

# The Covid storm may be over, but its impact on the global healthcare sector will be felt for years to come

 By [Katja Hamilton](#)

16 Nov 2022

Covid-19 has had an immense impact on the private healthcare industry globally which will have massive implications for universal healthcare.



Source: [Pxabay](#)

In his presentation given at the Hospital Association of South Africa's annual conference held at Century City, Discovery's chief commercial officer, Ronald Whelan, highlighted how long-Covid has driven a significant structural shift in disease burden and healthcare expenditure over the last five years.

His presentation was titled *A clinical perspective on the pandemic and implications for the NHI: care-seeking behaviour, long Covid, case-mix and more in private hospitals*.

"Pre-Covid, the infections used to come around 2% of healthcare expenditure costs for Discovery Health. In 2021, the infections accounted for approximately 11% of scheme risk expenditure. This is a shift unlike we've seen any time before."

"In addition to that, the pathology of Covid has resulted in some very concerning manifestations. We're seeing a 1.8 times higher risk of cardiovascular disease in recovered Covid members.

"We're seeing a 2.75 times higher risk of diabetes in members recovering from Covid, but that risk goes up to five times higher if you've been hospitalised as a result of Covid.

"You can just imagine what this does to the underlying base of non-communicable diseases, not only across Discovery Health members, but across our healthcare system more broadly."

Whelan said he saw long-Covid impacting Discovery Health members in quite concerning ways.

"30% of members are reporting concentration challenges, 20% are reporting walking challenges for up to five months post-Covid. 31% of members are still reporting headaches 18 months post infection. 14% of members are reporting sleep disturbances 18 months post infection. This illustrates the magnitude of the impact of Covid on the human body."

Whelan said Discovery is also seeing an explosion in mental health challenges.

In 2017, one in 10 Discovery Health members was registered with a mental health condition. This made up about 4.5% prevalence across the Discovery population. In 2021, one in eight members is registered with a mental health condition. That's a 19% increase in mental health conditions since 2017, mainly driven by depression. Depression is up by 25% since 2017.

"So in addition to the increase in burden of diabetes and cardiovascular disease, we've also got a mental health challenge on our hands that we're going to have to deal with coming through Covid."



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What this has unfortunately all resulted in, says Wheelan, is additional healthcare expenditure and this has increased costs across medical schemes.

In 2021, there was an increase in 16% of medical aid expenditures. In 2022, it's 11% which comes on top of an existing base of conditions, and surgeries that still need to happen, Whelan said.

"This is not to mention ongoing cost implications of Covid hospital admissions, vaccine administrations and Covid testing, which are all compounding effects on the costs and expenditure of hospitals in the healthcare system."

## Alternative care settings

Covid has also seen a category shift away from in-hospital treatment towards day clinics and home treatment.

"We're seeing many hospital groups adopting digitalisation strategies.

"What is interesting is that research published by the American Medical Association on the uptake of telehealth across 2,300 healthcare providers in the US show that 85% of healthcare providers are now using telehealth routinely, 64% of them doing telehealth from home. Furthermore, 20% of the doctors that were surveyed are seeing 80% of their patients through telehealth."

This is a fundamental mindset change that is being seen in South Africa too. Not only are tele-consults ubiquitous in SA post Covid, but now patients receive remote hospital care at home, and pathologists now work at the point of care.

"We've already seen some of these shifts happen across the Discovery Health base. During 2021, we saw a 26% reduction

in hospital admissions across acute hospitals, and a 46% increase in the cost per event.

"Day hospitals saw a 19% increase in admission rates together with a 22% increase in cost per event."

## Equitable healthcare access

Covid-19 has, without a doubt, highlighted inequities in healthcare access and outcomes across many countries globally. The good news, however, is that what we are seeing across South Africa is increasing financial inclusion and access to healthcare as a result.

"In South Africa, there has been a significant increase in banked population since 2010," says Whelan.



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Back in 2010, roughly 50% of South Africans had bank accounts. More recently, about 80% of Africans have bank accounts. That will move up to 90% of people having bank accounts in South Africa.

"That's very, very powerful, and credit goes to our colleagues in the financial sector that have enabled us to move in this direction. What this means is more financial literacy, more financial buying power and access to finances, and therefore more access to healthcare."

## Where does this leave medical schemes?

From a medical scheme perspective, growth is flat.

Whelan said there have been just under 9 million medical-scheme members for several years (all South Africa's 76 schemes reflect a total of 8.89 million beneficiaries), with numbers not looking to change soon.

"What we are seeing though, is that the larger schemes are more resilient than the smaller schemes. We are seeing consolidation across the smaller schemes.

"Discovery Health incidentally, has lost members during the course of Covid. That was mainly as a result of some of the economic uncertainty, but we've recovered all of those members during the last six months or so.

"We've had tremendous growth in medical scheme membership in the last six months. We're not seeing the same path across some of the smaller schemes.

"There are new products emerging though that should really improve entry access to help us going forward."

## The path to universal healthcare

The path to universal healthcare, however, will require five steps, said Whelan.

"The first one is investment in primary care; I think we would all agree that disease prevention and screening is hugely important. The second one is an understanding and proactively managing population health and population health risk parity.

"At Discovery Health, we've got an effective breast cancer and cervical cancer screening programme which detects 90% of

cancers within Stage One to Stage Two of the disease.

"We also know that behavioral incentives drive screening.

"Furthermore, taking into account population health risk management, Discovery Health has 750,000 members registered for chronic disease management.

"Across these 750,000 members, 300,000 members are registered on a population health management programme which absorbs over 50% of the risk costs.

"This is why, from a universal healthcare perspective, population health management is critical particularly when it comes to diabetes, cardiovascular and mental health," he continued.

"Moreover, on the pathway to universal healthcare, alternative low-cost and care delivery models need to be explored. There needs to be an accelerated move toward value-based care, and a clear and enabling regulatory environment that stimulates innovation."



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But as much as Covid has had massive ramifications on the global healthcare system, what has shone though is the resilience and competency of the world's hospital leaders and managers, particularly those in South Africa.

Whelan took time to acknowledge the incredible work they've done through Covid.

"The whole system didn't collapse. We didn't run out of oxygen. We had enough ventilators and, by and large, we managed to survive the costs. We at Discovery Health want to thank you personally for the patients and members that you helped navigate Covid throughout 2020 to December 2021. It is much, much appreciated.

"In addition to that, we want to thank you for your contribution to the vaccination programme. I think the vaccination programme for me was one of the highlights of our collaborations in the healthcare system across South Africa.

"We delivered over 10 million vaccinations together as a private sector system, through the hospital groups, in collaboration with our friends and colleagues. What a fantastic achievement.

"It's important to take a little bit of time just to acknowledge what we've achieved in the last few years.

"Going forward, we will continue to operate from that position of strength."

## ABOUT KATJA HAMILTON

Katja is the Finance, Property and Healthcare Editor at Bizcommunity.

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