

BHF weighs in on global fee debate

Implementing and adopting alternative models of provider reimbursement are crucial to the sustainability of the healthcare sector. South African consumers have faced unavoidable medical scheme tariff increases far beyond inflation and, as a result, an erosion of benefits for the past decade, says the Board of Healthcare Funders of Southern Africa (BHF).



Dr Ali Hamdulay, chair of BHF

The recent call by the Health Professions Council of SA (HPCSA) to its members not to enter into agreements with medical schemes specifically on [global fees](#) and similar arrangements has not helped matters, but has emphasised the need for a more cohesive, cooperative approach to healthcare payment systems.

NHI drafts support alternative reimbursement models

BHF says that the national health insurance (NHI) green and white papers do indeed support alternative reimbursement models, stating that in this context, global fees are important tools in achieving accountable and affordable healthcare, and establishing guidelines for implementing such alternative reimbursement models is vital.

“Relevant healthcare stakeholders need to find common ground and collaborate through mature leadership on the issues of spiralling benefit utilisation and costs, finding agreeable ways to reimburse providers that are premised on quality outcomes for patients, transparency and accountability for patient outcomes by providers,” says Dr Ali Hamdulay, chairperson of BHF.

Alternative reimbursement models such as global fee models provide a single payment to a healthcare team to cover all the tests, procedures, drugs, devices and rehabilitation needed for a patient's condition and are premised on accountability for the quality of care provided by each team member— a vastly different approach to the current fee-for-service model.

BHF that it's not about forcing payment systems onto healthcare providers. The whole point is that funders and healthcare providers need to work together to find the right reimbursement models that work towards better managing risks and costs, serve the interests of the patient and the health professional's ability to act in the best interests of the patient.

Concerns about underservicing moot

"The alternative reimbursement models also stimulate the creation of centres of excellence by increasing competition and accountability between healthcare providers – teams with consistently better healthcare outcomes are likely to receive more patient referrals from schemes based on quality outcomes.

This will also have the effect of driving more competition between healthcare providers, which in turn drives better outcomes, and which will have the effect of improving pricing as well. All of this ultimately equates to the best care and outcome for the patient and medical scheme member," explains Hamdulay.

The BHF adds that the concerns raised by healthcare providers that global fee models will create an environment of underservicing which compromises patients are moot. "Within such a model, there is little room to underservice since the focus is on outcomes and most crucially, an increased demand for accountability by the healthcare provider for such outcomes. Essentially a global fees arrangement paves the way for schemes to contract with specific suppliers because they offer the best quality, transparency and outcome, and not the lowest fee," adds Hamdulay.

Shared objective

Ultimately, how the reimbursement models of the future are built is important, and this must be done collaboratively. "We have strong leadership in the healthcare sector, but what we need is stronger leadership that is pulling towards what should be our shared objectives – patient care and quality healthcare outcomes.

"If we can work together to solve these challenges with funders, specialists and patient advocacy groups, we can work towards creating models that represent fair outcomes for all parties and solve some very real and fundamental challenges in the private healthcare industry. The interconnected nature of the entire healthcare supply chain reinforces the need for a strategic approach that involves all role players to find a way to standardise benefits in a manner in which we can measure the quality and cost of care," concludes Hamdulay.

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