

Prioritising healthcare access for all employees makes sound business sense



South African businesses operate in an environment in which many employees, particularly those in lower income segments, struggle to afford basic healthcare services. Healthcare benefits like medical aid are simply not affordable for the majority of the workforce, even if they are subsidised, which exacerbates the existing dichotomy. Addressing this issue should be a strategic imperative as well as a matter of ethical compliance and social responsibility.

While executives play a crucial role in setting strategy, many layers of employees are operationally required to fulfil said strategy. Keeping all layers of employees healthy by promoting access to quality healthcare, boosts both sustainability and competitiveness. We dare not wait for the National Health Insurance (NHI) to come into effect to solve this challenge; we have a responsibility to make private healthcare more accessible, and one way that companies can do this is by incorporating affordable health insurance products into their employee benefits basket.

A legacy of inequality

The legacy of apartheid has left an indelible mark on South Africa's socio-economic landscape. This is reflected in the persistent inequality that permeates many facets of life, including significant disparities between rural and urban areas, as well as access to healthcare. Decades later, private healthcare remains predominantly accessible to the wealthy, while the majority of South Africans are left to rely on an overburdened public health system.

Medical aid has been the traditional path to affordably accessing private healthcare, but the premiums

remain out of reach for the lower income earners, even if companies subsidise the cost. The lower-cost medical aid options have struggled to get off the ground, and the effective rollout of the NHI will take many years to come to fruition. Since most people cannot afford medical aid and cannot rely on universal access to public healthcare, there needs to be another option that will enable them to access healthcare affordably. Making health insurance benefits available with options that suit different income segments will not only help to address this issue, but it will also benefit businesses as well.

A healthy workforce just makes business sense

From a legal standpoint, South African companies are bound by the Labour Relations Act and the Occupational Health and Safety Act (OHSA), both of which mandate the provision of a safe and healthy working environment. While these regulations primarily focus on workplace safety, the concept of a healthy workplace extends beyond physical safety to encompass the overall well-being of employees. Ethical governance demands that companies do more than the bare minimum required by law; it requires a proactive approach to employee welfare.

Beyond ethical and compliance concerns, having a healthy workforce is simply good for business. Healthy employees are more likely to be engaged, motivated, and productive, which in turn contributes to the overall success of the business. Moreover, a company that invests in the health of its workforce is likely to see a return on investment (ROI) through reduced turnover, lower absenteeism, and higher employee satisfaction.

By offering health insurance benefits that are tailored to the needs of employees across different income brackets, companies can demonstrate a genuine commitment to their employees' well-being. This not only fosters trust and loyalty among the workforce but also enhances the company's reputation as an employer of choice.

Health insurance for all, not just for executives

Budget constraints are often cited as a major barrier when it comes to subsidising healthcare costs, but health insurance products aimed at lower income segments are a fraction of the cost of the more comprehensive medical aid products offered to executive tiers, and the cost-benefit ratio of providing greater access to healthcare services can be profound. When employees have access to health insurance, they can seek medical attention promptly, reducing the likelihood of prolonged illness and absenteeism, which in turn are detrimental to business. However, this is only for medical expenses specified in the insurance policy.

Even if businesses, particularly small and medium-sized enterprises, cannot afford to subsidise health insurance products, they can still offer access to them as part of employee benefits. Companies can negotiate group rates for health insurance on behalf of their employees, making it more affordable than taking out a policy on their own and thus reducing the cost without the need to subsidise. Aligning health insurance benefits with employee needs and income levels ensures that the cover is both relevant and

accessible and supports long-term business goals by promoting a healthier, more resilient employee base.

Change comes from the top

Human Resources (HR) and executive leadership play a pivotal role in the implementation of inclusive health insurance benefits. While executives are responsible for setting the overall strategy, it is the HR teams that must operationalise these strategies and ensure they are effectively communicated and implemented across the organisation. This includes understanding the diverse needs of the workforce, negotiating with insurance providers, and designing benefits packages that are both affordable and impactful.

By integrating health insurance into the broader employee value proposition, companies can enhance their appeal to top talent, including high performers in lower income brackets. A comprehensive benefits package that includes health insurance is a key differentiator in a competitive job market, helping companies attract and retain skilled workers who are critical to executing business strategies.

Inclusivity drives resilience

Ultimately, the provision of health insurance benefits for all employees is about building a strong foundation for business success. A healthy, happy, and productive workforce is essential for any company looking to achieve long-term sustainability and growth. By taking care of their employees' health, companies are not only doing the right thing from an ethical standpoint but are also making a smart business decision that will pay dividends in terms of productivity, employee retention, and overall organisational resilience.

South African companies must recognise the importance of inclusive health insurance benefits as a critical component of their business strategy. Addressing the historical inequalities in healthcare access, meeting legal and ethical obligations, and investing in the health and well-being of all employees are essential steps towards building a more equitable and prosperous future for both businesses and their workforce. Businesses can play a pivotal role as the country continues to grapple with the challenges of inequality and healthcare access. A clear understanding of what medical and hospitalisation expenses are covered and not covered by the health insurance is critical though.