

Dear Patients and Members of Namibian Medical Aid Funds...

The purpose of this communication is to provide some information on the **latest developments within the Namibian private healthcare system**, a system of such quality and standard that it even surpasses many systems in first-world countries. This is due in large part to a combination of excellent facilities, excellent practitioners and an excellent financial system providing a functional third-party payer (medical aid fund) system. It is a system that works and to be proud of but also not to be taken for granted. It calls for faithful commitment from members, healthcare providers and the third-party payers.

Please first read through the open letter below, affectionately written by one of our medical specialists. **We explain some threats to the system and propose a plan of action which you need to know of.**

Dear patient,

I am your private healthcare practitioner; your doctor, your surgeon, your anesthetist, gynecologist, physician, pediatrician; also, your psychologist, physiotherapist, occupational therapist, dentist, audiologist, optometrist and more. I leave my family on weekends and public holidays to attend to your emergencies; to save your child, your elderly family member. I am suddenly woken from slumber and rush out in the middle of the night to save a mother in labour and a baby in distress, to avoid a suicide, to attend to an aching tooth and to treat a father suffering with chest pain.

I support and exercise your injured body after accidents, spend endless hours on corrective treatment for your child. I worry about you when I am not at work. I follow up, I fight and negotiate and motivate for you and for your healthcare with whoever may be involved. I grieve with you when all treatments have failed, and your family member has reached end of life. I rejoice with you when you and your family are restored to health.

I have worked hard to get into medical school and studied, trained and worked under grueling conditions for many years before I reached my position in private practice. I work to support my

family and also to provide a livelihood to my staff, and to maintain my practice. I support my community in various ways. At least half of my income leaves my hands in order to run my practice and to pay for salaries, registrations and medical indemnity insurance, and like you, a third of my income goes towards income tax. To me my profession is sacred, and I offer my services with care and in the best interest of all.

You, dear patient, and member of a medical aid fund, paying your monthly contributions, are the lifeline of the entire private healthcare industry. When you call on my help, a legitimate agreement is concluded between you and me. Over the years, a system has developed whereby you hand over your healthcare dollar beforehand to a pool of money called a medical aid fund.

This entity then undertakes to pay on your behalf when the need arises; we call it the third-party payer. The money that they receive from you does not belong to them; they are only the guardians and are supposed to manage it very carefully.

To avoid violations, their operations are guided by law. For practical execution a so-called Benchmark – the NAMAFA Benchmark Tariff (NBT) has been created. It contains a list of services as well as a list of the tariffs used by the funds to state what they are prepared to pay on your behalf for those services. To arrive at these tariffs, actuaries make complicated calculations every year. They must consider the number of members of the fund, how old and sick these members are, what the costs are to administrate the fund, how much the healthcare providers will claim against the fund and a whole set of other variables which will change from year to year. Out of all of this they then calculate annually your monthly contribution, which will vary from year to year.

I know that the Medical Aid Funds constantly increase your premiums and often alter your benefits. To find a single scapegoat for this is not easy. On my side, namely on the side of the healthcare provider, fees are scientifically determined, mostly by medical services costing companies in South Africa. About 10 years ago, this was also done in Namibia. Following are some important facts I would like you to know about.

Explanation of some of the systemic problems that the Namibian private healthcare system faces:

1. Funds lately claim that they experience financial difficulties; that there is a looming crisis.
2. By law funds must be regulated by their Association called NAMAFA (Namibian Association of Medical Aid Funds) and by NAMFISA. NAMAFA denies its regulatory function. NAMFISA confirmed that it has no powers to hold funds accountable to their own rules. So, the funds are unregulated, and more specifically, you do not enjoy any regulatory protection against the conduct of the funds.
3. Administrator companies which are supposed to be service providers to the funds are in effect the “owners” of the funds. They are neither obliged by law nor are they willing to allow inspection of the fees that they charge to administer the funds’ money. So, no independent party is able to assess the fairness of their fees or how much disappear unaccounted for into their (or other) pockets. The truth of the funds’ claim that they have a looming financial crisis cannot be independently verified because of this secrecy that surrounds their administration fees. Only they possess and have access to the data they use to come to their own conclusion.
4. The funds point out that contributing to their claimed financial difficulties is the “fraud, waste and abuse” (FWA) perpetrated by healthcare providers. If it is true and of course they are the only ones who have access to the ways in which the moneys are utilized, they, the funds, have a duty to report such FWA instances to the appropriate statutory bodies like the Health Professions Council of Namibia (HPCNA). This is the regulator of healthcare providers. Not the funds. Not NAMAFA. Funds should refrain from unfounded allegations and outright defamation of healthcare professionals. Healthcare professionals are organized into associations and have ways to deal with dishonest members, but they need to be informed. The funds and their administrators refuse to cooperate with the association. This is not prudent management of the funds, but rather scapegoating, at the expense of healthcare professionals.

5. If financial difficulties do indeed exist all of us are more than willing to take drastic measures to assist, even if an overhaul of the entire system is required. Investigation into the truth of their crisis, however, demands open books on all sides, something they have not been willing to do.
6. The process whereby the Funds determine the fees payable to healthcare professionals is scientifically unsound and does not provide for a sustainable livelihood for healthcare providers. This drives the healthcare providers to collect extra payment from their patients to make ends meet. But fund members are already overburdened by high premiums which cause some of them to cease their membership. Insufficient payment by the funds (at levels lower than an ethical fee for the healthcare provider to remain sustainable) lead to co-payments for the already overburdened members which cause the member to quit his membership, which result in less income for the funds. This is an unsustainable downward spiral which may lead to the demise of the entire private healthcare system.
7. It is assumed that, when a member of the public joins a medical aid fund, the fund requires that member to waive his right to confidentiality of his clinical records. It is unlikely that members realise this, and the consequences thereof, but it does put the healthcare provider, whose ethical standards require confidentiality, in a very vulnerable position.

The Namibian Private Practitioner Forum (NPPF) will in future conduct countrywide meetings to engage with you, our patients, the members of funds, and your healthcare providers. You will be informed about such meetings by your healthcare provider. Representatives of the funds will also be invited. At these meetings solutions will be discussed and you, the most important stakeholder in this system, will be afforded the opportunity to contribute. You may also choose to engage with your fund directly to address your concerns. Public sensitization is crucial, and in this too, you play an important role.
