



FOR PROFESSIONALS
SINCE 1941

MEDICAL PROFESSION SAYS NHI WILL NOT FIX THE HEALTH CARE SYSTEM

Media Release:

01 June 2012: South Africa's medical professionals are concerned about their income earning ability following the implementation of the National Health Insurance (NHI) initiative, according to a survey conducted by PPS, the financial services provider focused on graduate professionals.

The survey of more than 800 of South Africa's medical professionals found that the confidence level of respondents on whether they will be able to earn a sufficient income after NHI is introduced was just 54%. In addition, only 47% of respondents also said they would encourage their children to enter the profession.

According to Gerhard Joubert, Head of Group Marketing and Stakeholder Relations at PPS, many medical professionals are concerned about what NHI will mean for their profession as much of the policy still remains unknown. "Since the Government's statement on NHI was released last year there have been concerns regarding the lack of information available and rightly so, medical professionals are worried about the impact it will have on the industry."

Despite these concerns, the survey also revealed that 59% of respondents agreed with the principle behind NHI, more than any other profession surveyed by PPS. However, only 18% said they believed that NHI is the solution to fix the country's ailing health system.

Joubert says the survey also showed that the medical profession has a number of concerns about the current level of education in South Africa. "95% of those surveyed said they had concerns about the lack of mathematics and science graduates in the country. On their confidence of whether the current training of medical students is up to standard, the result was just 57%."

He says these statistics are extremely worrying, given that the country has such a strong track record of medical training. "South Africa used to be one of the world leaders in quality medical training and it is crucial that one of the cornerstones of NHI is to ensure that we return to this proud tradition."

On whether a pricing commission where all role players (healthcare providers, private hospitals and medical schemes) can negotiate and set tariffs is a positive solution for the private sector, the survey also revealed a confidence level of 65%. "With ongoing concerns regarding the cost of healthcare, it is clear that according to the industry, a pricing commission that enables the entire healthcare industry to set tariffs is a potential way forward."

A further result showed that only 22% of medical professionals are in favour of a capitation system – a method of paying service providers a set amount for each assigned patient regardless of whether they require treatment or how long this takes – for doctors.

Other statistics in the survey revealed a 61% confidence level on the economic outlook for South Africa over the next 12 months, with a 52% confidence level on whether we have seen the worst of the global economic turmoil.

“This survey shows that medical professionals have some very valid concerns about the future of their industry. This is to be expected given the huge changes that face the healthcare profession over the next 10 years in light of NHI, as well as the fact that many are still awaiting further information on exactly how NHI will be implemented.”

Other results from the survey

- Confidence about the future of their profession over the next 5 years was 75%
- Confidence in their ability to earn an income that keeps up with inflation was 66%
- Confidence in the outlook for local equity / share markets was 62%
- Confidence in whether they have saved enough to retire comfortably was just 52%
- Confidence in crime rates improving over the next five years was 41%
- Confidence in unemployment improving over the next five years was 40%

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Additional information:

PPS boasts in excess of 200,000 members who enjoy access to a comprehensive suite of financial and healthcare products that are specifically tailored to meet the needs of graduate professionals.

PPS is the largest South African company of its kind that still embraces an ethos of mutuality, which means that it exists solely for the benefit of its members. Thus, members who are policyholders can exclusively share in the profits of PPS Insurance and those who have PPS Investments products can also share in the profits of PPS Investments.

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