



South Africa Mobile Health Market Opportunity Analysis

Executive Summary

The Challenges Facing Healthcare in South Africa

Healthcare in South Africa is at a critical juncture, facing profound inequalities between public and private healthcare, escalation of costs and critical shortages of healthcare professionals. These and other challenges require immediate, innovative and scalable solutions. There must be a renewed and major investment in health if current gaps in provision are to be filled, something the Government is already planning with its introduction of a new National Health Insurance scheme. However, the efforts of the Government and healthcare providers need to extend beyond the immediate problems and look to the future, embracing innovative new system designs which reduce the cost, extend the reach and ultimately improve the health of the South African population.

The Potential of Mobile Health to Deliver Positive Change

The GSMA believes that any drive to tackle these challenges will result in significant opportunities for Mobile Health stakeholders. The only way to reverse rising health costs while simultaneously improving outcomes for patients is by embracing new working methods and technologies. The Government will soon publish its long-awaited eHealth Strategy Document which will be a catalyst to drive the awareness and adoption of information communication and technology in the healthcare community, and provide guidelines for how Mobile Health stakeholders can engage and simultaneously support practitioners, and assist the Government to reduce the healthcare burden.

The potential for Mobile Health to make a real difference is made possible by the fact that South Africa now has a mobile penetration rate of 98%. This near saturation point, coupled with existing infrastructure, brand recognition, billing and data aggregation capabilities enables mobile stakeholders to begin looking at ways of increasing the limited reach of public and private healthcare services. While mobile internet connectivity remains low, it is increasing exponentially, with smart phone imports already rocketing ahead

of normal phones. Can the ubiquity of mobile technology be leveraged to help address the inaccessibility and inequality of healthcare in South Africa? The GSMA believes it can and must. The following report explains how.

Despite a handful of solutions already developed and implemented in South Africa, stakeholders have been unable to take a single Mobile Health solution to a sustainable, national scale. In this report, the GSMA assesses some of the stumbling blocks that have delayed the adoption of Mobile Health. The report also provides business-critical guidance for achieving sustainable models for future growth. The report segments the South African healthcare sector into Payer, Producer, Provider and Consumer and examines the opportunities which exist for Mobile Health in each of these markets, from “Minor” to “Significant”. In developing the report, the GSMA assessed a vast range of economic, health and mobile data sets. We also analysed a significant number of reports, white papers and national documents, and enhanced market intelligence through a series of interviews with key industry players. The following points illustrate some of the opportunities for Mobile Health stakeholders.

- Private health expenditure equates to 21 times the total combined revenues of all South African mobile operators.
- 14% of the South African population have access to 57% of Africa's Total Health Expenditure.
- There is a shortfall of at least 80,000 healthcare professionals.
- Annual medical insurance costs are escalating four times faster than inflation.
- Average cost of \$23 per patient when seen at a primary healthcare facility.

Key Opportunities for the Future

- Private health expenditure equates to 21 times the total combined revenue of all South African mobile operators.**
As well as revealing the huge costs of healthcare provision, this suggests that there is a real opportunity for Mobile Health to access a percentage of this healthcare revenue while simultaneously ensuring that Total Health Expenditure is reduced and outcomes are improved.
- Under the new National Health Insurance scheme a clear strategy for health system and health information strengthening has been laid out. Monitoring the extent of health coverage; tracking the health status of the population; and producing disease profile data for use in computing capitation models are just three of the many areas where mobile can be used to help leverage this strategy.
- 14% of the South African population have access to 57% of South Africa's Total Health Expenditure.** There is evidence to show that Mobile Health products, when created in partnership with the Government or private healthcare industry, can be used to deliver primary healthcare services and/or low income medical insurance and help to reduce the inequality across public and private healthcare services.
- Under the planned National Health Insurance scheme it is envisaged that 80% of all services will be delivered through primary healthcare. Current estimates show that **there is a shortfall of at least 80,000 healthcare professionals** within the sector. Mobile Health adds another tier of healthcare delivery to the traditional specialist/doctor/nurse/community worker model through introducing remote monitoring and prevention and promotion strategies.
- Annual medical insurance costs are escalating four times faster than inflation**, deterring many from signing up. And with the more than 50% of private health costs being used to cover private hospitals and clinical services, the GSMA believes mobile can be used to extend the traditional healthcare services outside of the hospital and increase a stagnant membership base.
- 43% of Total Health Expenditure is Government-funded, with an **average \$23 cost per patient** when seen at a primary healthcare facility. With health economic analysis beginning to emerge which shows how mobile can reduce this burden, Government, in light of the National Health Insurance scheme needs to consider alternative partnership with the mobile community and provisioning of services.
- With 26% of Total Health Expenditure being paid Out-of-Pocket by consumers the impact of illness can be financially catastrophic for South African families. Mobile Health must examine how to offer health as a value added service, reducing the burden on the end consumer and ultimately improving access and delivery.
- Even areas of healthcare which offer less obvious opportunities, such as in pharmaceuticals, could still benefit from a creative use of mobile technology. HIV treatment is likely to remain a top priority for the South African Government, but low adherence to medication regimes undermines the overall strategy. Mobile Health solutions can be used to increase adherence and reduce the burden of counterfeit drugs and stock shortages.
- Overall, there is a real opportunity to place mobile at the heart of healthcare, delivering cradle to grave offerings which focus on preventive, promotive, diagnostic and therapeutic solutions. Chronic disease and disability monitoring are two of the greatest opportunity areas, able to transform thousands of lives.

All of these opportunities and issues are discussed in greater detail within this report. Additional guidance will be available in the GSMA's Market Entry Toolkit, which will provide support and guidance for mobile stakeholders looking to create sustainable business models to meet pressing healthcare needs. The GSMA believes Mobile Health can make a significant contribution to reducing the cost of healthcare in South Africa, extending its reach and ultimately improving patient care.

The full report is available on Mobile Health Live at www.mobilehealthlive.org

Figure 1: Mobile Health Opportunity Map - South Africa

