



Understanding maternity costs in the South African private healthcare sector:

Where we are, how we got here and a case study of a possible solution

Presented by: Matan Abraham

Co-author: Tiffany Elliott

Some context...

Rising healthcare costs are well documented in the South African private sector. Solutions are needed that are targeted at both a **system level** and a **category level**.

The focus of this research concerns the **decision-making** during pregnancy and birth.

Second-order effects also need to be considered, examples specific to maternity costs are:

- **Quality of care**
- **Indemnity cover**

Public sector births

Number of births '15/'16	901 642
C-section rate '15/'16	26,2%
UPFS Fee (April 2017)	
Natural birth	R3 932 – R4 577
C-Section	R6 190 – R7 204
Infant mortality rate	16.5 – 42.8 per 1000 (31.3)
Maternal Mortality rate	119.1 per 100 000

Source:

- Betran, A. P., Torloni, M. R., Zhang, J. J., & Gülmezoglu, A. M. (2016). WHO Statement on caesarean section rates. BJOG: - An International Journal of Obstetrics & Gynaecology, 123(5), 667-670.
- Massyn N, Peer N, English R, Padarath A, Barron P, Day C, editors. District Health Barometer 2015/16. Durban: Health Systems Trust; 2016
- Approved UPFS 2017 Fee Schedule for Full Paying Patients
- Day, C., & Gray, A. (2016). Health and related indicators. South African health review, 2016(1), 243-348.

Private sector births – specialist costs

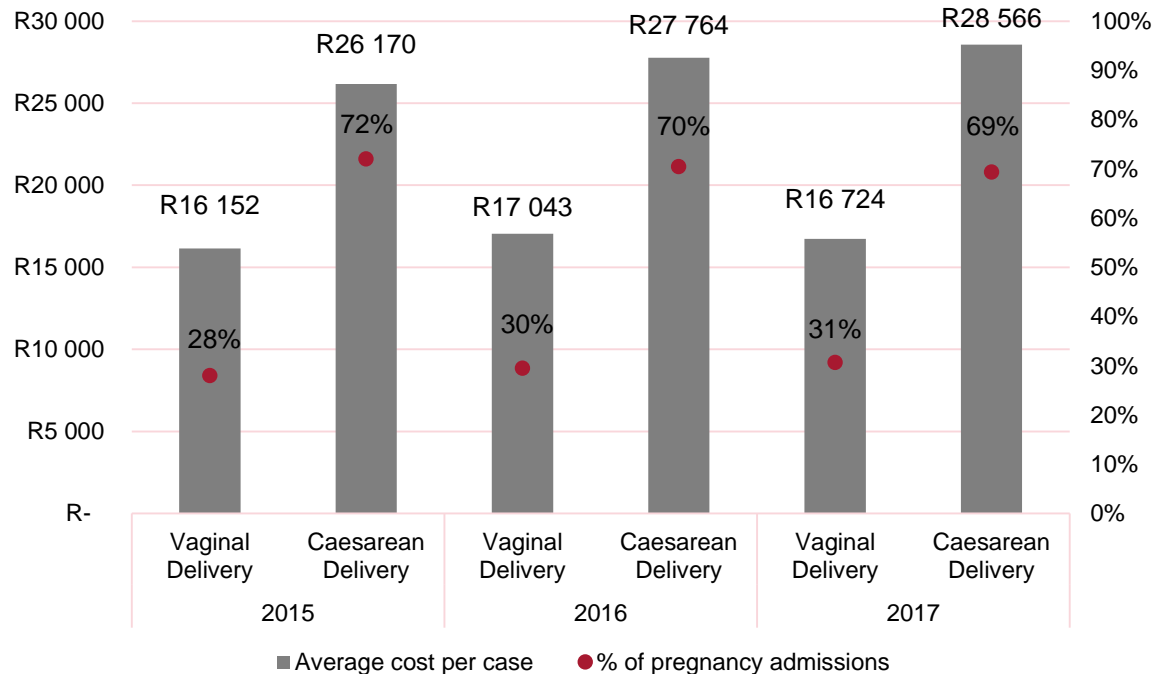
Year	Base DRG	Avg. OBGYN claimed amount
2015	Vaginal Delivery	R4 172
	Caesarean Delivery	R6 098
2016	Vaginal Delivery	R4 651
	Caesarean Delivery	R6 956
2017	Vaginal Delivery	R4 837
	Caesarean Delivery	R7 220

~R2k

Specialist cost differential

Specialist costs are not the main component of the cost of births.

Private sector births – Hospital costs

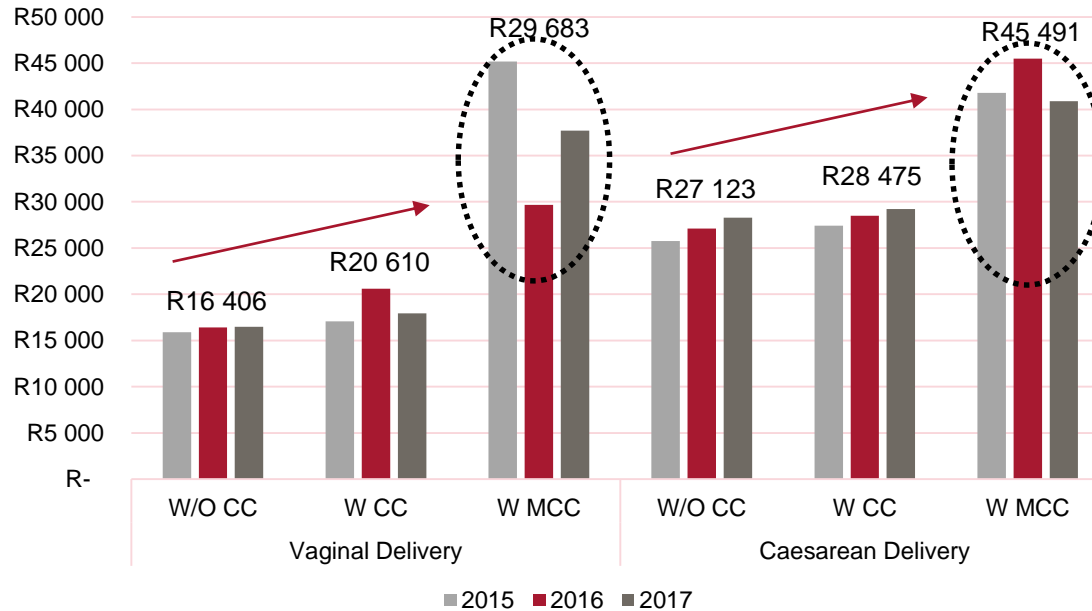


~70%
C-section
rate

~R10k
Hospital cost
differential

Variation due to complications

Distribution of hospital costs by DRG severity



Risk adjustment

Risk-adjustment needed to fully understand this variation

DRG is successful at allowing for factors relating to the **mother** such as:

- Co-morbidities (e.g. infections)
- Chronic status,
- Geriatric mothers

Missing data about the **child** need to augment this:

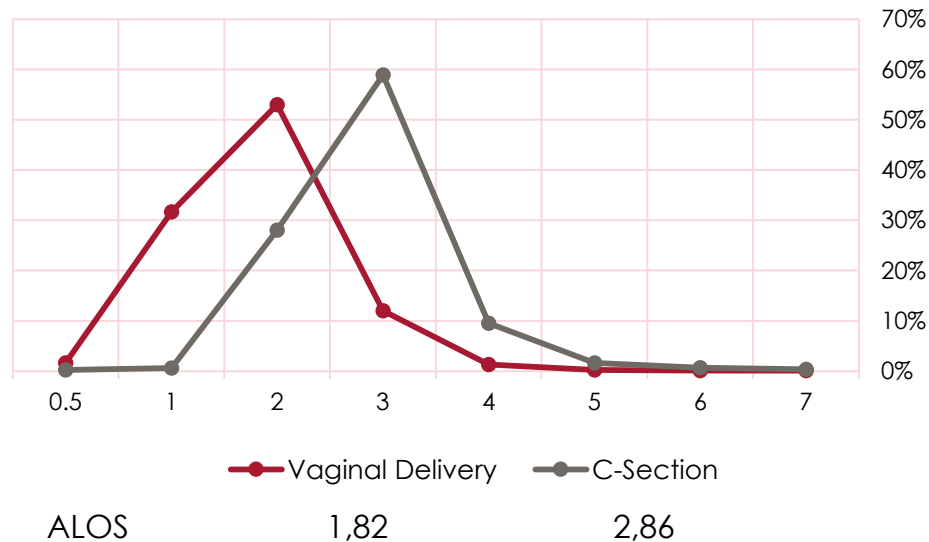
- Gestation age,
- Birth weights,
- APGAR scores

Only available in pockets – not system wide

C-sections vs NVDs

Where does the higher hospital costs come from?

Distribution of length of stays (2016)

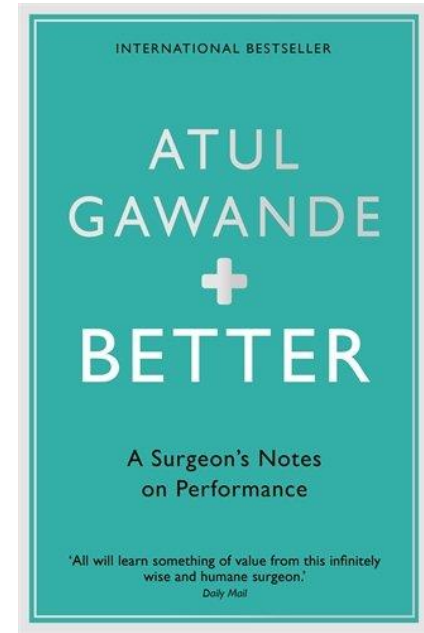


Additional theatre time

C-Sections

Why are they so popular?

- Consensus – Uncomplicated NVD
the ideal but...
- Control
- Specialist costs not a time-based fee
- Convenience
- Patient entitlement



Indemnity cover

R850 000

(2017 indemnity insurance cost for the year)

Inconsistent way maternity care is practiced

Deviation from standard protocols

Poorly documented treatment decisions

The birthing team

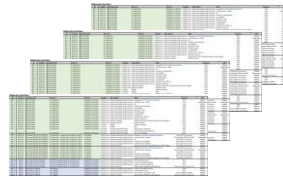
End-to-end maternity episode care

Standard set of risk assessments

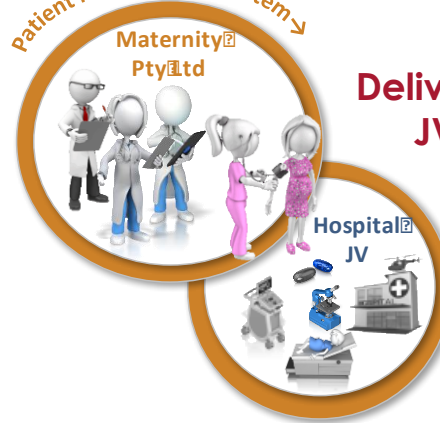


=

Customised Care plan for each patient

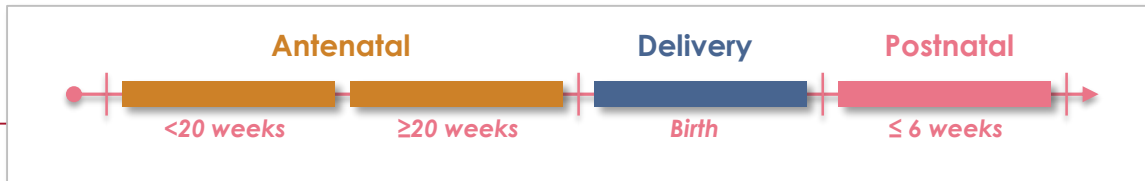


← PPO Serve analytics & Patient Management System →



Delivered by a JV team

Covering a total episode of care (includes scans, bloods visits, birth etc.)

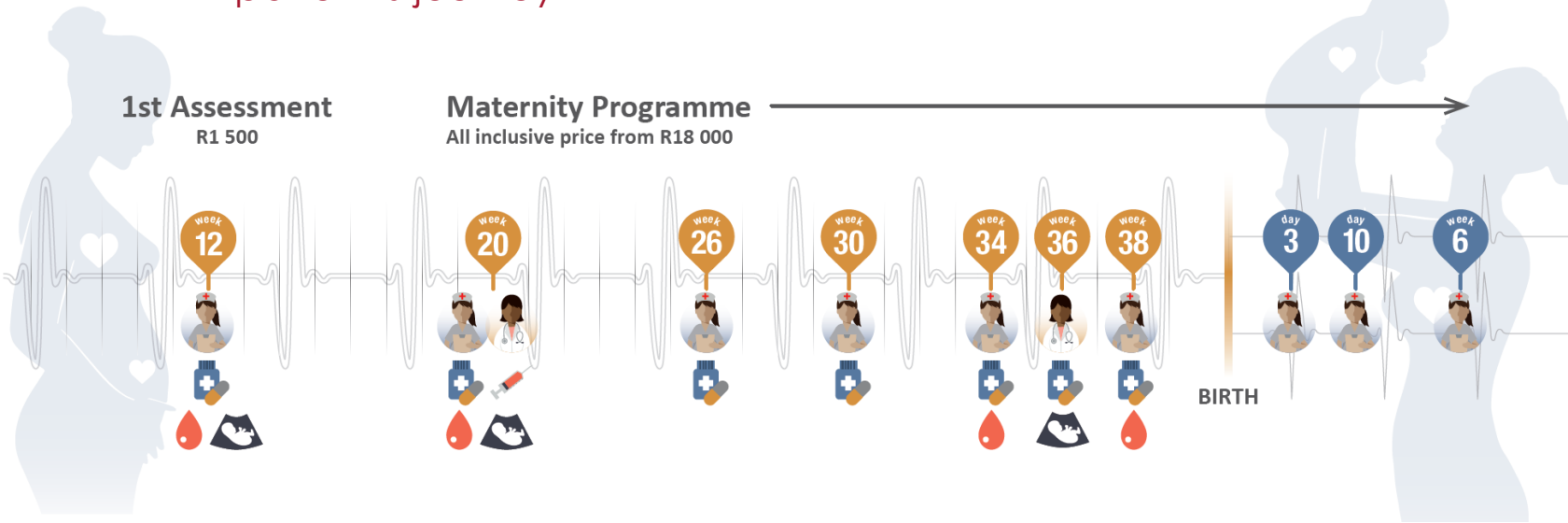


The birthing team

A patient's journey

1st Assessment
R1 500

Maternity Programme
All inclusive price from R18 000



KEY



Midwife
physical exam, urine,
vitals & assessment



Doctor
physical exam
& assessment



**Antenatal
scan**
by sonographer



Injections



Vitamins



Bloods

Questions?

matana@insight.co.za

