

CareCross acquisition by MMI a perfect strategic fit in healthcare innovation

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MMI Holdings has announced that it has acquired, subject to relevant regulatory approval, the CareCross Health Group, including a majority share in Occupational Care South Africa (OCSA).

The acquisition fits perfectly with the strategy of other group entities, including Metropolitan Health, the newly acquired Guard Risk and Hello Doctor, in their quest for developing innovative solutions that create affordable access to quality healthcare.

The acquisition specifically complements Metropolitan Health's current offering, further enhancing their ability to reduce healthcare costs and improve outcomes by coordinating services across the health value chain - particularly through the provision of primary health care services, managing access to specialist products and controlling the chronic medicine value chain. The acquisition is also expected to generate synergies between OCSA and Metropolitan Health's existing workplace wellness capability - Metropolitan Wellness.

Since inception in 1998, CareCross has focused on delivering affordable healthcare through provider networks. The company, with a national network of around 2 000 General Practitioners and 4 000 associated healthcare professionals such as specialists, dentists and optometrists, currently delivers managed care and administration services to approximately 200 000 medical scheme beneficiaries.

OCSA is widely considered a market leader in workplace health and wellness solutions. Through a joint initiative with OCSA, CareCross delivers integrated occupational health solutions to approximately 55 000 workers nationally.

Metropolitan Health manages health benefits for 3 million beneficiaries. The company successfully leverages economies of scale, a proprietary technology platform and integrated health risk management to reduce healthcare and non-healthcare costs for their clients.

MMI CEO, Nicolaas Kruger, says "the acquisition of Carecross is an important milestone. It extends our ability to offer holistic solutions to our existing and prospective clients, further reinforcing our commitment to client centricity. This transaction is also in line with MMI's strategy to grow through diversification".

Metropolitan Health CEO, Blum Khan, believes that, in addition to strengthening and complementing their current suite of services, the acquisition "aligns perfectly with our goals for profitable growth and pioneering the pursuit of innovative solutions that expand access to quality healthcare."

Group Chairman for the CareCross Group, Ian Black, believes the acquisition will be seamless for clients and ultimately of significant benefit to the clients of both companies. "CareCross has pioneered some unique delivery models. With the weight of a major market player and the synergies the acquisition will generate, there is now opportunity to fully leverage the potential of these unique capabilities," says Black.

Founder and Managing Director of CareCross, Dr Reinder Nauta, indicates that CareCross has always been synonymous with creating access to affordable healthcare – a passion which Metropolitan Health shares. Nauta continues, "This acquisition brings together companies who share a common vision and gives great impetus to the search for innovative solutions that improve access to quality healthcare, on a sustainable basis."

It is envisaged that the acquisition, will provide the current CareCross and OCSA clients with 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.

Khan concludes, "South African healthcare needs to move from a system of sickcare to healthcare, against a backdrop of severe resource challenges. The acquisition further strengthens our ability to actively contribute to this transformation and create a healthcare ecosystem that connects all South Africans to affordable, quality healthcare."

