



26 November 2024

RESULTS OF THE NPPF SURVEY – NOVEMBER 2024

1. Background

On behalf of its members, and the private healthcare industry at large, the NPPF is dealing with a number of issues affecting private sector healthcare providers. Some of these issues threaten the sustainability of the private healthcare industry. Regrettably, most of these issues relate to regulatory overreach, on the one hand, and the refusal of regulators to comply with their actual statutory duties, on the other.

Although the CEO and other directors of the NPPF regularly reach out, and provide feedback to members, the NPPF also conducts regular surveys amongst the broader private healthcare industry to ensure that it always keeps in touch with the opinion of the industry and ensures that its strategic intent aligns with the realities on the ground, and the expectations of its members.

This report provides as summary of the NPPF's latest survey (by way of the SurveyMonkey platform) conducted during November 2024.

2. Participants

The email invitation to participate in the survey reached 1,122 potential participants. A total of 304 responses were received. This is a 27% participation rate, which is excellent for an only survey. Assuming the NPPF's database of private sector healthcare providers is a fair representation of the whole private healthcare industry, the margin of error in these results is

less than 5%. Put differently, the results are likely reflective of the views of the whole private sector healthcare industry, give or take a maximum of 5% to either side of the result obtained.

Of the total participants, 44% were GPs, 24% were medical specialists, 7% were optometrists, and 6% practice in dentistry. 56% practice mostly in Khomas, 15% in Erongo, and 7% in Oshana.

3. PSEMAS

From the total participants, 75.6% are contracted with PSEMAS and treat PSEMAS patients. Private healthcare providers contracted with PSEMAS have been in decline for several years, as can be seen from past survey results in the list below:

March 2024	78.5%
2021	82 %
2020	93 %

Of those respondents who are currently contracted with PSEMAS, 16% indicated that they will not continue treating PSEMAS patients going into 2025 if PSEMAS does not increase its tariffs for next year (currently still at NAMAf Benchmark 2014). If this scenario materialises, less than 60% of private sector providers will be available to treat PSEMAS patients next year.

4. Direct claims to private funds

93% of respondents are currently making direct claims to private medical aid funds. Only 3% intend to stop direct claims as from 2025. However, if NAMAf again decides (as it did going into 2024) not to increase the benchmark tariffs, 66% intend to increase their fees regardless, while 34% will keep their fees on par with their current rates. The NPPF was informed, after the survey was conducted, that the benchmark tariffs for 2025 will be increased by between 4.6% and 4.9% (for different disciplines).

Currently, 7% of providers charge substantially higher than the benchmark tariffs, 27% charge slightly more than the benchmark tariffs, 60% charge on par with the tariffs, and 6% charge below the tariffs.

Asked what they decided to do in 2024, after NAMAF announced in 2023 not to increase the tariffs, 24% increased their fees, 68% kept their fees the same, and 8% reduced their fees.

Asked what the financial impact was for the providers when NAMAF decided not to increase tariffs going into 2024, 62% stated that the impact on them was very severe, 34% stated “somewhat negative”, and only 4% experienced no material impact.

From the above it is clear that the NAMAF tariffs causes substantial downward pressure on the fees charged by providers. It is crucial that the NPPF studies the effect of this downward pressure, especially the impact on the continued sustainability of the private healthcare industry. The key question is: For how long the private healthcare industry can absorb the cost-saving strategy employed by the funds until the private sector healthcare industry becomes unsustainable (with dire consequences that will follow).

Namibia is home to a world-class private sector healthcare industry. It took decades of investment, development and capacity building to reach this point. Once destroyed, it will again take decades to restore private healthcare to its current levels.

The regulators of medical aid funds, NAMAF and NAMFISA, unfortunately show little regard for this risk, as can be seen from the results hereunder, and the results of past surveys.

5. NAMAF and NAMFISA

Asked how satisfied they are with NAMAF’s current policies aimed at regulating the conduct and clinical discretion of private healthcare providers, 53% of respondents were extremely dissatisfied, 25% were somewhat dissatisfied, 17% were neutral, and only 6% were somewhat or extremely satisfied.

In terms of section 18 of the Medical Aid Funds Act, NAMAF has a statutory duty to set rules of conduct which medical aid funds must comply with, to be used by NAMAF to discipline medical aid funds. For the past 30 years NAMAF refused to set these rules. The key reason for this failure is that NAMAF is managed by the medical aid funds themselves (and therefore NAMAF is a mere extension of the funds). The funds are simply not interested in setting rules which they must comply with themselves. As expected, the funds take no responsibility for NAMAF's failure, and NAMAF simply shrugs off all requests to comply with its statutory duties. NAMFISA made it clear that they cannot get involved.

Asked how the healthcare providers view this failure by NAMAF (with three options provided), they responded as follows:

77% elected the option *"This failure has an extremely negative impact on the efficient regulation of medical aid funds, and leaves members and healthcare providers without a remedy against the conduct of the funds"*

12% elected the option *"I don't really care about NAMAF not setting rules for medical aid funds, as I do not think that such rules will in any event improve anything for members or healthcare providers."*

11% elected *"None of the above"*.

Asked whether providers agree or disagree with the following statement: *"NAMFISA is efficient in regulating the conduct of medical aid funds"*, the following were the results:

Strongly agree	<1%
Agree	6 %
Neither agree nor disagree	23%
Disagree	36%
Strongly disagree	35%

6. ICD-10

80% of respondents were aware that the funds will force (by refusing to honour claims) the implementation ICD-10 coding system on private healthcare providers as from 2025.

75% of respondents intend to comply with the new ICD-10 requirements.

67% stated that the implementation of the ICD-10 coding system will increase their administration costs.

Asked how the implementation of the ICD-10 system will affect their practices in general, the responses were as follows:

Extremely positively	<2%
Somewhat positively	5%
It will not affect me	30%
Somewhat negatively	42%
Extremely negatively	22%

The common narrative of NAMAf and the funds is that ICD-10 is necessary to “*curb fraud, waste and abuse*”. Asked whether the healthcare providers believe that the forced introduction of the ICD-10 coding system will indeed be efficient in curbing “*fraud waste and abuse*”, 92% stated “No” and 8% stated “Yes”. Clearly the healthcare industry does not share the belief that ICD-10 can be efficient in curbing fraud, waste and abuse.

Asked whether they believe that the Registrar acted within his statutory powers to approve fund rules which will now require all healthcare providers to implement the ICD-10 coding system, 53% do not believe he acted within his powers, only 6% believe he did, and 41% did not know.

7. HPCNA

The HPCNA recently announced an increase in fees, including annual registration fees. Asked to rate the possible financial impact of this fee increase on practitioners, they responded as follows:

Very negative	51%
Somewhat negative	40%
No real financial impact	9 %

As per the new annual registration fees published by HPCNA, healthcare providers who are not Namibian citizens must pay substantially more than Namibian citizens, even in cases where they are domiciled and worked in Namibian for many years, even decades. Asked whether they believe this is fair, 81% stated “No” and 19% stated “Yes”.

57% of respondents were willing to contribute financially towards a legal case to challenge this disparity in the fees.

Participants were asked if they agree or disagree with the following statement: “*Some say that the Namibian market for private sector healthcare professionals is saturated, even overcrowded*”. The results were as follows:

Strongly agree	30%
Agree	37%
Neither agree nor disagree	17%
Disagree	14%
Strongly disagree	2 %

The perception that the private sector healthcare industry is saturated may contribute to the bold strategy of the medical aid funds to put downward pressure on fees. This is a matter that requires further investigation, for it may well impact on the sustainability of the industry.

Participants were asked if they agree or disagree with the following statement: “*Some say that the standards employed by the HPCNA in allowing more foreign practitioners contributes to overcrowding in the private sector healthcare industry, and that this is a problem that the HPCNA must urgently address.*” The responses were as follows:

Strongly agree	37%
Agree	26%
Neither agree nor disagree	19%
Disagree	12%
Strongly disagree	6 %

Participants were asked if they agree or disagree with the following statement: “*Some say that the HPCNA is not efficient in enforcing ethical compliance*”. The results were as follows:

Strongly agree	31%
Agree	33%
Neither agree nor disagree	32%
Disagree	4 %
Strongly disagree	0 %

Healthcare providers are largely dissatisfied with the HPCNA’s efficiency in regulating ethical conduct.

Given three options to choose from to describe their response best to the following question: “*Should the HPCNA be responsible for disciplining healthcare providers who make themselves guilty of fraud waste and abuse when claiming from medical aid funds?*”, the responses were as follows:

40% ---	Yes, only the HPCNA should take up this responsibility.
37% ---	Yes, but such healthcare professionals must fall under the discipline of other institutions such as NAMAFA and the medical aid funds as well.

23% --- No, this is not the responsibility of the HPCNA at all. Some other institution(s) should be responsible for disciplining healthcare providers under such circumstances.

The industry largely stands divided on where the responsibility should lie when it comes to disciplining practitioners for fraud, waste and abuse. The NPPF has always been of the opinion that only the HPCNA (referring to all the councils under it) has these statutory powers, and that it is indeed the ultra vires regulatory creep of NAMAF that has led to substantial abuse of healthcare providers, which NAMAF's empowering legislation simply does not provide for.

Furthermore, the general refusal of medical aid funds to employ legal remedies which our current laws provide for, and instead opting to act as judges, juries and executioners in their own cause, has further led to substantial abuse of practitioners, while the practitioners enjoy no regulatory protection.

8. Cost study

The NPPF intends to employ a South African firm of experts to conduct a cost study in Namibia. This firm did a study for the NPPF in 2014. The study found, inter alia, that NAMAF's methodology in setting tariffs is "unscientific and irrational". Since then, NAMAF refused to publish its benchmark tariffs, hiding them behind a digital wall, and making it impossible for an independent expert to make any assess on them. NPPF informed NAMFISA about this clandestine practice, especially given the fact that not even the members of medical aid funds have access to these tariffs. NAMFISA took no action.

59% of respondents confirmed that they are willing to contribute financially to NPPF's intended cost study.

9. Conclusion

The data received from this survey is invaluable for the NPPF's strategy going forward. The results confirm the NPPF's believe that urgent and persistent action needs to be taken to remedy numerous issues faced by healthcare practitioners in private practice, especially when it comes

to the abuse of public power, by some regulators, and the failure of regulators to comply with their statutory duties.

We thank all those who took the time to complete our survey.
