

The changing face of healthcare

By [Jeremy Yatt](#)

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The healthcare industry is changing rapidly due to various factors, and as a result, several trends are becoming apparent in South Africa and worldwide. Here are four trends in the healthcare industry that I predict for 2017, which will have an impact on how we run medical aid companies and how people use them:



1. It's becoming harder and harder to insure people's health

If you have a health issue that presents certain symptoms, there are so many different ways you can treat that specific problem. For example, let's say you have recurring knee pain that is really starting to bother you. You could choose to treat this in the following ways, all with different levels of severity and associated costs:

- Take a pain killer and carry on with your daily life.
- Visit a GP and get a prescription for medicine.
- Visit a GP and then be referred to a specialist.
- See the specialist who then advocates an operation or procedure of some sort.

This is a very simplistic example but it demonstrates how difficult it is to insure people's health, because medical aid providers simply cannot predict how the situation will play out.

And this means that it's becoming increasingly hard to ensure that medical aids have the finances to cover the wide variety of medical treatments that individuals want to be covered for.

2. The rise of medical financing

I predict the rise of medical financing, as a cheaper alternative to medical aid. With medical financing, you'll be covered purely for dread diseases such as cancer and for accidents – and in fact, more limited medical aid options like this do already exist in the marketplace.

Then, if you need to have your appendix out or have an elective knee replacement, or get treatment for lifestyle diseases such as hypertension, you will pay for this out of your own pocket, but you'll have access to borrow money for this procedure at preferential rates.

As more and more people treat these sorts of conditions with medical financing or loans, this will mean that medical aids will only need to cover unavoidable medical conditions rather than conditions that could have been prevented by lifestyle changes, or that are not absolutely necessary. While individuals will still be able to choose to have these procedures, they'll be done at their own cost.

3. There's a decrease in watchful waiting

We're noticing a huge move away from what we call "watchful waiting", which is where medical professionals and individuals monitor less serious conditions, make the necessary lifestyle adjustments and then adopt a policy of waiting to see how it plays out.

Nowadays, everyone is looking for a quick fix and so medical professionals are quick to take action.

Doctors are more defensive because consumers are more litigious, so they can't really be blamed for opting to trying to resolve problems as soon as possible with medical intervention, when perhaps a few decades ago this was simply not the case.

So although the costs of various treatments and operations haven't gone up more than inflation, more and more people are having medical procedures than ever before. This makes the cost of medical aid go up as a result.

4. South Africans have an increasingly negative perception of medical aids

If you scrape your car, you know that you can only go to a list of approved panelbeaters to get it fixed, as per your car insurer's instructions. But when it comes to medical matters, if South Africans need to see a doctor, they don't want to follow this same principle – they want to see whichever doctor they choose.

However, many medical aids require that you only see doctors within their specific contracted network.

For this reason (along with many others), South Africans seem to view medical aid as even more of a grudge purchase than car or home insurance for example, and this perception is not something that is improving.

This fourth trend is further aggravated by how medical aids have developed in this country, where they're seen as huge and profitable machines by many people, when in fact they're not-for-profit organisations.

Consumers increasingly want maximum flexibility from their medical aid, but with a minimum outlay of their money – and this makes it difficult to sustain this particular model of healthcare.

As with any industry, I do believe that the market will develop its own solutions to all of the aforementioned issues and trends, and that government will then be tasked with regulating these changes.

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