

"I foresee more mergers and liquidations for next year. Since 2009 there have been a lot of liquidations. It will be interesting to see who will survive the mergers. In order to maintain their solvency many schemes may apply waiting periods, exclusions and late joining penalties."

The schemes will also see more members applying for downgrades instead of resignations. Members will rather go down to the lowest option rather than resign completely. It will definitely have an impact on medical schemes as they will receive lower premiums. There were many downgrades this year and I expect there will be more next year.

Victor Crouser, head of healthcare at Alexander Forbes, said on television programme Carte Blanche that: "Medical schemes are all three-legged horses - they all have their problems and issues and there is no perfect medical scheme in this country; it's just too dynamic and challenging. Certainly some do it a lot better than others." Do you have the same view? What can schemes do differently?

I agree with him. Some do offer excellent services; however, I would say there need to be more affordable options for members. It's getting exorbitantly expensive. There are some schemes already doing so by introducing network options where service providers are specified. Discovery has done this through its Delta and Keycare options and Momentum has introduced the Associated Hospital option, which is also affordable and popular. We may also see more wellness and loyalty programs coming to the fore. It's a huge attraction for the younger members.

What can brokers do to make sure their clients know how they are covered?

I see huge value in the role of the broker because medical schemes are very technical. There are so many options and the rules are so complex. Members don't understand their benefits and if these are interpreted correctly it would benefit them. One reads about

people complaining in the newspapers all the time about medical schemes and often ask myself 'why aren't they speaking to their brokers?' This is the time when healthcare brokers are extremely busy, even busier than the rest as medical schemes come out with new benefits and members are looking at potentially downgrading or upgrading. For brokers, a good start off point is to have a good service level agreement with their clients. Beyond that they need to ensure that the client sees them often enough and that they stick to their agreements. Broker's relationships with their clients and service providers are very important. When it comes to the service provider, brokers must familiarize themselves with the specific medical scheme, its rules, know how to assist members and declare a dispute if necessary.

What impact will the reduction in the number of medical schemes have in the industry?

I think it will be business as usual. The only thing that breaks my heart is when schemes liquidate and there are no arrangements to take those members on, and they are often left high and dry. In the case of when Gen-Health got liquidated Discovery and Momentum stepped forward and said that they will allow General Health's members to join their schemes without any waiting periods and that is what we are hoping for the future.

What do you make of the government's National Health Insurance scheme - will it impact on the medical schemes?

We still don't know what's happening with the NHI, but there is no denying that such a scheme needs to be implemented. The entire population of South Africa needs equitable access to quality healthcare. We

are not sure though how it will be funded, some say through extra taxes while others say that institutions like banks will help finance it too. Personally, I think that private medical schemes will fulfill a role, but the NHI is necessary and the FIA is very positive regarding it.

What impact will new accounting standards (expected in 2014) and other regulations have on the medical scheme industry?

By 2014 we would have seen quite a few mergers already and schemes that will be left will be ready as they will be large and strong. By that stage there may be other developments too such as the creation of a Health Ombudsman and we should by then know more about the NHI and how it will be implemented. We are all in for interesting times in the health care industry and it remains as dynamic and complex as ever.