

HASA slates WHO report on private hospital costs

 By [Nicci Botha](#)

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A WHO study that claims private hospital costs in South Africa are expensive has come under attack by the Hospital Association of South Africa (HASA) for being flawed in its research and data presentation. Or is this a last ditch attempt by private hospitals to defend their position before the outcome of the market inquiry into the industry is published in early August?

The private healthcare industry is under scrutiny by the Competition Commission, which is investigating anti-competitive behaviour - particularly related to pricing. The results could have serious implications for the sector.

HASA says the study, which was presented by Tomas Roubal, health economist with the World Health Organisation (WHO) at the 17th Board of Healthcare Funders Conference, continues to be offered publicly as fact, despite the many criticisms from independent actuaries, funders and hospitals, and to which the study group has not responded.

Although HASA does not qualify who these critics are or whether they have a vested interest in the country's private healthcare industry.



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The study indicates that South Africa's private hospital prices are on par with France, UK and Germany – countries with much higher income levels. It also finds that between 2011 and 2013 private hospital prices grew faster than the average prices of goods and services purchased by households. "This means that private hospital services are becoming less affordable over time, even for individuals with higher levels of incomes."

HASA's argument

HASA counters by saying: "The study essentially measures affordability of private hospitals in a society that suffers among the highest Gini coefficients (the most commonly used measure of inequality) in the world, and in which the vast majority of households receive very low incomes. In such a society, most goods and services can be considered expensive."

“Moreover, the study compares South African private hospital prices with a basket of OECD country’s public health systems but fails to note that public sector prices in some of these countries are insufficient to cover costs and that these public health systems are therefore running at deficits. It is our understanding that the OECD did not adjust for public health budget deficits.”

“It fails to discuss the socio-economic status of the private hospital sector and existence of a large public sector in which hospitals provide subsidised services to a majority of the population,” HASA says.

However, the association seems to gloss over the fact that South Africa’s public sector is battling to cope with the demands on its services.

“We note also that the healthcare market inquiry questioned the use of Consumer Price Index (CPI) as a baseline to measure affordability of healthcare services. It has long been our contention that a more appropriate measure should be used to measure healthcare inflation,” HASA says.

“Finally, had the study measured affordability of private hospitals among the markets they serve, it would have found affordability of private hospitals in this country would compare favourably to OECD countries. Yet this fact is hidden in the study and the presentation.”

“As our country wrestles to correct a struggling healthcare system, informed and stringent researched opinions and viewpoints are always welcome. The healthcare debate though, is not well served by research that is questionable and could result in misperceptions. We would suggest that the OECD-WHO work group successfully addresses the many concerns regarding its report before presenting it again in public,” it concludes.

ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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