

SANLAM
BENCHMARK 2024

ACCELERATING
A BETTER WORKING
SOUTH AFRICA





Integrated Corporate Solutions

Sandile Mbele

Reducing the cost of the healthcare burden in South Africa through Integrated Corporate Solutions



The United Nations lists **Good Health and Wellbeing** as its third **Sustainable Development Goal**. To achieve this goal, a concerted effort to strengthen the healthcare system in South Africa is required, **extending to any organisation, institution or individual** that performs activities with the aim of improving, preventing, maintaining, and promoting health.



The World Health Organisation (WHO) constitution states: "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity."





Introduction

In the SA context, the **quadruple burden of disease** viz.

- 1.HIV/AIDS and TB;
- 2.Maternal and child mortality;
- 3.Non-communicable diseases;
- 4.Injury and trauma.



The ten leading underlying natural causes of death, 2018-2020



In 2020, the COVID-19 pandemic left an indelible mark on the world. **Non-communicable diseases** however still make up **half of the top ten natural causes of death** in SA.

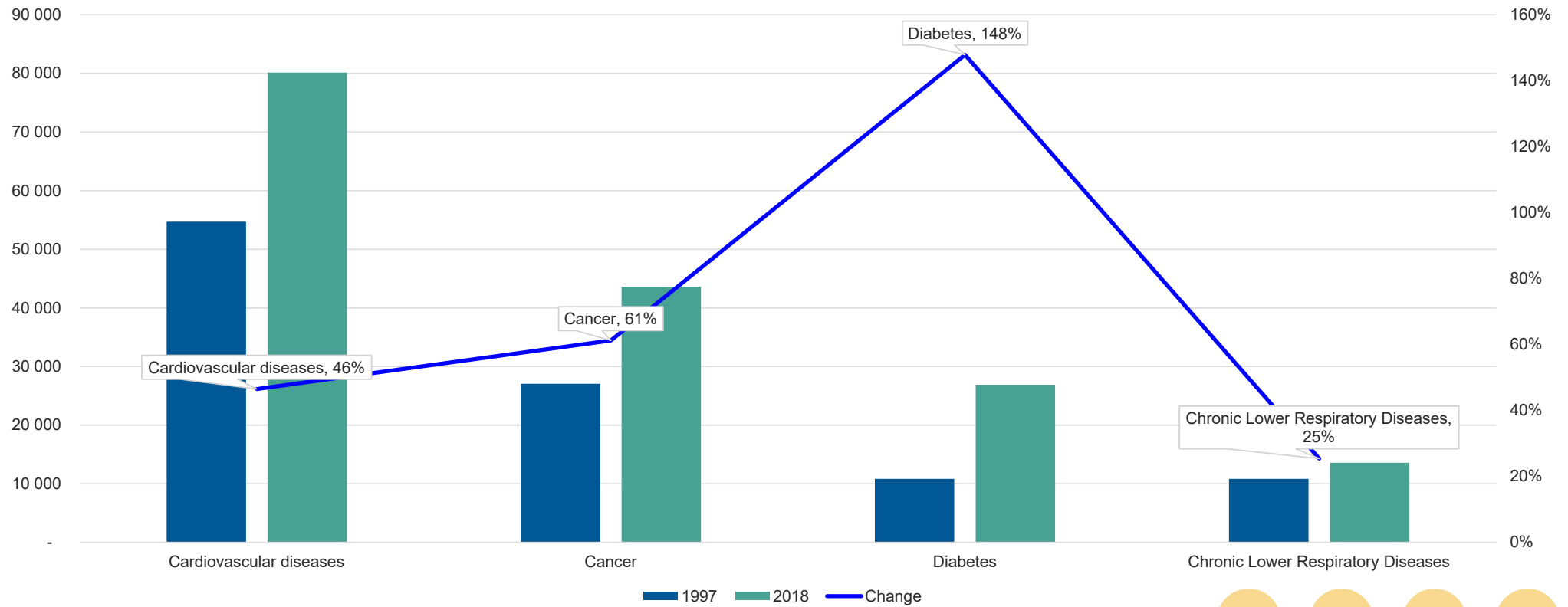
Causes of death (based on ICD-10)	2020			2019			2018		
	Rank	Number	%	Rank	Number	%	Rank	Number	%
Covid-19	1	32 757	6.7%	*	*	*	*	*	*
Diabetes mellitus	2	32 100	6.6%	1	26 315	5.7%	2	27 383	5.9%
Cerebrovascular diseases	3	27 066	5.5%	3	23 247	5.0%	3	23 509	5.0%
Hypertensive diseases	4	24 847	5.1%	5	20 602	4.4%	6	20 985	4.5%
Influenza and pneumonia	5	19 805	4.0%	6	17 426	3.8%	7	18 009	3.9%
Tuberculosis (TB)	6	19 757	4.0%	2	25 409	5.5%	1	28 315	6.1%
Human immunodeficiency virus (HIV)	7	15 759	3.2%	4	22 128	4.8%	5	22 533	4.8%
Ischaemic heart disease	8	19 382	4.0%	7	15 969	3.4%	8	13 863	3.0%
Other forms of heart disease	9	15 057	3.1%	8	15 777	3.4%	4	23 301	5.0%
Other viral diseases	10	12 434	2.5%	9	13 257	2.9%	*	*	*
Chronic lower respiratory diseases	*	*	*	10	12 384	2.7%	9	13 825	3.0%
Malignant neoplasm of digestive organs	*	*	*	*	*	*	10	11 061	2.4%
Other Natural		223 594	45.7%		213 500	46.1%		208 498	44.6%
Non-natural		47 186	9.6%		57 604	12.4%		56 283	12.0%
Total		489 744	100.0%		463 618	100.0%		467 565	100.0%

*Category not in top ten

The healthcare burden in SA



Non-communicable Diseases



What risk factors drive the most death and disability combined?



Risk ranking	2021	2011	Change in DALYs per 100k
Unsafe sex	1	1	-8 796
Malnutrition	2	2	-2 407
High body-mass index	3	5	+268
High blood pressure	4	3	-152
High fasting plasma glucose	5	7	+216
Dietary risks	6	9	+17
Air pollution	7	6	-673
Tobacco	8	8	-434
High alcohol use	9	10	-257
Handwashing	10	4	-1 255

Behavioural risks

Metabolic risks

Environmental / occupational



Direct costs of healthcare in South Africa



Medical Cover

Cost of cash

Healthcare services

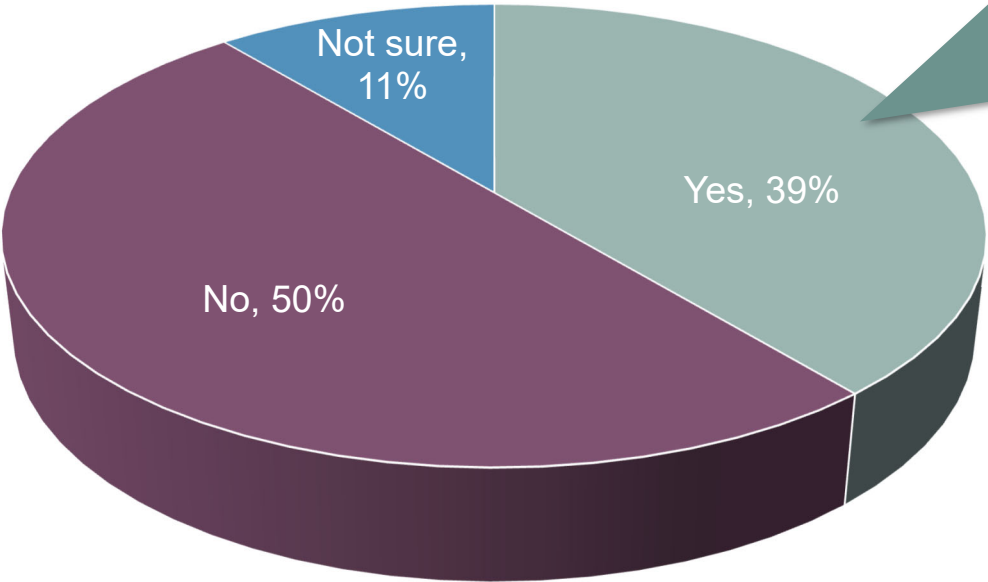
Medication

Transportation

Other associated costs



Benchmark Insight no. 1



Findings from the **Sanlam Benchmark 2024** survey demonstrate that **39% of Sanlam Umbrella Fund participating employers** have experienced an increase in absenteeism because of stress, anxiety, or other mental health issues.



Indirect costs of healthcare in South Africa



Absenteeism

Medical boarding due to ill-health or injury

Decreased employee morale

Increased employee churn

Loss of household income

Decreased workforce productivity





The mental health burden

The Mental State of the World report (Sapien Labs, 2022) states that South Africa had the lowest MHQ (Mental Health Quotient) score of 46% out of 34 countries (Mental Health Million Project, 2021)

Nearly one in three South Africans will suffer from a mental disorder in his or her lifetime (Jack et al, 2014)

As many as one in six South Africans suffer from anxiety, depression or substance-abuse problems (SADAG)

Less than 16% of sufferers receive treatment for mental illnesses (SADAG)

Only 27% of South Africans reporting severe mental illness ever receive treatment (SADAG)

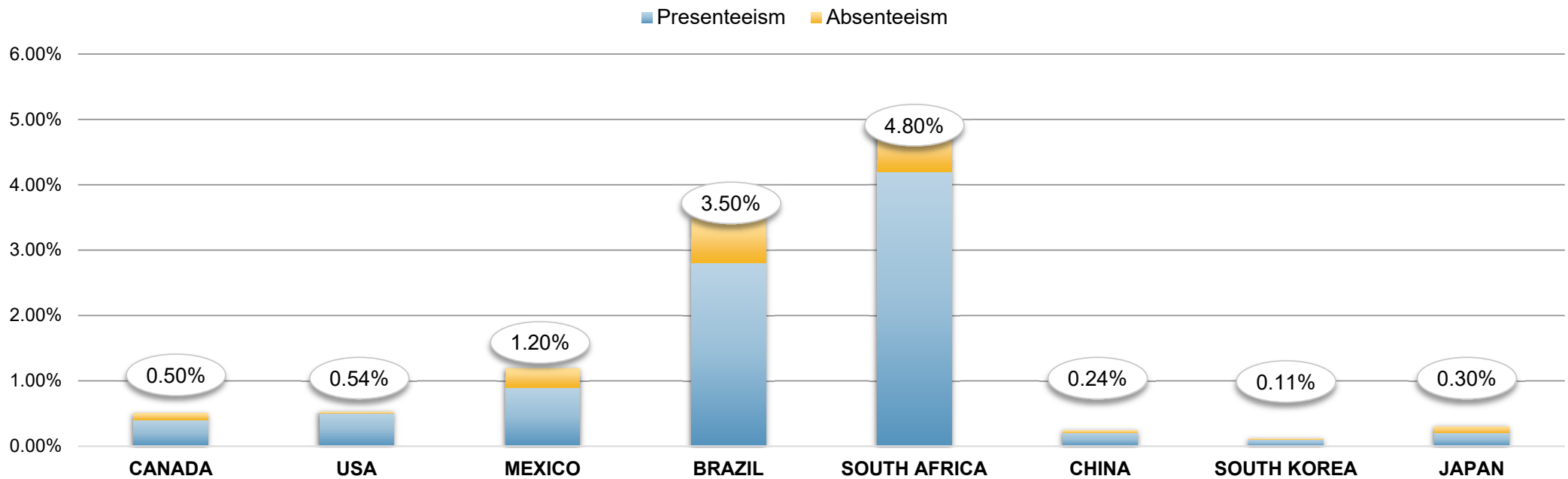


The cost of mental illness



0.1% to 4.2% of a country's GDP is lost due to workers with depression attending work whilst unwell (presenteeism)

Cost % GDP



Evans-Lacko S., Knapp M. Global patterns of workplace productivity for people with depression: Absenteeism and presenteeism costs across eight diverse countries. Soc Psychiatry Psychiatr Epidemiol 51, 1525–1537 (2016). <https://doi.org/10.1007/s00127-016-1278-4>

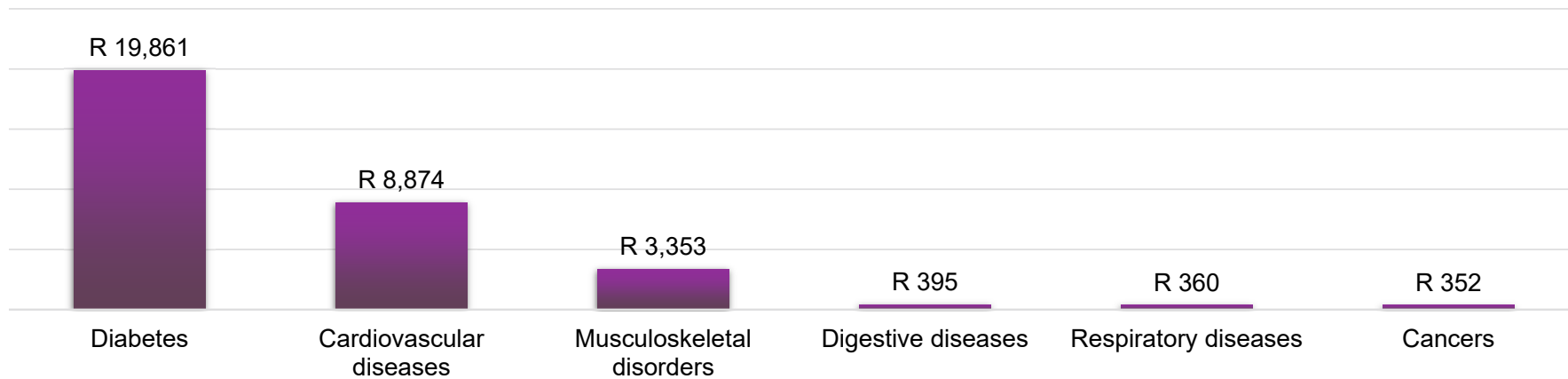


Increasing levels of obesity linked to higher healthcare costs



In 2016, more than 68% of women and 31% of men in South Africa were considered overweight or obese.

Cost of Overweight and Obesity
[SA public health sector R Million]



Total cost of **overweight and obesity** was estimated to be **R33,2 billion** in 2020. This represents **15.48%** of government health expenditure and is equivalent to **0.67%** of GDP. Annual per person cost of **overweight and obesity** is **R2,769**.

Benchmark Insight no. 2



According to the **Sanlam Benchmark 2024** survey results, Sanlam Umbrella Fund participating employers believe that the following constitute the top 5 ideal suite of benefits and services that should be included for all employees ...

- 1 Retirement fund
- 2 Group Risk
- 3 Medical Aid
- 4 Financial wellness programmes
- 5 Financial advice



How do we solve for these challenges?



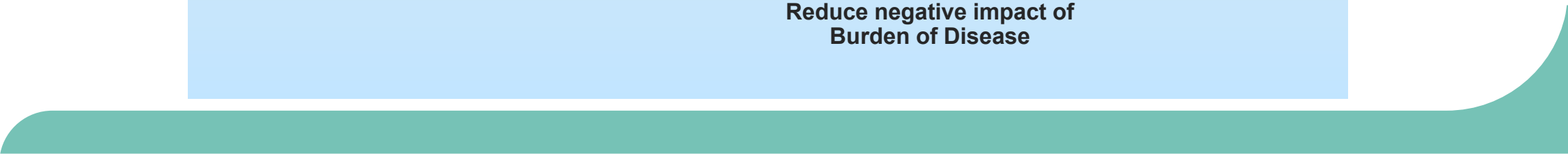
**Support physical wellness
through a preventative
healthcare approach**

Ensure access to
on-site primary healthcare
services to manage and
prevent ill health

Support mental wellness through
an Employee Assistance/ Mental
Wellness Programme

Support healthcare
provision, through
affordable health cover

**Reduce negative impact of
Burden of Disease**



How integrated employee benefits and health solutions **unlock value**



Sustainable Business

- ⊗ Healthy employees are more productive and will sustain the company through anticipated business challenges
- ⊗ Healthy employees are less risky in safety sensitive occupations, thereby positively impacting business operations

Talent Attraction

- ⊗ A wellness culture at work is a powerful drawcard to young talent
- ⊗ Supportive Employee Assistance Services provide a strong message that the company cares, and these support the Employee Value Proposition

Brand Reputation

- ⊗ The company's wellness activities build a reputable and responsible corporate image
- ⊗ Visibly supporting wellness increases the brand value of the organisation



Benefits to Corporates



INCREASED EMPLOYEE
SATISFACTION AND
LOYALTY

IMPROVED INDIVIDUAL
PERFORMANCE

HIGHER
ORGANISATIONAL
PERFORMANCE

INCREASED
REVENUE

Employee morale and loyalty improve resulting in talent retention.

High-performing, well-balanced individuals are created through a holistic wellness approach.

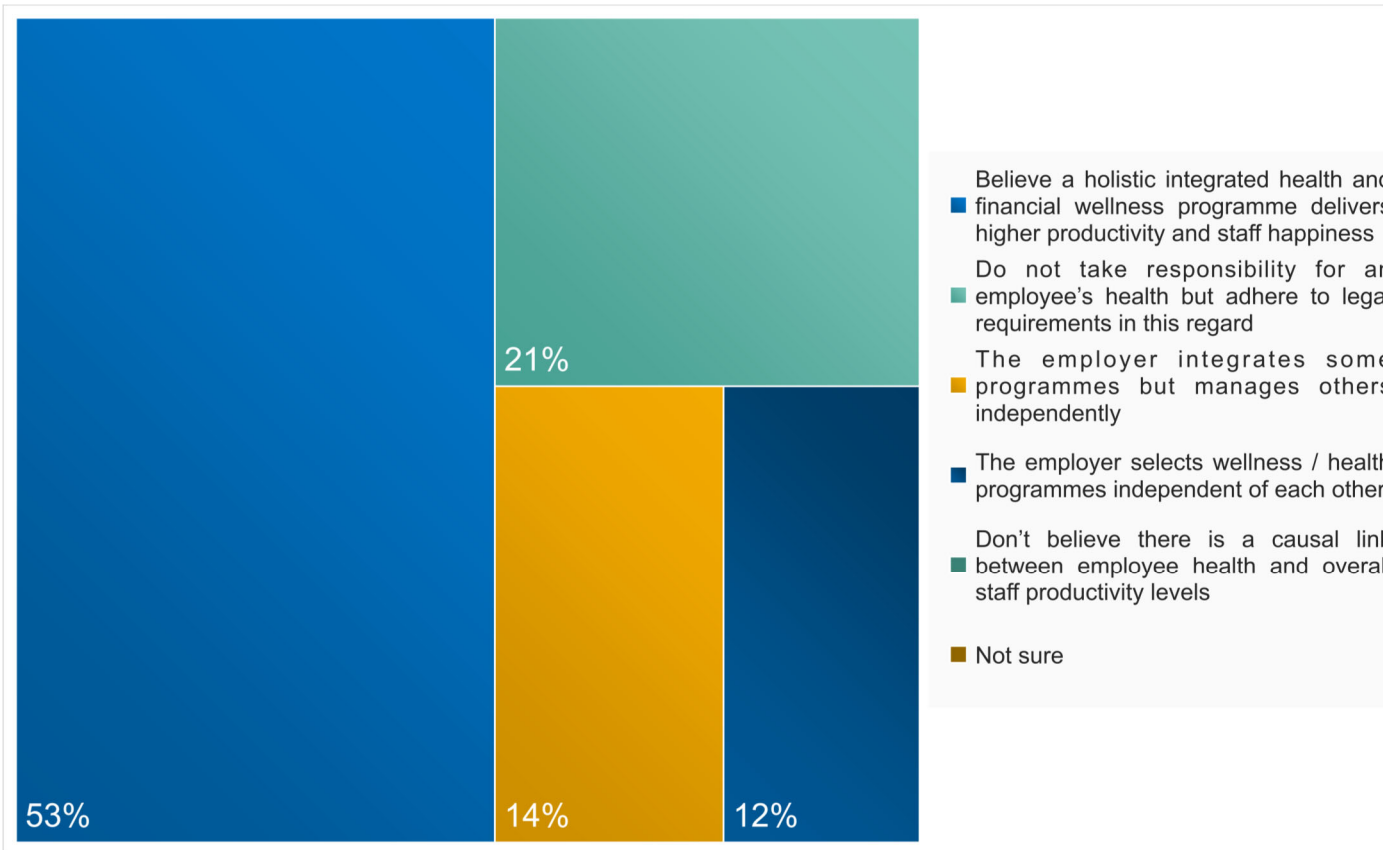
High performance teams resulting from a positive leadership approach; future leaders moulded through a holistic organisational wellness approach.

Optimally functioning executives, senior managers and their teams are able to deliver at their best, resulting in financial benefits for the company.

Improved employee health risk profile, limiting risk to business.

Decreased healthcare spend on disease management.

Benchmark Insight no. 3



Findings from the **Sanlam Benchmark 2024** survey revealed that 53% of Sanlam Umbrella Fund participating employer respondents believe that a holistic integrated health and financial wellness programme delivers higher productivity and staff happiness. This number was 49% for standalone employer fund respondents.

