

# ST. JOHN'S COLLOQUIUM

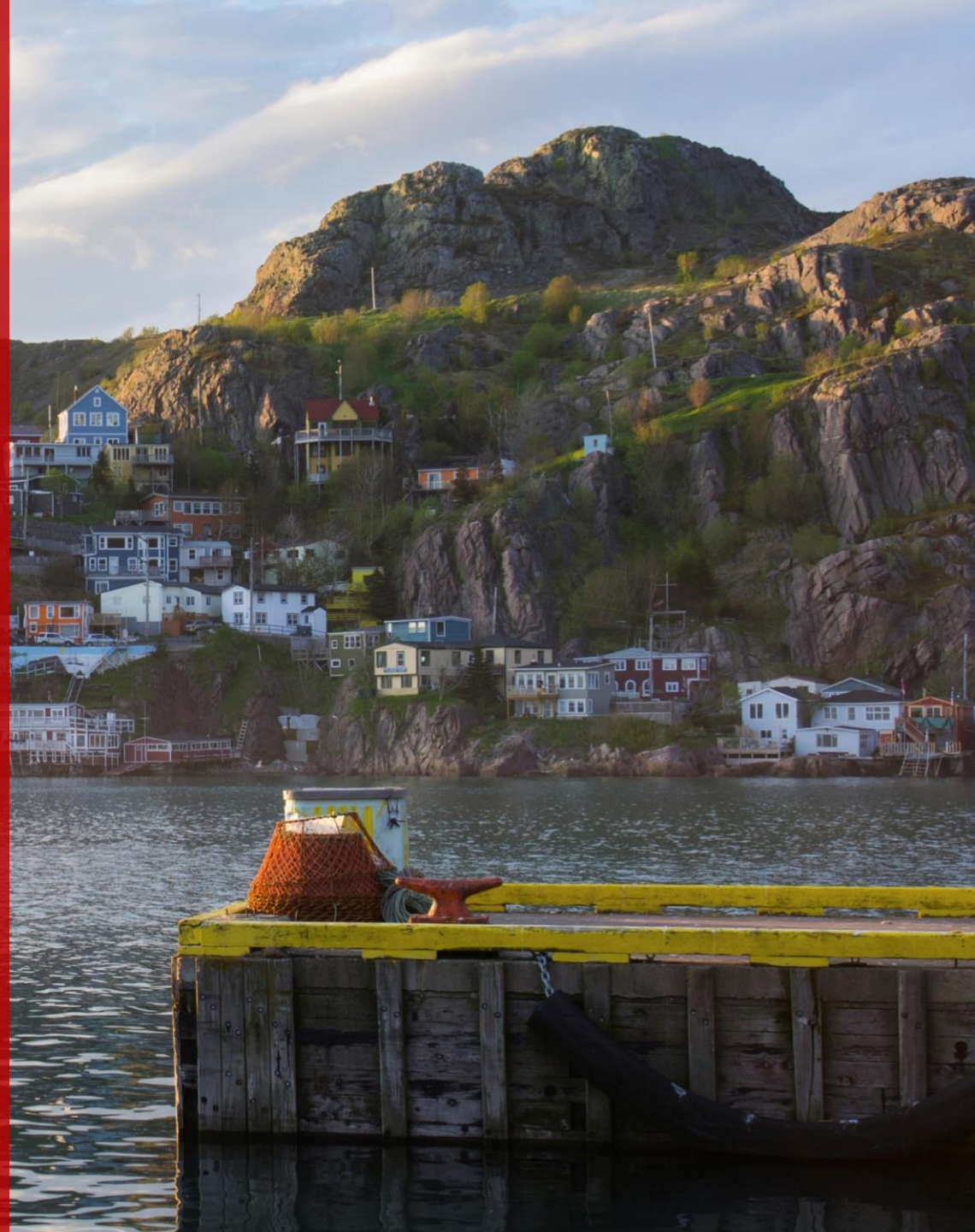
JUNE 27-29, 2016



Canadian  
Institute of  
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des actuaires



# Low Cost Health Cover in Africa: Lessons from Africa to South Africa

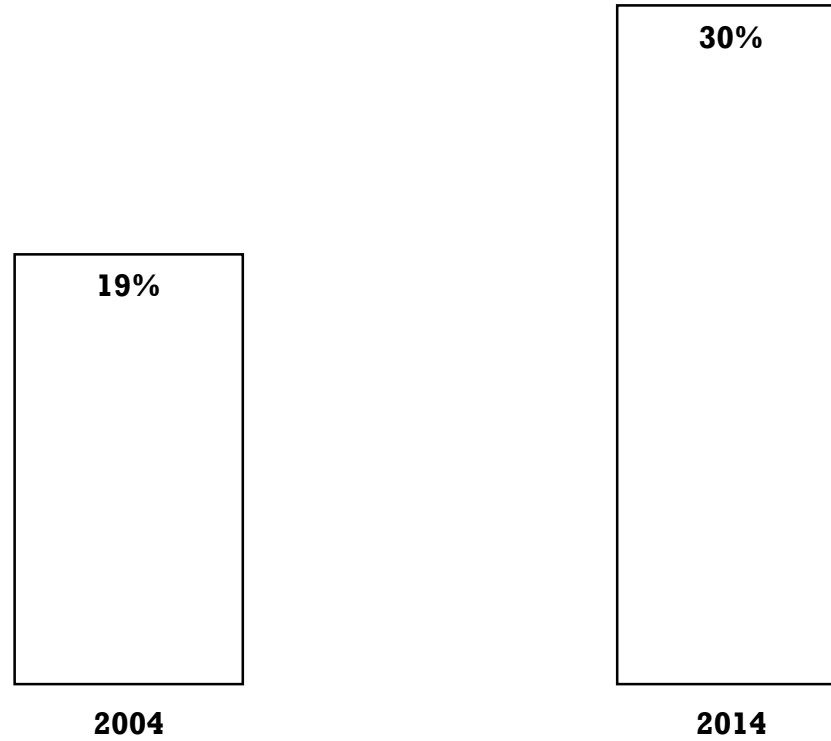


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Low Cost & Affordability	Medical Schemes: RSA and beyond	The Gap	The Alternatives	Case Studies & Learnings	Take Home	?



## LOW COST AND AFFORDABILITY

## Government Support





# Poverty



■ Below the poverty line ■ Above the poverty line

Upper Poverty Line

**R779 per person per month**

54%

Making trade-offs

**R501 per person per month**

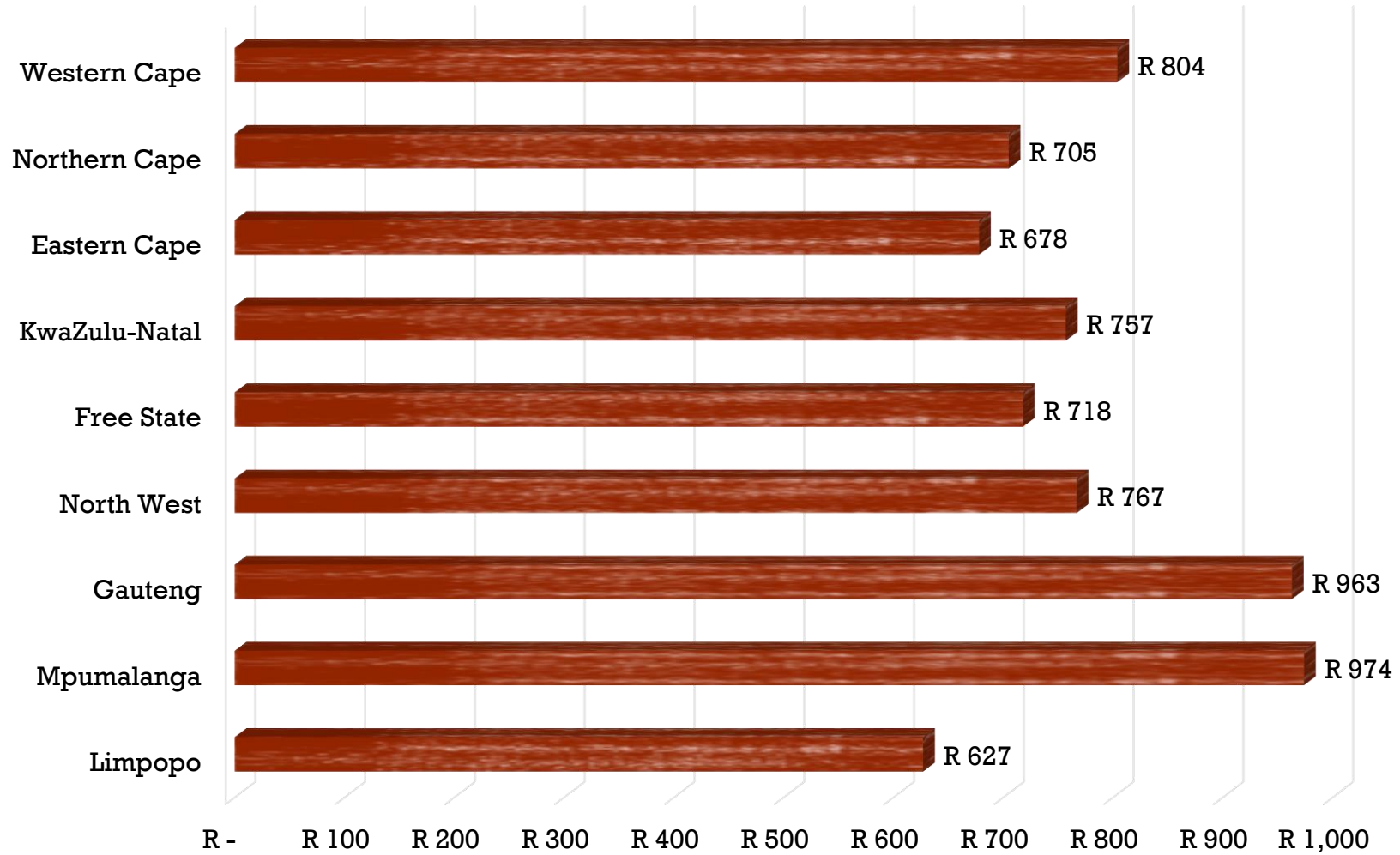
37%

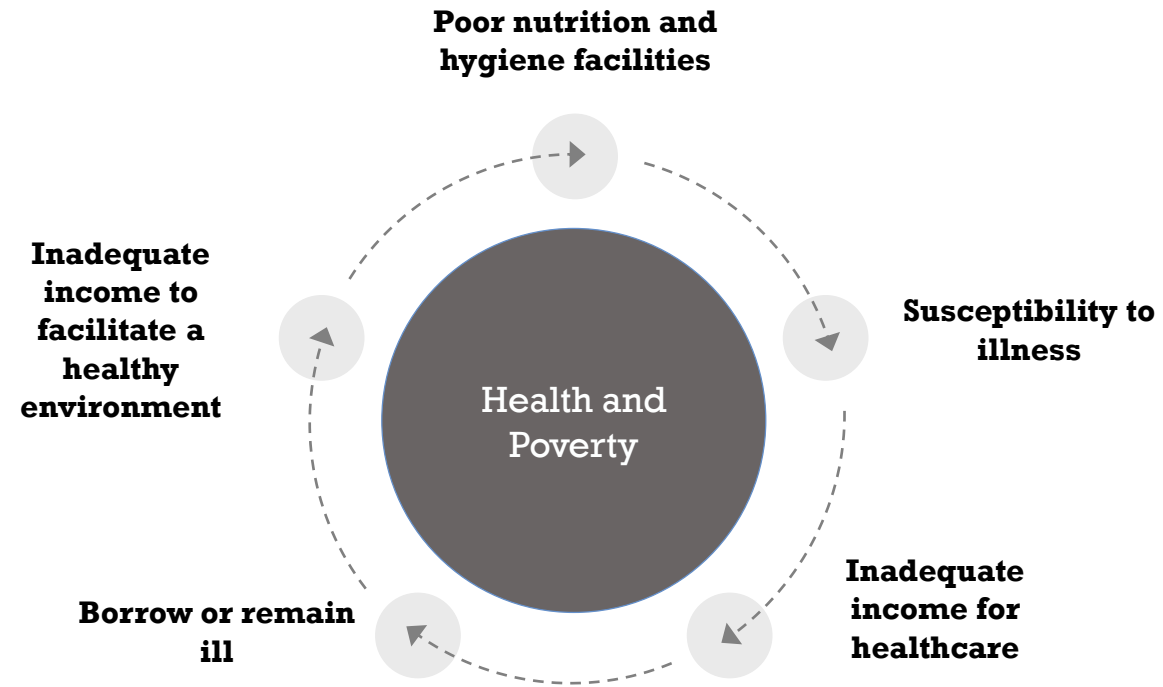
Going hungry

**R335 per person per month**

22%

# Poverty







## MEDICAL SCHEMES: RSA AND BEYOND

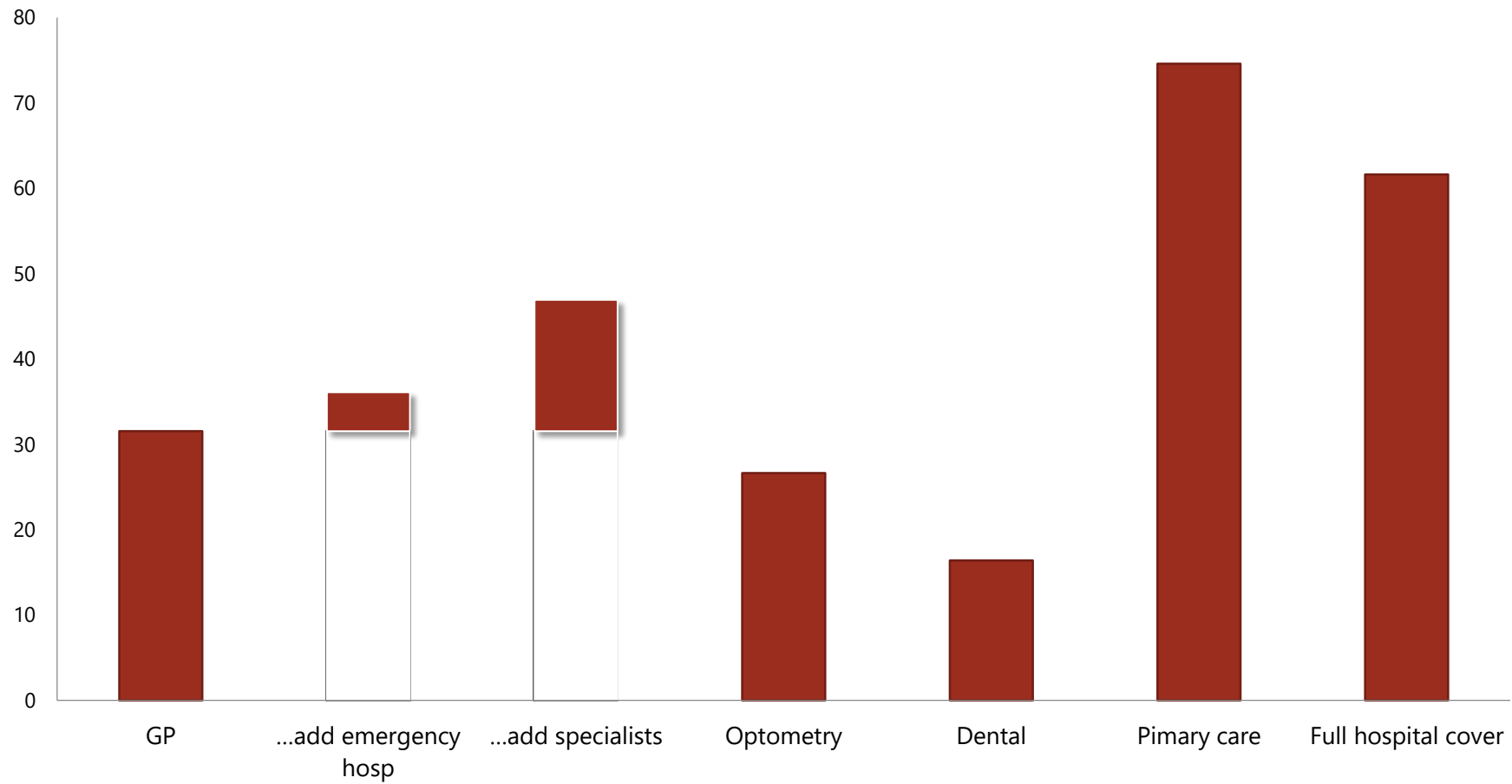
## Ability to pay

LIMS:  
2m lives at R299 pmpm

## Willingness to pay

Primary cover > Tertiary cover

# Affordability



THE GAP

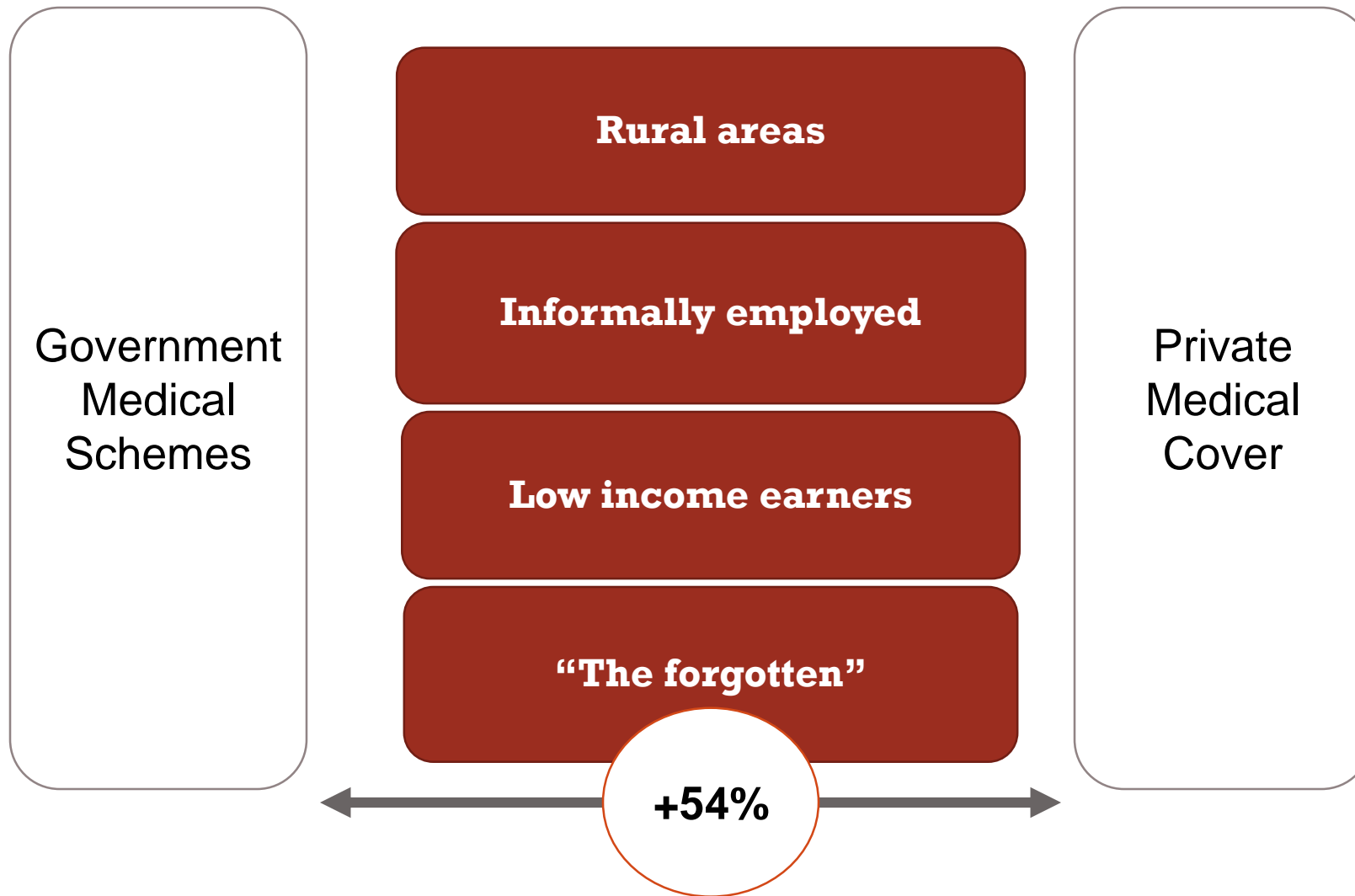
“A BENEFIT FOR THE POOR IS A POOR BENEFIT.”

— AMARTYA SEN

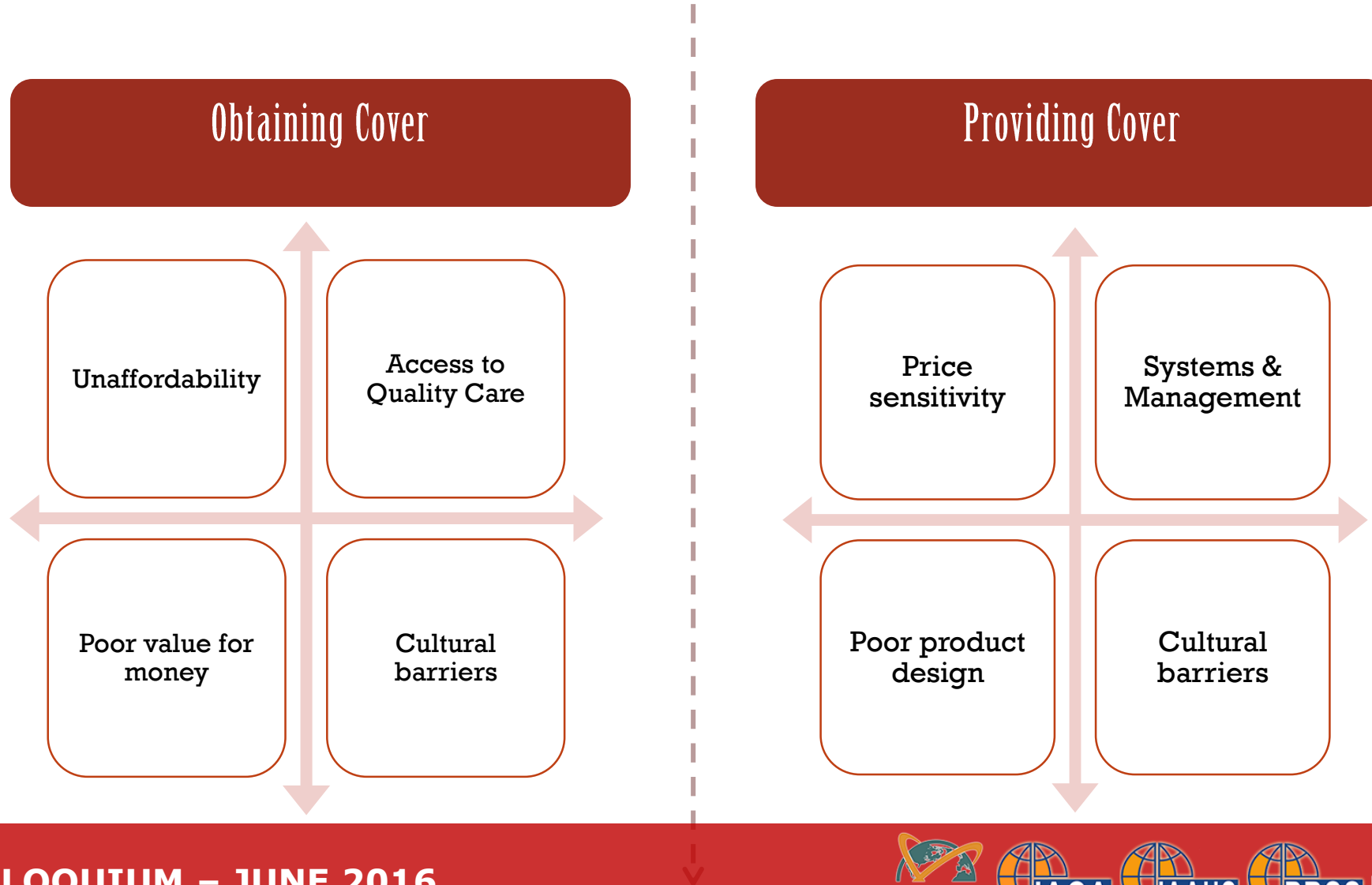


BUT NOT ALL BENEFITS FOR THE RICH ARE  
NECESSARILY RICH BENEFITS.

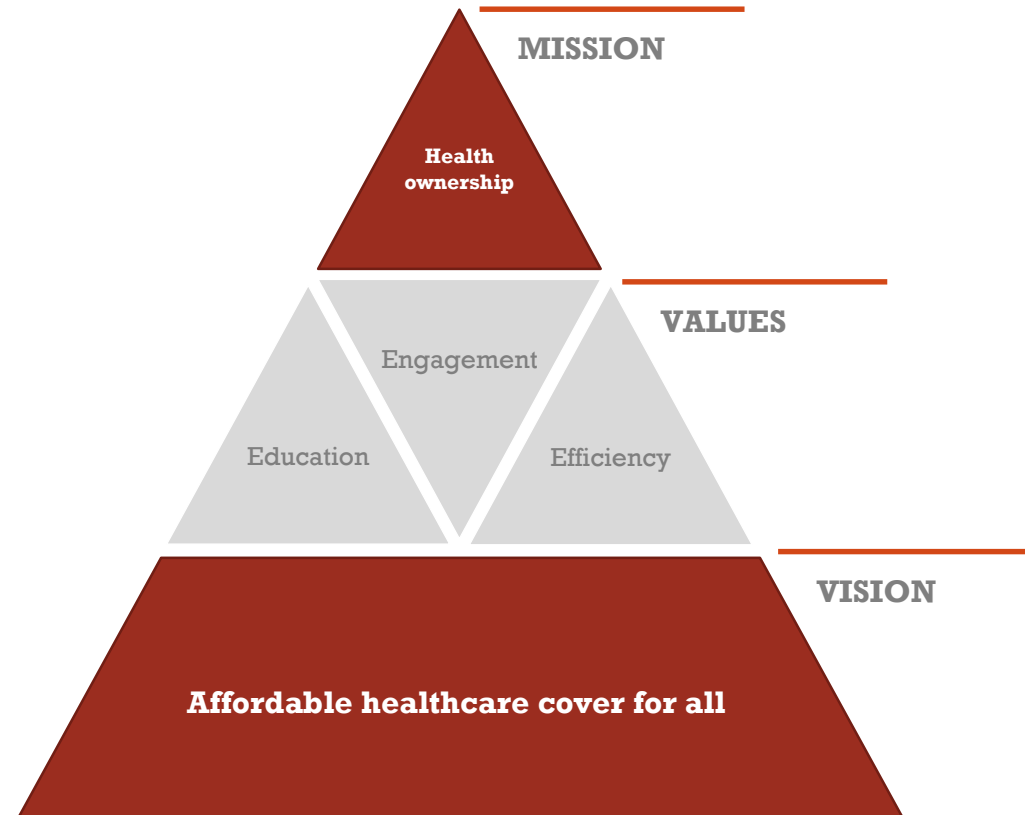
# The Gap: Poverty and healthcare



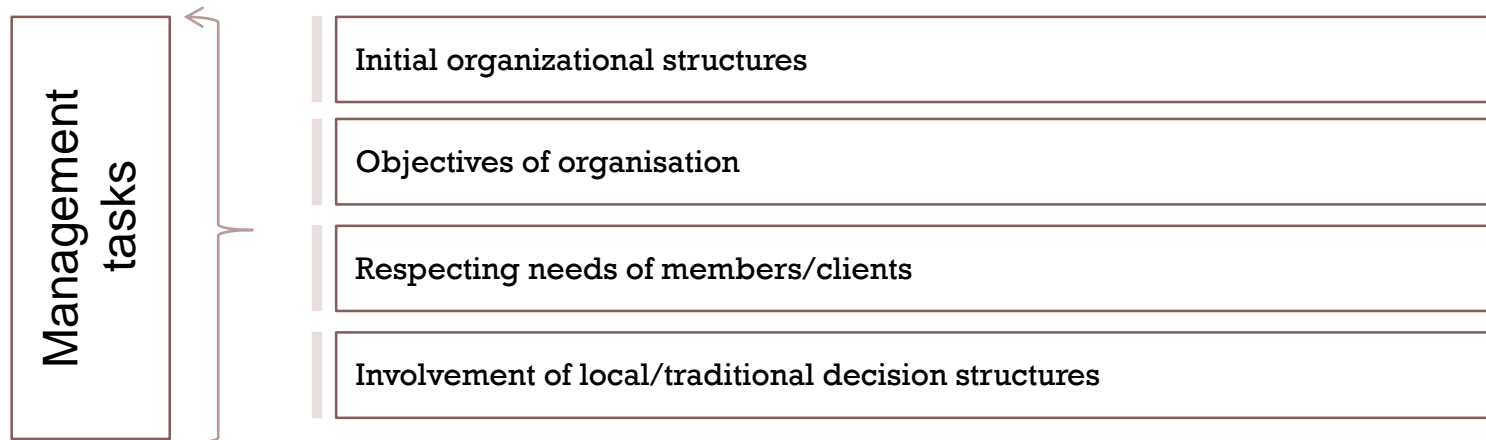
# The Challenges of Healthcare Cover

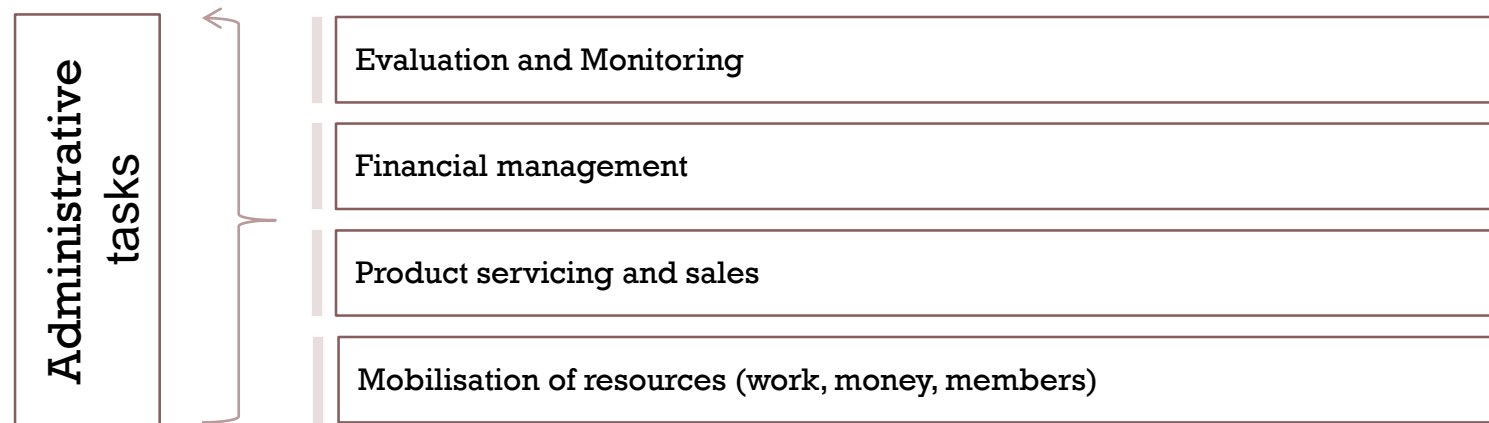


## THE ALTERNATIVES









## Engagement: Examples

Product development  
Focus groups, CHAT game,  
public voting  
India, BAIF MHI

Product servicing  
Public payouts  
India, SMHI

Management decisions  
Strategising and electing  
management  
Cameroon, BMHO

Monitoring  
Checking financial  
transactions  
Cameroon, BMHO

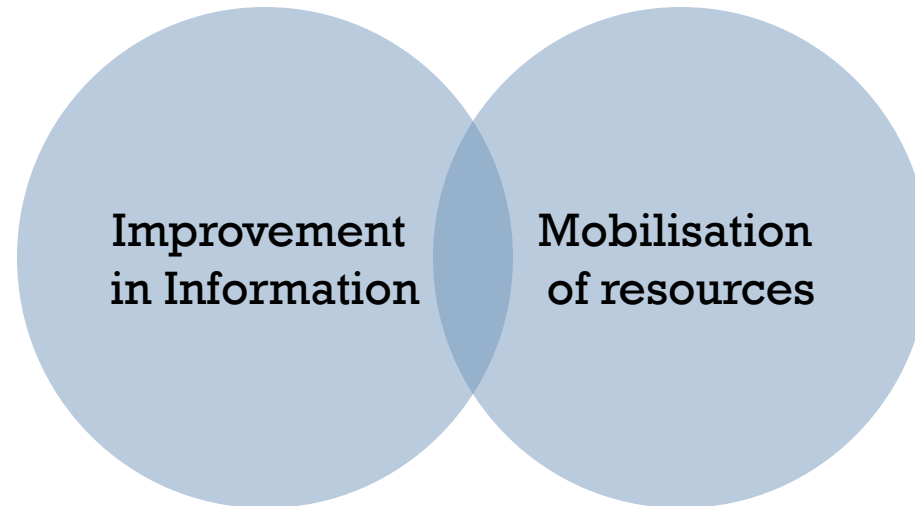
Product servicing  
Claim committees  
India, SMHI

Product sales  
Identifying the target  
markets  
Ghana, DWMHI

Product servicing  
Premium collection,  
identifying risks and  
solutions  
Cameroon, BMHI  
Ghana, WGMHI

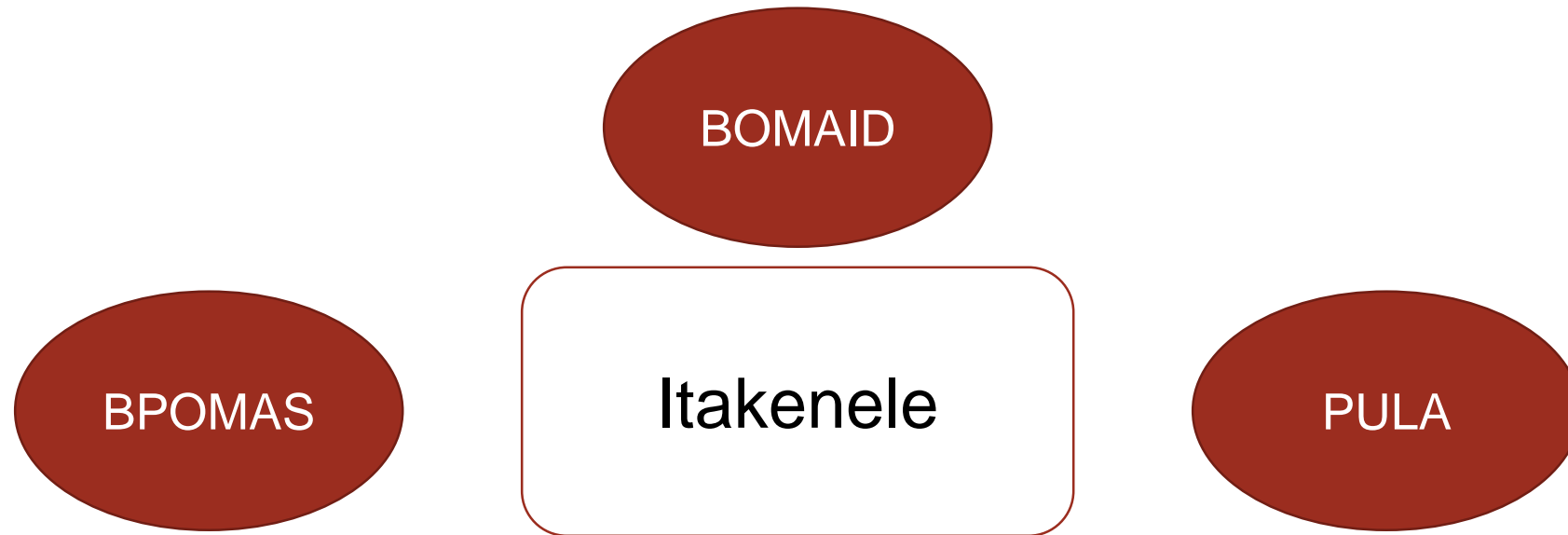
Structural decisions  
Founding and running  
Senegal, several MHIs

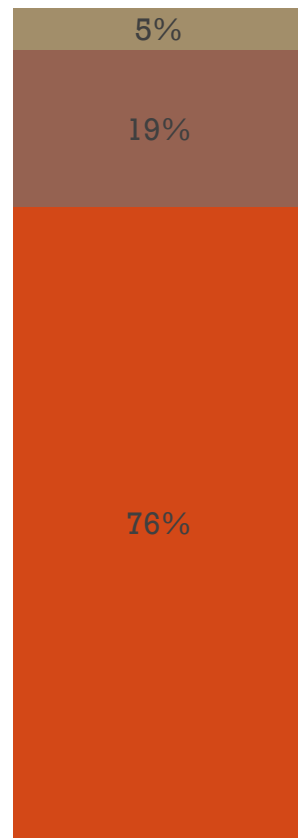
**Bottom line:**  
Health ownership



BOTSWANA







■ Okay ■ Cheap ■ Expensive

Income eligibility: P4 000  
Premium range: P89 (member) – P209 (member +4 dependants)

Free consultation  
and referral for  
members and their  
dependants

Free medication  
based on formula  
provided to  
network of doctors

Optical lenses  
P500

Free dental  
services (cleaning  
and extraction  
once every 6  
months)

GHANA

Nkoranza

Damongo

Dangme  
West

# Health Insurance Act

District MHIs

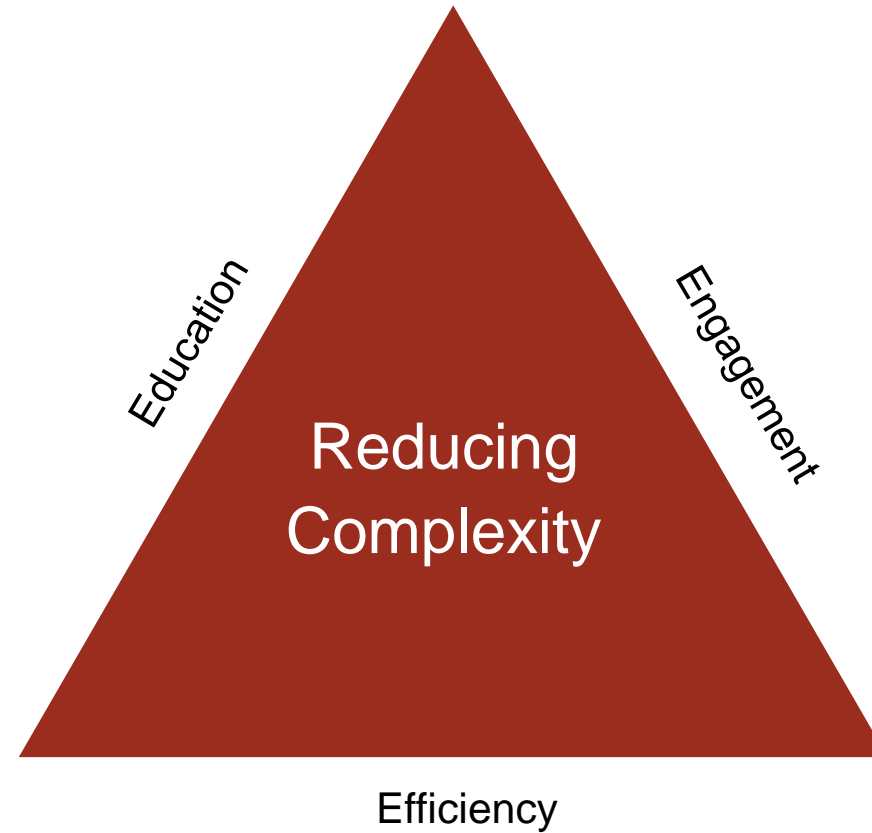
Private MHIs

Private  
Commercial  
Health  
Insurance

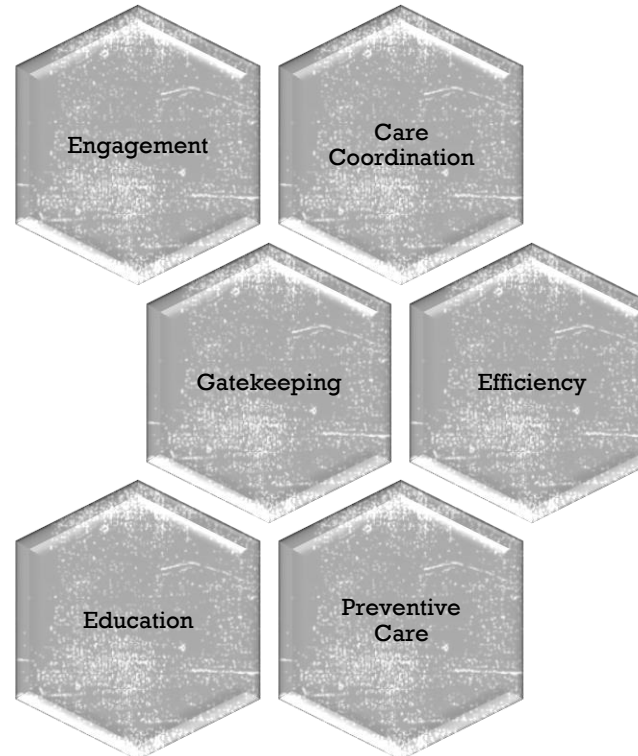
TAKE HOME



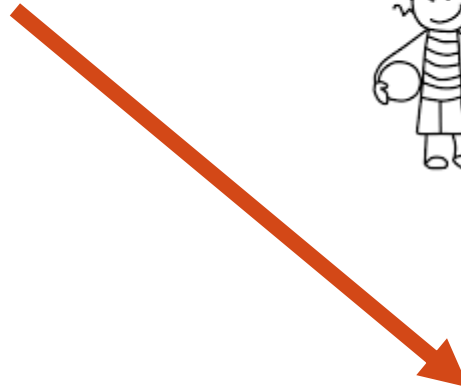
Simplicity is powerful



## Health Ownership



## Primary Care



## About the Presenter



Kudzai Chigiji is an actuarial consultant with a particular focus in healthcare and banking. She works for Insight Actuaries & Consultants.

Her experience spans life insurance, management consulting, healthcare consulting, social security development, banking and loyalty programs.

