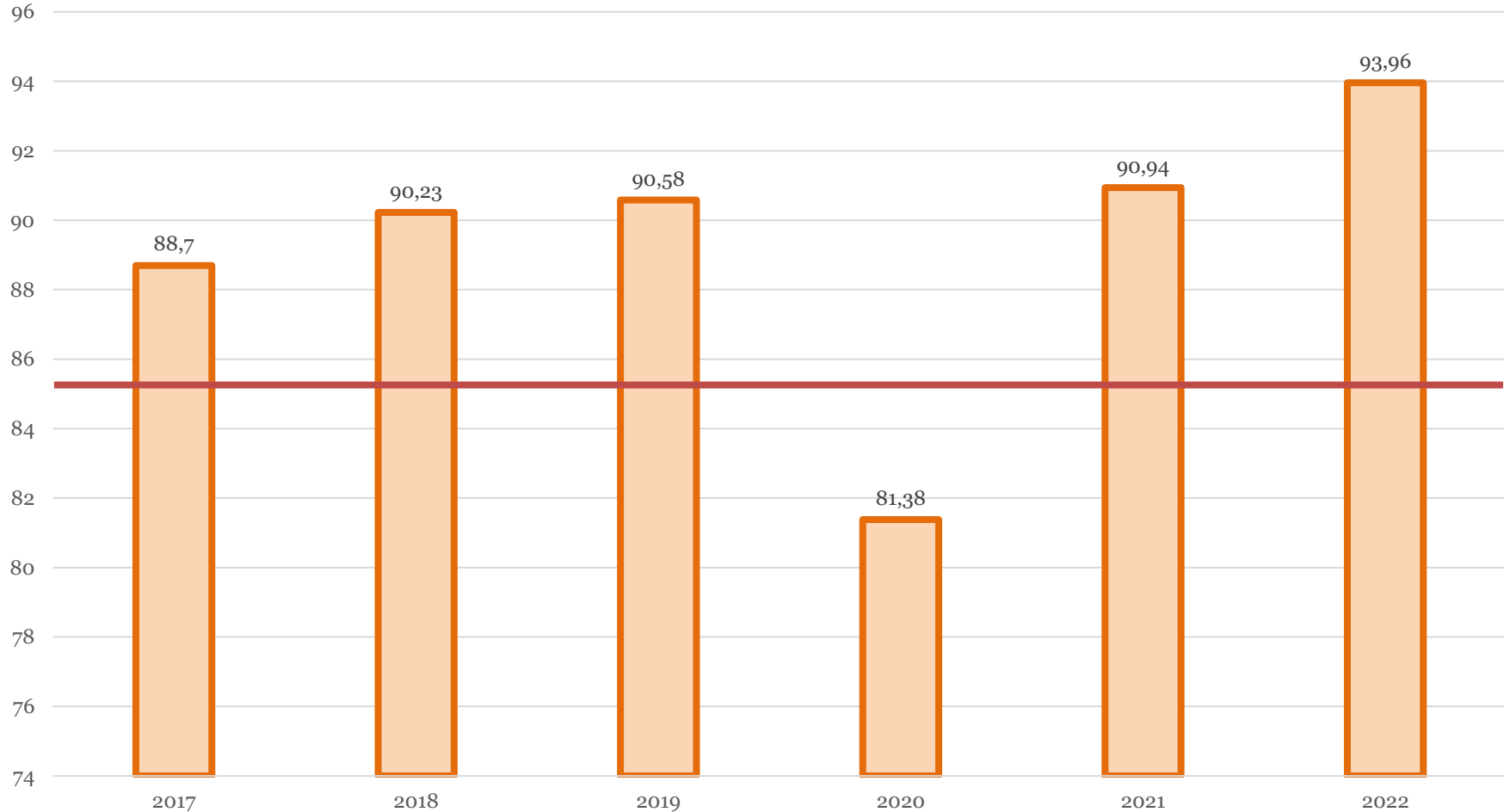
R203.3bn

How many South Africans have medical scheme cover?



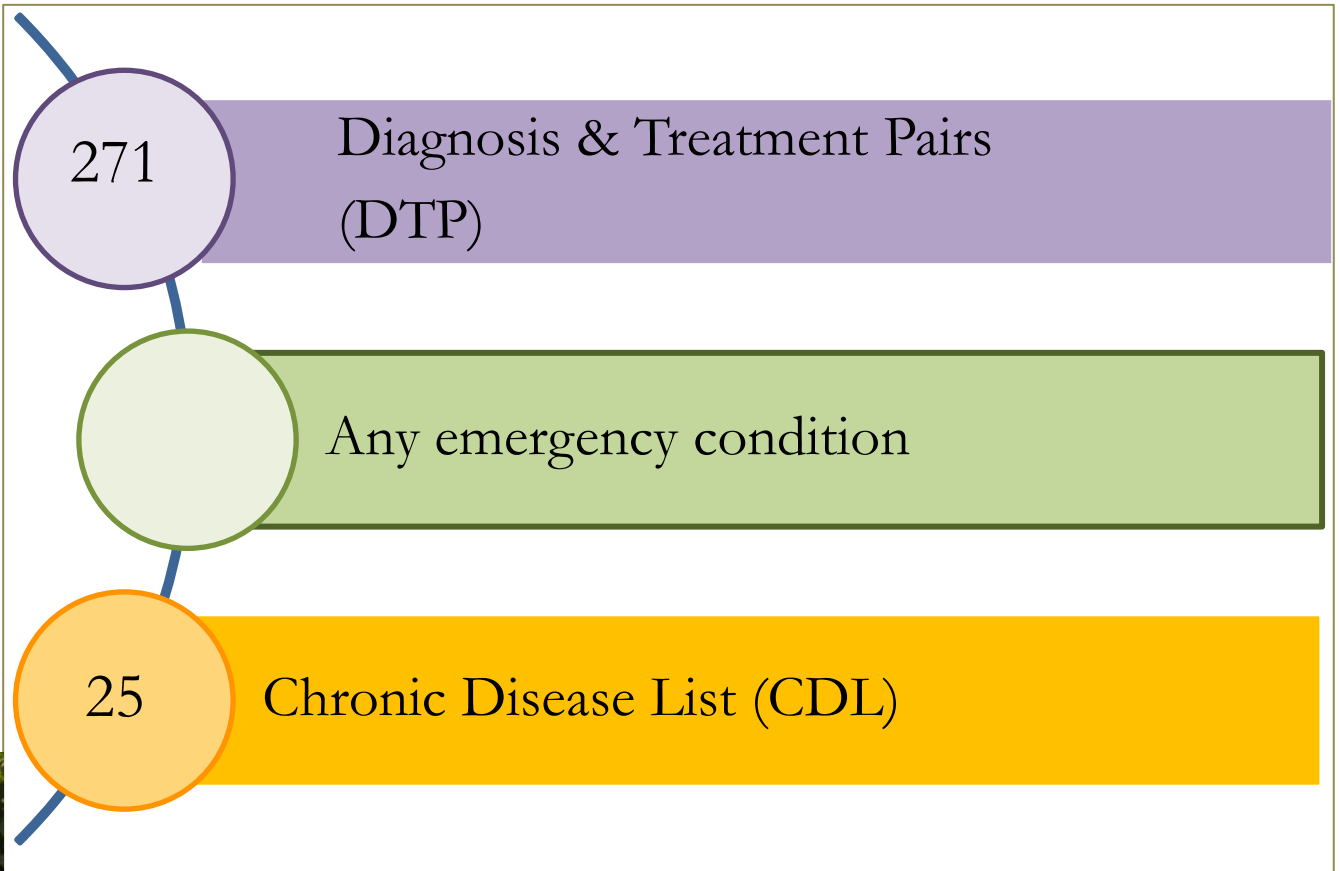
How financially sound are medical schemes?

% spend on healthcare benefits



Prescribed Minimum Benefit Groups

297



Why PMBs? PMB Objectives

1.

Beneficiaries have continuous cover

2.

Healthcare is paid for by the correct parties

3.

Minimum healthcare is provided to everybody who needs it

4.

Medical schemes remain financially healthy

Are the interests of medical scheme beneficiaries protected?

PMB applicability

Are any medical scheme options exempt from offering benefits for PMBs?

MSA para 8

(h) **exempt,**

in **exceptional cases** and subject to terms and conditions **for period determined by CMS,**

a scheme upon written application from complying with **any** provision of this Act

Can schemes underwrite PMBs?

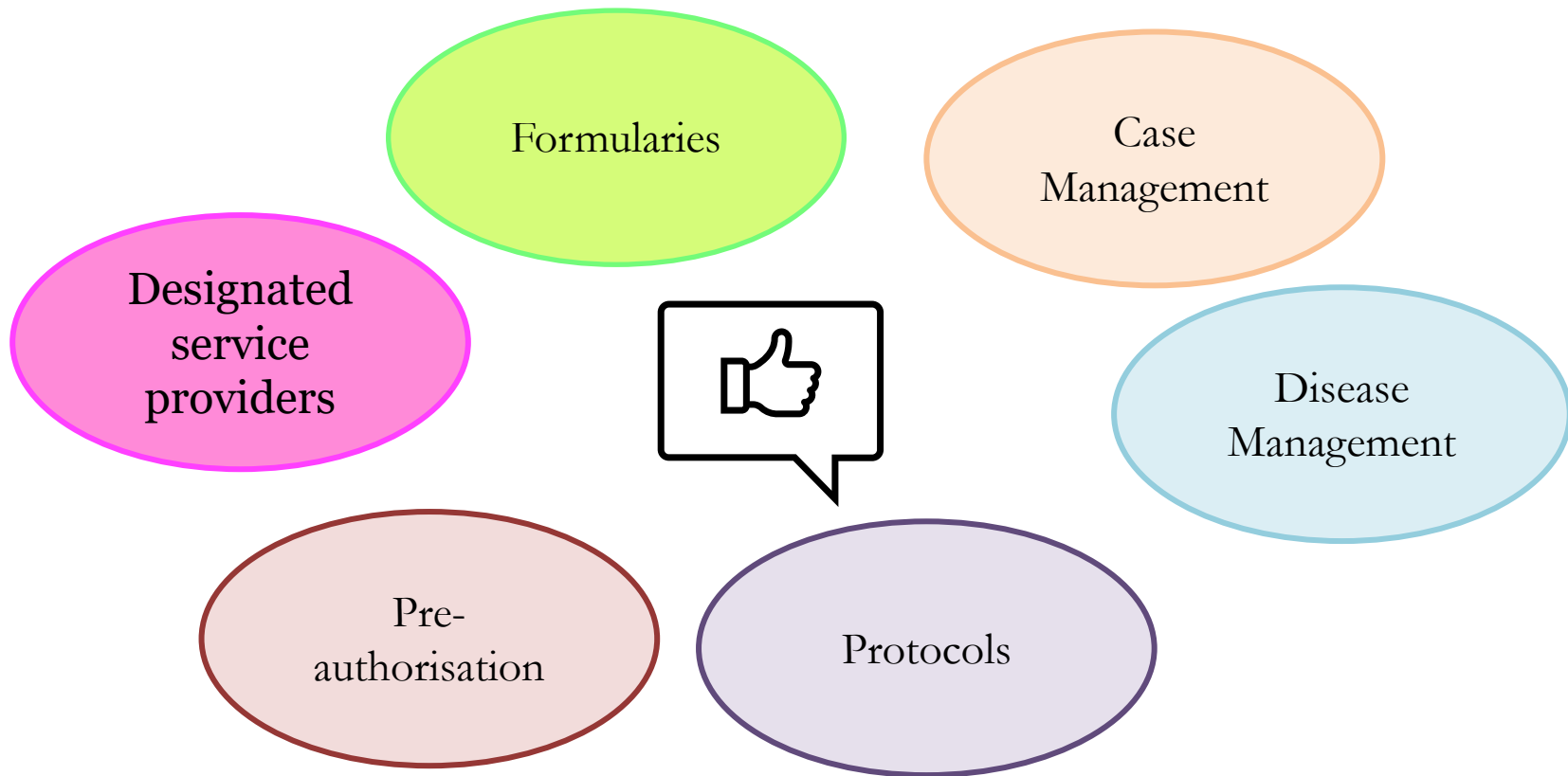
3-month General Waiting Period &
12-month condition specific exclusion

If one has a greater than 90 day break in medical
scheme cover

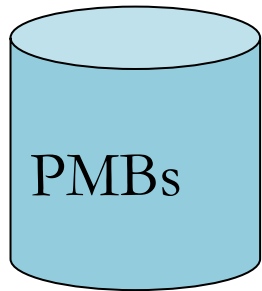
Can scheme exclusions apply to PMBs?

Further benefit design limitations

- Can managed care apply to PMBs?



PMB and PMB level of care



297 diagnoses based



ICD-10



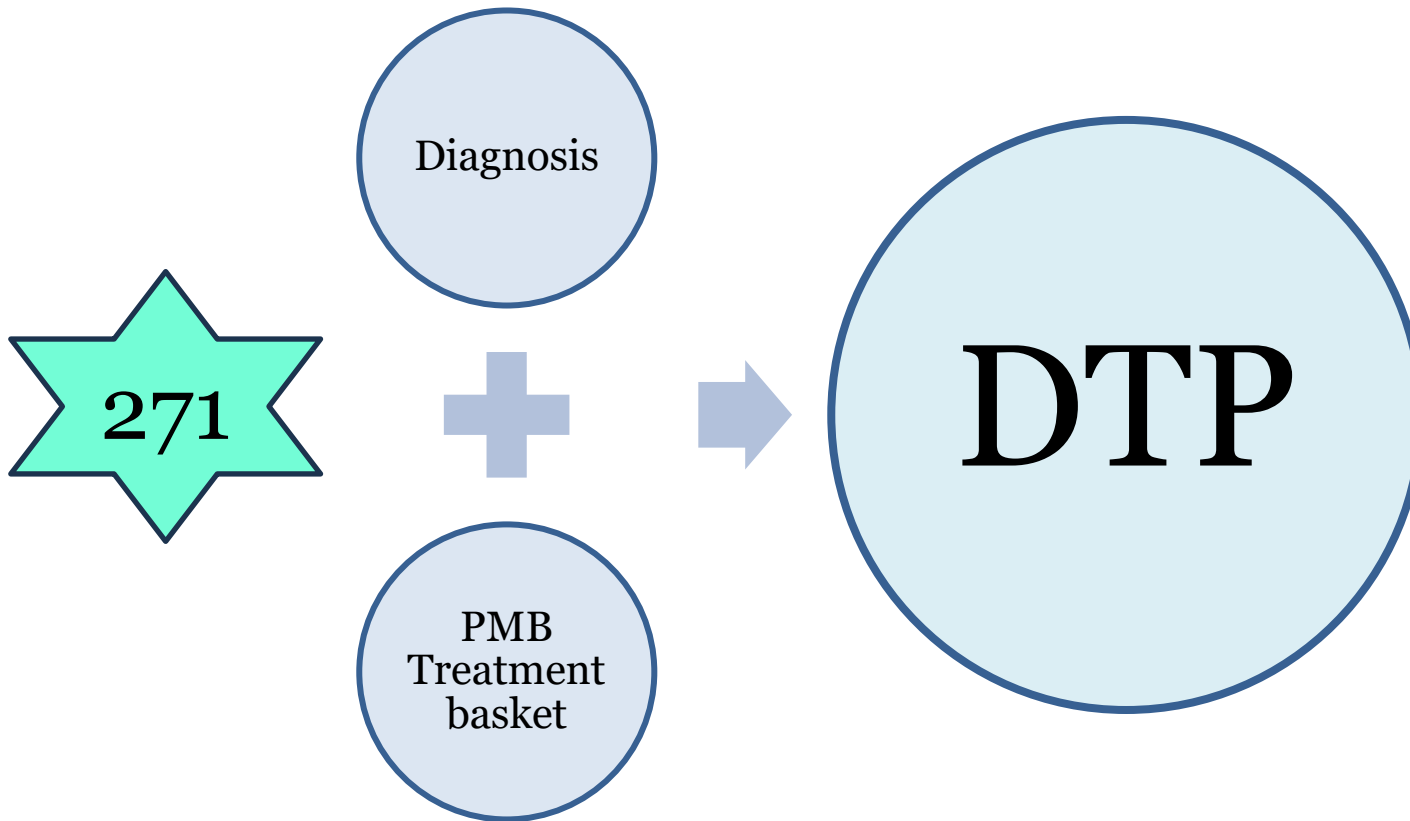
Severity of Illness



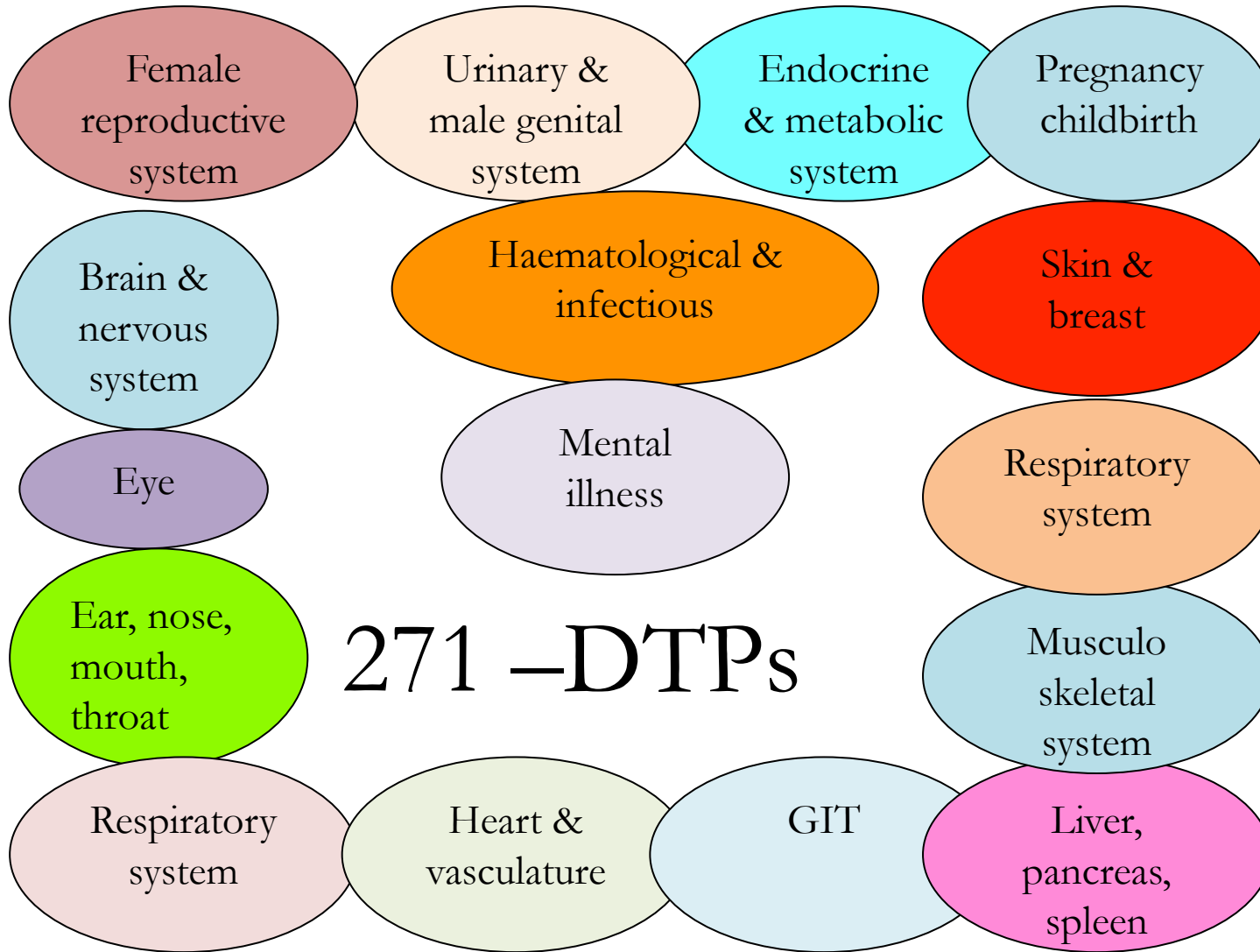
Diagnosis and Treatment Pairs



Diagnosis & Treatment Pair



DTP conditions



Diagnosis & treatment pairs (DTPs)

Diagnosis:

Myocarditis;
cardiomyopathy;
transposition of great
vessels; hypoplastic
left heart syndrome

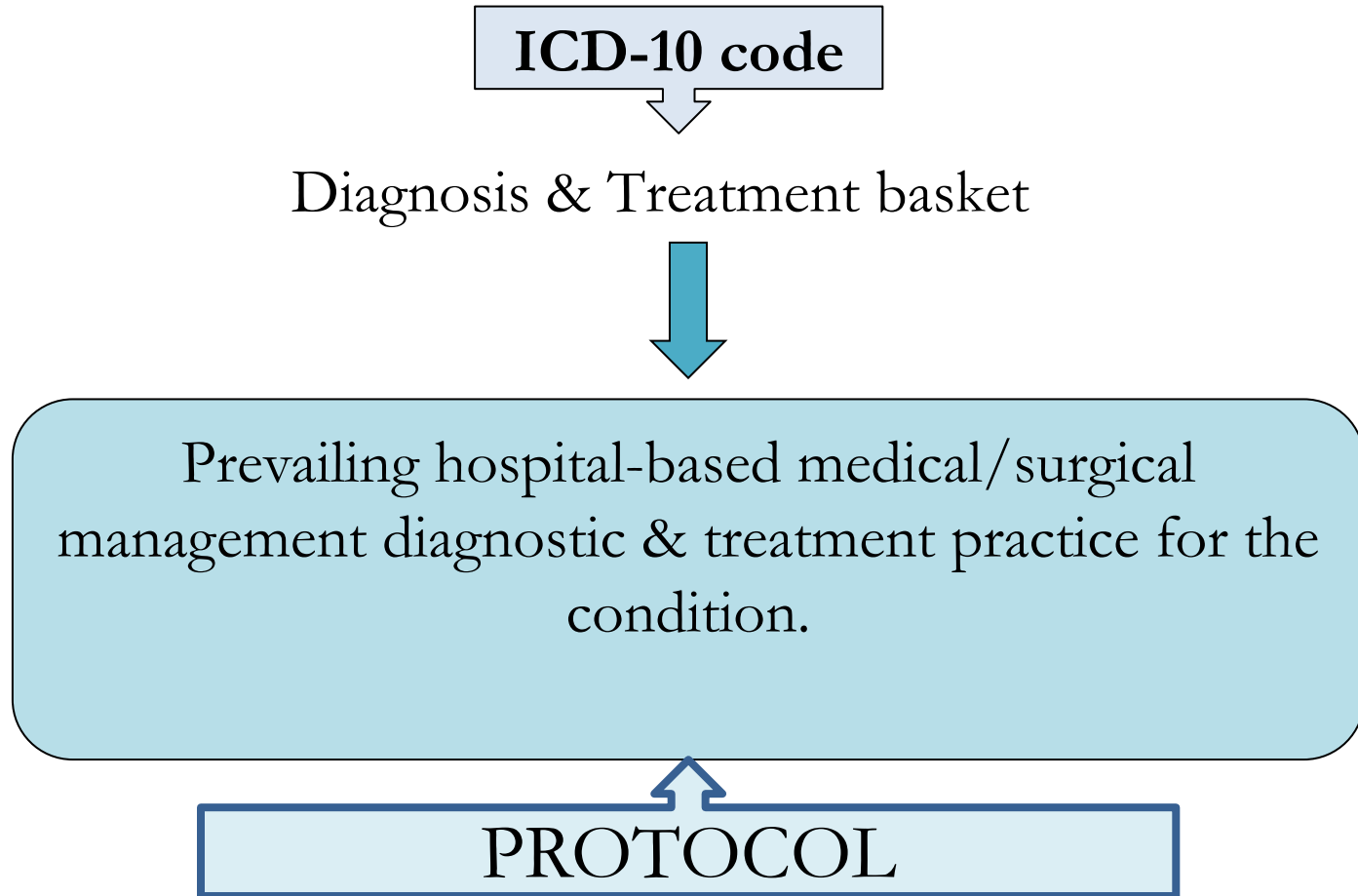


Treatment:

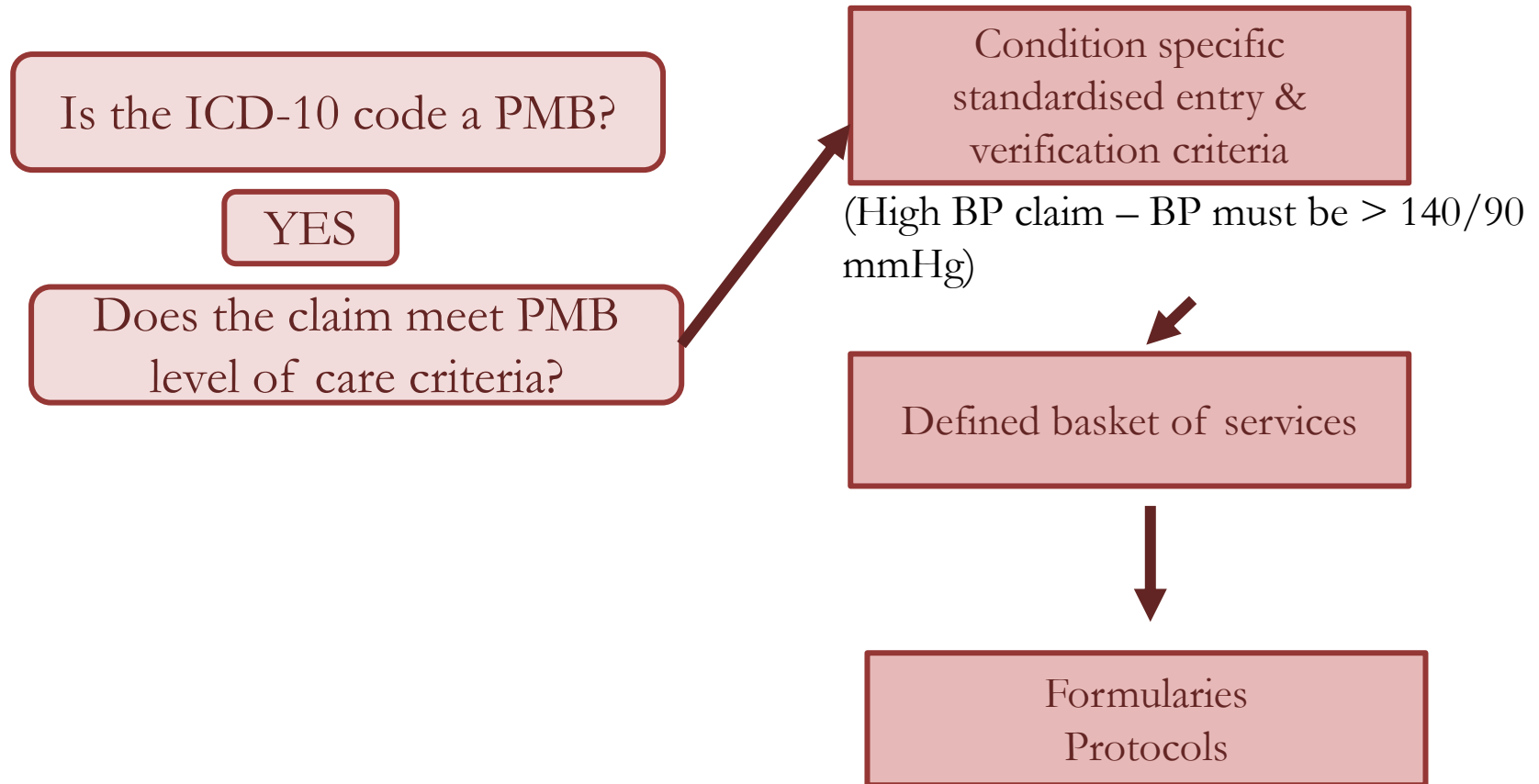
Medical & surgical
management; cardiac
transplant

PMB CLAIM

DTP entitlement to benefit



Entitlement to benefits



Entitlement to Cancer Treatment Benefits

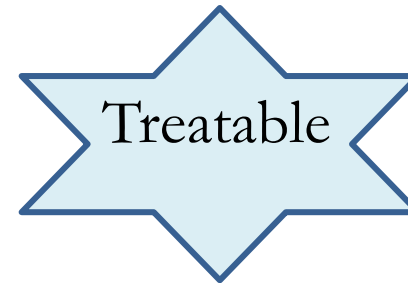
What is the PMB LOC for cancer?

Annexure A Regs to MSA- Note 3

- No spread to adjacent organs
- No spread to distant organs
- Not destroyed the organ of origin

OR

well-demonstrated five-year survival rate of greater than 10%
for the given therapy for that condition



Chronic Disease List (CDL)



Chronic disease list (CDL)

- **A list of 25 chronic conditions**

Benefits for :

Diagnosis

Medical Management

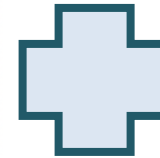
Medication, to the extent that this is provided for by way of a **therapeutic algorithm.**



Chronic Disease List PMBs (CDLs)

Diagnosis:

Addison's Disease	Epilepsy
Asthma	Glaucoma
Bipolar Mood Disorder	Haemophilia
Bronchiectasis	Hyperlipidaemia
Cardiac Failure	Hypertension
Cardiomyopathy	Hypothyroidism
Chronic Renal Disease	Multiple Sclerosis
Chronic Obstructive Pulmonary Disease	Parkinson's Disease
Coronary Artery Disease	Rheumatoid Arthritis
Crohn's Disease	Schizophrenia
Diabetes Insipidus	Systemic Lupus Erythematosus
Diabetes Mellitus Type 1 & 2	Ulcerative Colitis
Dysrhythmias	



Treatment:
Therapeutic algorithm

PMB CLAIM

ASTHMA

Diagnosis

Made on symptoms and signs
Objective measurement:
FEV1 improvement possible $\geq 15\%$
[& 200ml increase after short acting $\beta 2$ agonist (400 μg MDI and spacer)]

Aims of Management:
Control symptoms and prevent exacerbations
Achieve best possible peak flow
Minimise adverse effects

Stepwise Approach:

Start treatment at step most appropriate to initial severity
Achieve early control
Maintain stepping up or stepping down therapy

CLASSIFICATION OF SEVERITY

Management of Chronic Asthma in Adults

Classify Severity at Presentation

	Intermittent	Persistent		
Category	I	Mild II	Moderate III	Severe IV
Daytime symptoms	$\leq 2/\text{week}$	2-4/week	$> 4/\text{week}$	Continuous
Night-time symptoms	$\leq 1/\text{month}$	2-4/month	$> 4/\text{week}$	Frequent
PEF (predicted)	$\geq 80\%$	$\geq 80\%$	60-80%	$< 60\%$

START TREATMENT AT MOST APPROPRIATE STEP

Step 1: Mild Intermittent Asthma

Inhaled short acting $\beta 2$ agonist as required

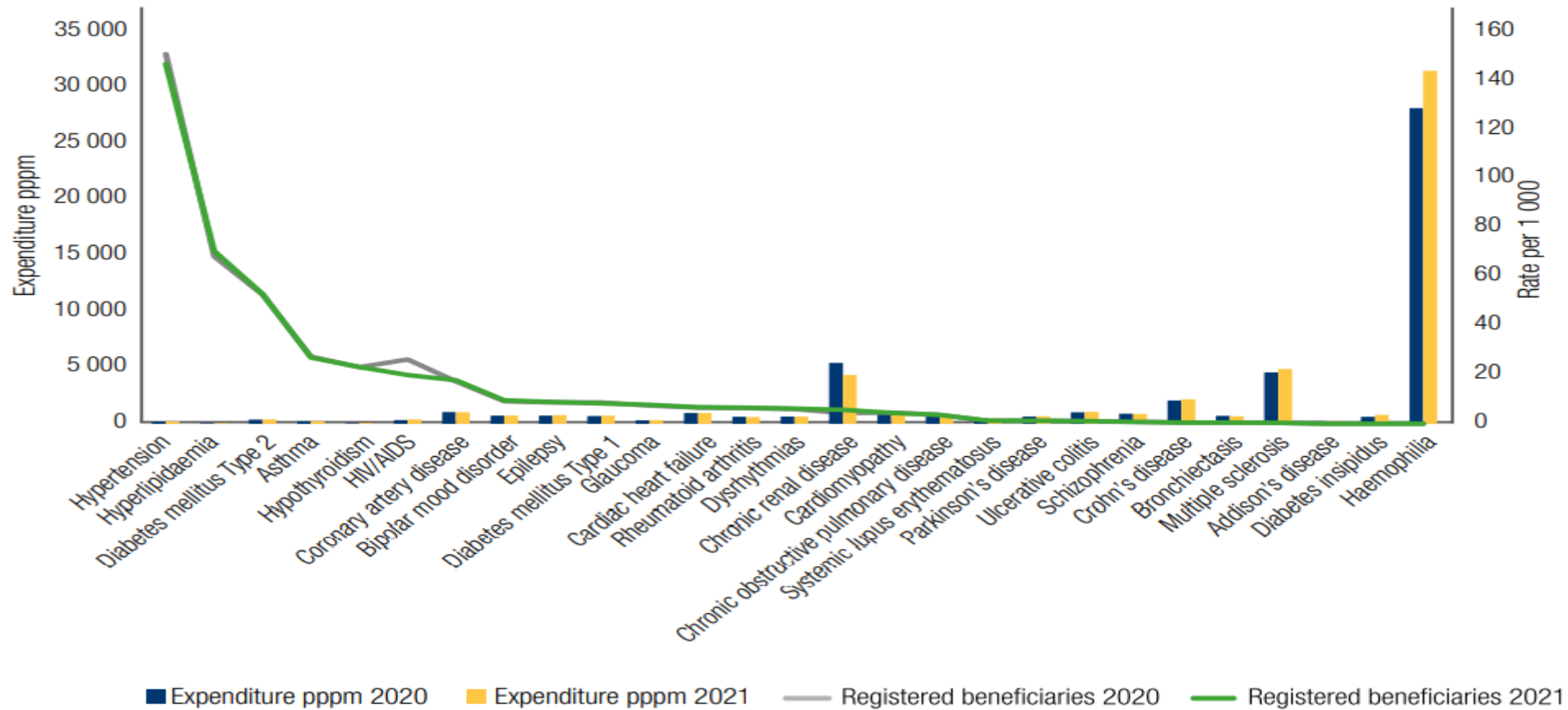
Step 2: Mild Persistent Asthma

Reliever: $\beta 2$ agonist as required;
Preventer: Add inhaled corticosteroid 400-800 $\mu\text{g}/\text{day}$
(Equivalent to beclomethasone MDI & spacer)

Step Down

Step Up

PMB chronic conditions



Any Emergency condition



PMB Emergency Condition

means the sudden and, at the time, unexpected onset of a health condition that

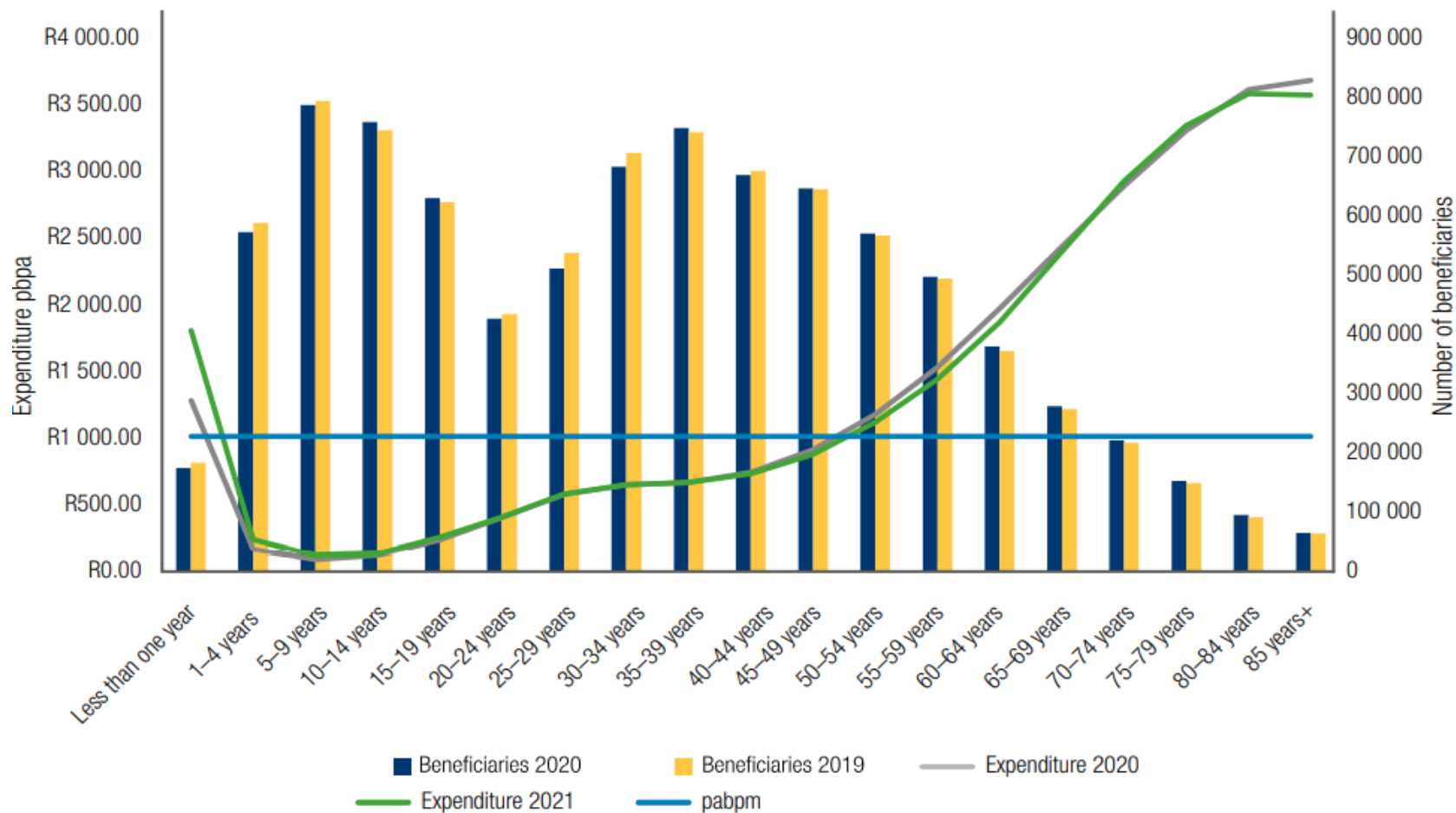
requires immediate medical or surgical treatment,

where failure to provide medical or surgical treatment would result in **serious impairment** to bodily functions or serious dysfunction of a bodily organ or part, or would place the person's **life** in serious jeopardy;

Payment of PMBs



Prescribed minimum benefits (PMBs)



In 2021, the average number of hospital admissions in respect of PMB conditions increased significantly by 17.29%.

PMB payment

Regulation 8. Prescribed Minimum

Any benefit option that is offered by a medical *scheme* ***must pay in full,***

without co-payment or the use of deductibles,



Diagnosis



Treatment



Care

PMB payment

The scheme must pay for these benefits from the scheme's risk pool

However, the provider needs to have allocated the correct ICD-10 diagnostic code.



Not the savings account

PMB payment for non-use of DSP

Voluntary non-use of
DSP



Scheme tariff applies
Member has a co-payment

PMB payment for non-use of DSP

When does the scheme tariff NOT apply?

Involuntary non-use
of DSP

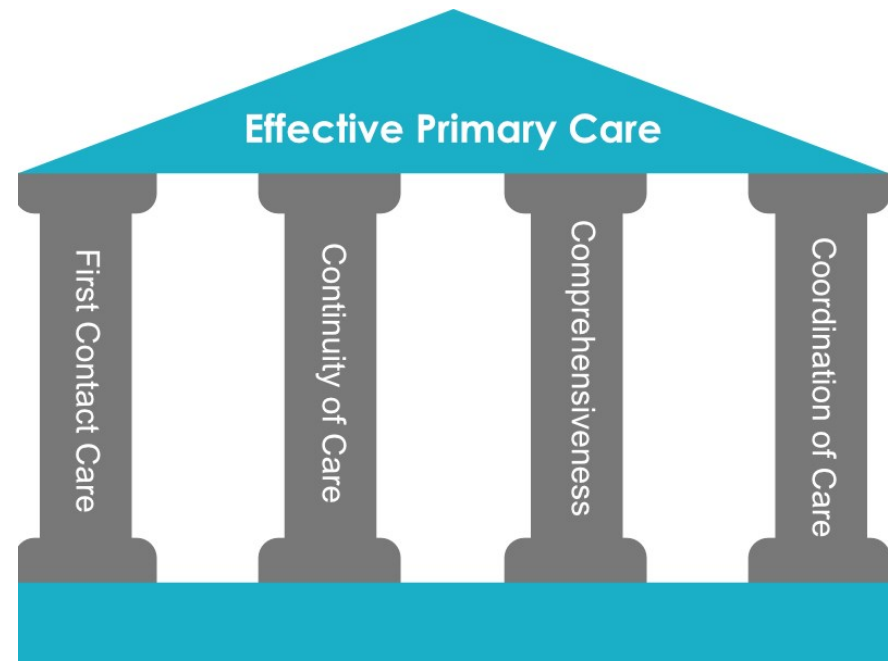
1. Service not
available from
DSP

2. Immediate
treatment required

3. DSP not within
reasonable proximity.

Member has NO co-payment

Managed Care



Protocol definition

Evidence-
based
medicine



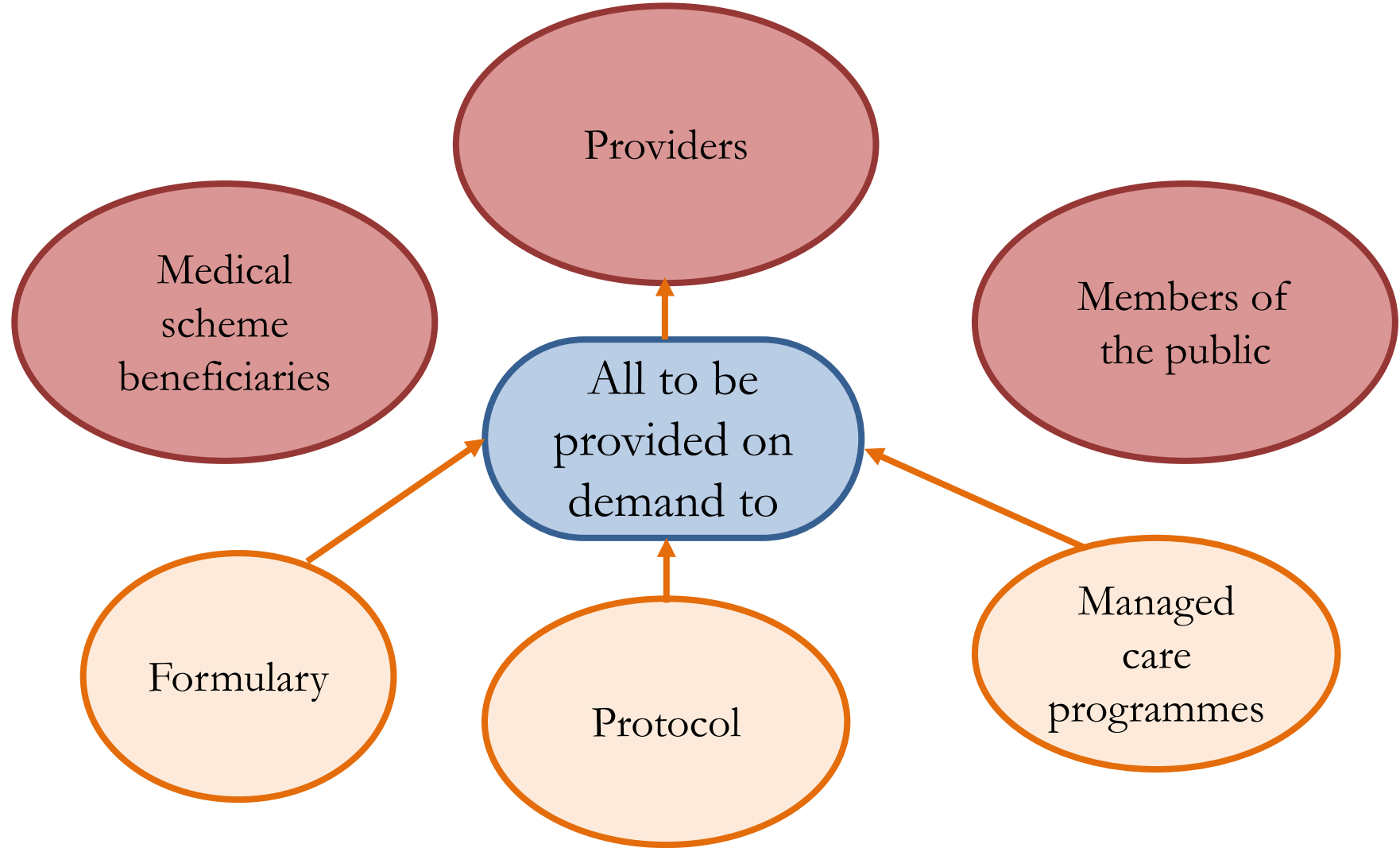
Protocol =
Optimal sequence of diagnostic
testing and treatment for specific
conditions

Scheme must ensure that a protocol is in place

Must ensure clinical necessity & appropriateness

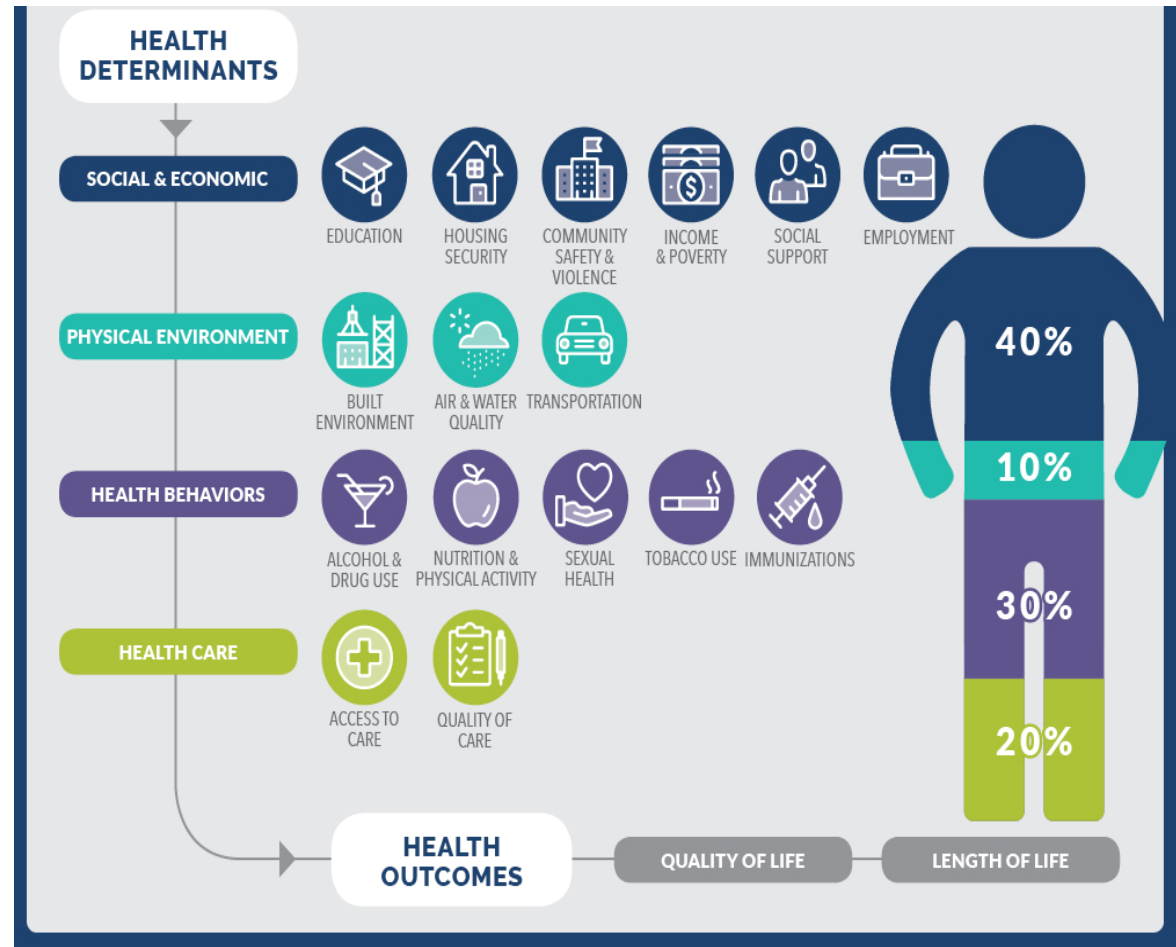
Must inform on outcomes of these procedures

Protocols



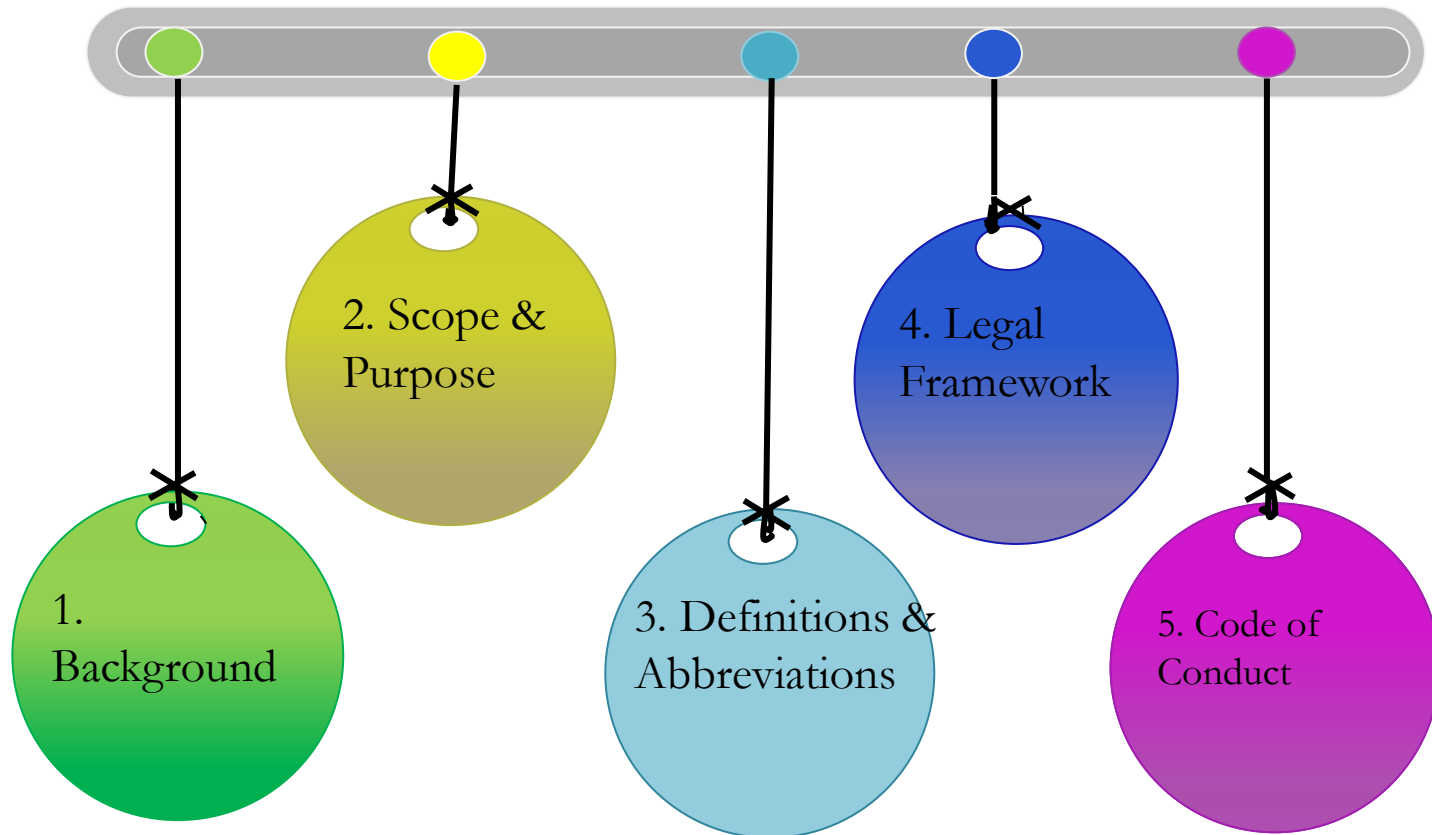
SA Outcomes Measurement and Reporting Conference

Reflects the impact of the health care service on the health status of patients.

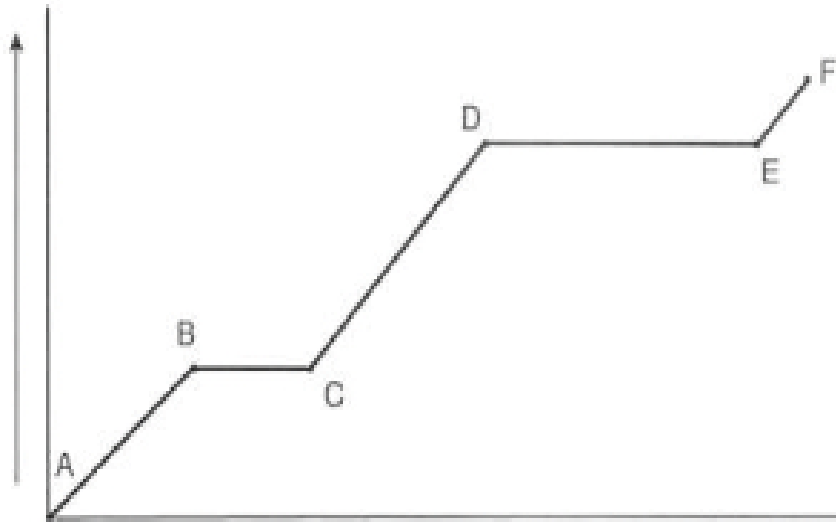


PMB Code of Conduct 2017

Content



Proposed changes



Challenges associated with
PMBs

Lack of tariff
determination

Providers
funded
largely on
fee-for-
service
basis

Current
package is
expensive

No risk
adjustment
mechanism

Current
package is
hospi-centric

Current package
has no incentives
to maintain &
improve health

Unclear
benefit
definitions

Health Market Inquiry Recommendations

Base benefit
package for out-
of-hospital and
cost-effective
care

Compulsory
care
coordination

Risk Adjustment
mechanism to
be introduced

PMB Review Project

- 2008 to 2015 - 1st PMB Review
- 2010 – Not signed by DoH
- 2016 to 2018 -----

Proposed new primary healthcare package

- Preventative services
- Maternal and neonatal services
- Child health services
- Curative services
- Mental health services
- Diagnostic: laboratory services
- Diagnostic: imaging services
- Pharmaceutical services
- A basket of defined basic dentistry services
- A basket of defined basic optometry services

Proposed new hospital package

- Maternal and neonatal services
- Child health services
- Curative services
- Mental health services
- Diagnostic, laboratory and other medical examination services
- Surgical and medical equipment services
- Pharmaceutical services
- Emergency medical services
- Inpatient education packages
- Palliative services
- A list of exclusions from the hospital setting

Proposed new hospital package

- Neither condition specific nor diagnosis specific

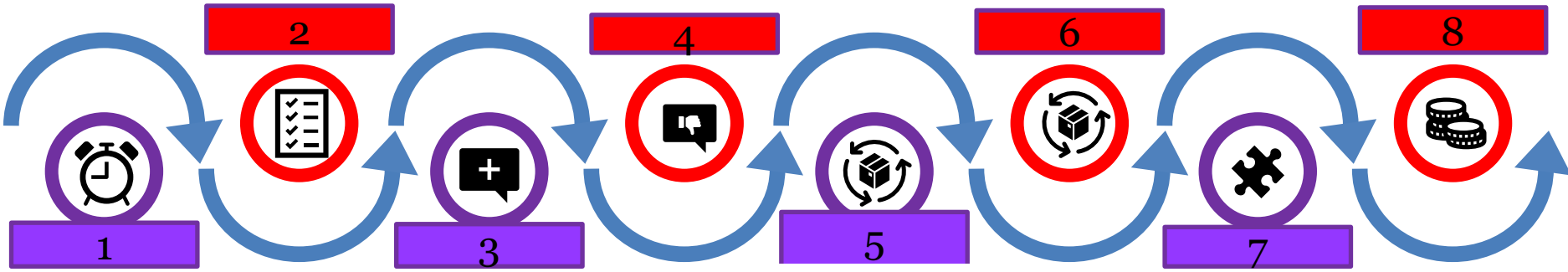
Background to the LCBO process

2015
Circulars
on
LCBO
benefits

2019 Circular
80 – no
LCBOs will
be allowed
going forward

2022
Exemptions
rolled
forward
again

2023 – Status
update –
framework to
Minister Q1



2006/7
LIMS
process
sanctioned
by CMS

2017
Demarcation
Regulations
and
Exemption
Framework
(3 years)

2020
Exemption
s rolled
forward
LCBO
Advisory
Committee
established

Circular 53
of 2022 –
Framework
document



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