

MMI buys CareCross group

Insurer MMI Holdings has bought the CareCross Health Group for an undisclosed sum, which it says will allow it to reduce healthcare costs.



MMI's Nicolaas Kruger says that the purchase of CareCross provides patients with more access to services.
Image: MMI

The purchase is in line with MMI subsidiary, Metropolitan Health's efforts to coordinate services across the health value chain and find ways to offer affordable access to quality healthcare, MMI, SA's third-largest insurer by market capitalisation.

"The purchase of CareCross extends our ability to offer holistic solutions to our existing and prospective clients and is also in line with MMI's strategy to grow through diversification," said MMI's Chief Executive Nicolaas Kruger.

CareCross, founded in 1998, offers affordable healthcare through a national network of around 2,000 general practitioners and 4,000 associated healthcare professionals including specialists, dentists and optometrists.

CareCross also provides managed care and administration services to about 200,000 medical scheme beneficiaries.

The deal, which is subject to relevant regulatory approval, gives MMI a majority share in Occupational Care South Africa, which is expected to have synergies with Metropolitan Health's existing workplace wellness division, Metropolitan Wellness.

Diverse health services

Occupational Care South Africa and CareCross together provide occupational health services to about 55,000 workers in

SA.

Metropolitan Health grew operating profit 7% for the half year to December as its client numbers remained flat, putting its margins under pressure.

At the release of the interim results in March, Kruger said Metropolitan Health covers 1.2m families and three million lives, making it one of the biggest healthcare providers in SA.

He said at the time Metropolitan Health would focus on operational efficiencies and look at ways to diversify its revenue streams.

Metropolitan Health's Chief Executive Blum Khan said the purchase will complement its current services.

"It aligns perfectly with our goals for profitable growth and pioneering the pursuit of innovative solutions that expand access to quality healthcare", he said.

Group Chairman for the CareCross Group, Ian Black, said the deal would be seamless for clients who would ultimately have access to Metropolitan Health initiatives, such as an in-pharmacy clinic venture with the Alpha Pharm franchise group, Hello Doctor services and the Multiply Rewards programme.

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