

Discovery offers a number of incentives for healthy living. For example, your fees go down if you join a gym and exercise there a certain number of times per year. Also, the plan includes an annual physical checkup. In addition, as incentives, Discovery offers low-cost airline flights and even cheap movie tickets.

Typically, health insurance from a company like Discovery costs 2,400 rand (around \$240 U.S.) per month for a family. Comprehensive policies, without the medical savings account and high deductibles, cost about 3,000 rand (\$300 U.S.) for a family of four. This puts Discovery out of range for many South African blue-collar workers. The average maid is paid between 600 and 800 rand (\$60–80 U.S.) per month and the average miner makes 2,400 rand (\$240 U.S.) per month.

Blue-collar workers in South Africa can also choose the Protector Group. It offers an HMO option with unlimited benefits within its system (no choice of service provider) for about 1,000 rand (\$100 U.S.) monthly and a Clinicare option which caps benefits at 100,000 rand (\$10,000 U.S.) for as low as 280 rand (\$28 U.S.) per month, rising in tandem with the insured's income.

An even cheaper option, particularly popular with South African miners, is offered by the Ingwe Health Plan, which features a variety of low-cost options. Ingwe has a network of its own hospitals and contracts out with a number of service providers. The cheapest health coverage plan offered by Ingwe costs about 300 to 500 rand (\$30–50 U.S.) monthly. The Ingwe plan typically appeals to black South Africans moving up in the job market.

In contrast to the robust commercial health care sector, South Africa's public/government health care system is falling apart, according to Davie. The post-apartheid South African government declared in 1994 that it would offer universal health care by 2008, but the government is beginning to back down from that goal. Corruption and outright theft are growing problems in the public hospitals, Davie says.

Nevertheless, excellent health care can be obtained in the private sector. With the fall in the rand's value, medical tourism is catching on. The South African government even

touts this trend toward "Sun, Surf and Surgery" package tours. A coronary bypass operation that would typically cost \$30,000 in the U.S. costs the equivalent of \$7,000 in South Africa. Medical tourism is particularly popular among Britons who are seeking faster and better care than they can get under their own socialized medical system.

Clearly, as the example of South Africa shows, markets can provide health insurance for people earning very different levels of income. And in a country much richer than South Africa, like the United States, the effect of that more diverse market on the percentage of citizens covered is apt to be far more dramatic.

By allowing more differentiation in health insurance markets, many, if not most, of those Americans who are currently uninsured could purchase a basic level of health coverage. Furthermore, even insured Americans could opt out of the third party payment system and purchase the insurance they want rather than be locked into whatever plans their companies impose on them. Finally, Americans offered a choice of health insurance plans would be empowered to decide what level of coverage they are comfortable with and able to afford. In other words, freely functioning, less regulated markets in health insurance would go a long way toward alleviating the "health care crisis."

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