Publication: FA News - Inside
Title: Bridging the 2026 healthcare gap requires new financial planning
Publish date: 01 Nov 2025
Page: 76
Reach: 2906
AVE:R 29947.43
Author: TONY SINGLETON CEO Turnberry Management Risk Solutions

TONY SINGLETON
CEO
Turnberry Management Risk Solutions

> Gap cover plays a vital role in a financial planning strategy that takes the realities of our current economic climate into account.

Bridging the 2026 healthcare gap requires new financial planning

South Africa's healthcare system is under more pressure than ever before, with medical inflation rising faster than both salaries and medical scheme premiums.

As a result, medical expense shortfalls and co-payments are becoming increasingly common, even on higher-end comprehensive medical scheme plans, increasing the financial burden on households. For clients, these unexpected costs can quickly escalate into tens of thousands of Rands, jeopardising both their health and their long-term financial security.

Financial advisers cannot afford to ignore this risk – it has become essential to include gap cover as a cornerstone of holistic, future-focused financial planning.

Why medical scheme cover alone is no longer enough

Healthcare costs in South Africa are typically increasing at two to three times the rate of consumer inflation. This creates a significant disparity between what medical schemes can cover and what healthcare actually costs. As people face increasing financial pressure, their income and savings growth cannot keep pace.

Medical scheme cover is a critical component of comprehensive healthcare protection, but it is no longer sufficient to guarantee financial security. The reality is that many hospitals and specialists charge far more than medical scheme rates, leaving members responsible for the difference. Even top-tier options have co-payments, sub-limits and exclusions that can translate into hefty out-of-pocket expenses. This, in turn, can derail financial strategies and place strain on households already grappling with rising living costs.

Medical inflation has caused healthcare to become one of the largest and most unpredictable expenses for many people today, and those who have retired are at even greater risk. Without comprehensive and effective planning, retirement funds meant for day-to-day living can be depleted far earlier than expected.

Gap cover is an essential financial safety net

Gap cover plays a vital role in a financial planning strategy that takes the realities of our current economic climate into account. By bridging the gap between what medical schemes pay and what providers charge, gap cover protects clients from medical expense shortfalls, co-payments and sub-limits. This helps to ensure they do not need to tap into long-term savings or derail retirement and education goals to pay for healthcare.

Gap cover also allows clients to access the quality healthcare they need without cost becoming the most important factor. Essentially, gap cover provides peace of mind while safeguarding wealth. In addition, by addressing healthcare planning proactively, advisers can mitigate risks while at the same time strengthening their value proposition. This can become an important differentiator in a competitive market, unlocking opportunities for deeper, more loyal client relationships.

Strengthening client trust through healthcare planning

Healthcare is not just a financial concern; it is deeply personal and emotional. When advisers address it proactively, they demonstrate foresight and genuine care for their clients' wellbeing. By integrating healthcare protection into their strategies, advisers position themselves as holistic partners rather than product-focused planners.

This approach preserves long-term financial goals by shielding savings from unexpected medical shocks, and it reinforces trust by showing that the adviser has anticipated risks beyond investment performance. Healthcare planning also creates ongoing engagement opportunities, as benefits, premiums and products need to be reviewed annually.

Key takeaway for 2026

Medical scheme cover remains essential, but it is no longer enough. Medical inflation poses a silent but serious threat to long-term financial security, while gap cover provides an effective safeguard. Advisers who incorporate healthcare planning into their strategies demonstrate empathy, foresight and professionalism, which are qualities that build trust and resilience.

As the cost and complexity of healthcare continue to rise, integrating healthcare protection into financial planning is critical. ●