HealthMan

PRIVATE PRACTICE REVIEW

Our last 2019 issue of HealthMan's Private Practice Review consists of a summary of healthcare highlights during the past six months.
The December issue of SAPPR's HealthTree contains a summary of developments and sections on the NHI Bill and the Competition Commission's report on the Health Market Inquiry.

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Food for Thought

Parliament has to tread carefully with NHI Bill

Parliament has been inundated with written responses to the controversial NHI Bill.
"At the last count there were more than 119 000 written submissions, of which 1 000 were unique and 118 000 signatures between them, but thousands of results received at provincial public hearings in promises have yet to be counted," wrote **Tamar Kahn** in **Business Day** (3 November 2019).
Judging from the written submissions by various interest groups, the most important issues are:

- The governance of the NHI fund and the role of medical schemes.
- Opposition from provincial health departments over the reduction of their role, particularly from the DA-led Western Cape.
- Strong opposition to the Bill's proposal that only limited health services be provided to refugees, asylum seekers and undocumented migrants.
- The governance of the fund, and the danger of corruption and maladministration.
- Dr Ivan Bogoshi, chairman of the Gauteng Department of Health's Ethics Committee, and Professor Alex van den Heever, who in separate submissions argue that NHI is the wrong solution for the problems confronting SA's health system.
- Parliament is under pressure to finalise it. At the same time, it knows stakeholders, including the ruling party in the DA, SA government and healthcare providers, and so it dare not set a foot wrong. It is truly caught between a rock and a hard place.

News from Government

SIU investigations

In October President Cyril Ramaphosa gave the Special Investigating Unit (SIU) permission to investigate the **SA Health Products Regulatory Authority (SAHPRA)**. In August the SAHPRA announced measures to deal with a backlog of 14 000 drugs awaiting registration.The SIU has 20 lawyers and 20 forensic staff working only part-time and a paper-based system.
In October the portfolio committee on health expressed its

concern about SAHPRA's performance and gave it four months to come up with a turnaround plan.
In March, the SIU started investigating tenders issued by centralised **National Health Laboratory Services (NHLS)** from July 2015 to earlier this year. In May, suspended NHLS CEO Joyce Mogale, and CFO, Sikumbuzo Zulu, were investigated for contraventions of the Prevention and Combating of Corrupt Activities Act.
The **Health Professions Council (HPCSA)** is also under investigation. According to a 2015 report on administrative irregularities and poor governance "the HPCSA is in a state of multi-system organisational dysfunction." In October 2018 the South African Medical Association (SAMA) said that problems of poor and inadequate administration at the HPCSA had reached "a crisis point" and "a state of paralysis".
The SIU is also trying to claim back money from **Non-Government Organisations (NGOs)** that were paid to look after mentally and intellectually disabled people who had been in the Life Esidimeni home.

To read more about provincial healthcare, doctors, nurses and hospitals in the publick sector, click on: News from Government

News from Government

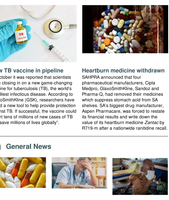
RAF denies it lacks funds for claims

The Road Accident Fund (RAF) acknowledged its outstanding bills of more than R17 bn, but said that claims would be paid 180 days or six months after being lodged. – **Saturday Star** (7 December 2019). In Part A of its application, the RAF asks for a declaration that it is unable and is suspend its obligation to pay R173 834 583 overdue to 346 claimants. In Part B, the RAF asked for an order against itself that it pay the amount by no later than 31 March 2020. According to Statistics SA, about 1 m road accidents are reported per year.

Compensation Fund plagued by inefficiencies

The auditor-general issued a disclaimer on the 2018/19 financial statements of the Compensation Fund due to a lack of sufficient evidence to provide a basis for an audit opinion.
The fund has been plagued by inefficiencies and maladministration, with medical practitioners and hospitals complaining about the backlogs and delays in payments.
The fund raised R9 3 bn in revenue from employers, an increase of 4.27% increase over the previous year.
It has total assets of R71 bn and total liabilities of R4 3 bn.

Special News



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Prompt payment, CON issues addressed by NHI's Dr Crisp

Practitioners will be paid in real time, no real need for a Certificate of Need, and services will have to push ahead without a patient records system in place for the time being, according to Dr Anthea Crisp, director of the NHI Technical Transition convened by the Institute for Health Professional in Tshwane last Wednesday.
Discussing many of the practical issues facing basic systems development in the implementation of the proposed insurance fund, Dr Nicholas Crisp, Department of Health-appointed NHI administration and operations consultant, stressed that getting rid of the Certificate of Need requirement (CON) for the private sector is prioritised for the health reforms to succeed. "Many of these, such as over-servicing, anti-competitive behaviour, poor and undocumented health care outcomes, transfer of costs and poor accountability, were clearly identified in the Health Market Inquiry report on private healthcare costs but I have no doubt also apply in the public sector."
To read more, click on the button below

READ MORE

Financial News

NHI Bill rattles South African economy

"The share prices of private healthcare companies plunged after the NHI Bill was tabled in Parliament recently," reported **Business Times** (18 August 2019). "Confusion about the NHI Bill is driving panic" was the heading of an article in **Times Select** (27 August 2019).
To read more, click on: NHI Bill rattles economy

NHI Bill rattles economy

Pharma retailers buck tough-times trend

"In what has generally been experienced as a tough economic climate, particularly for consumer-facing companies, Clicks and Dis-Chem seem to have bucked the trend," wrote **Ciaran Maher** in the section on financial economics of AFRA Consultants in **Business Day** (25 October 2019).
Pharmaceutical retailing in SA is estimated to be a R68 bn industry based on retail sales, of which 69% is attributable to the private sector and 31% to the public sector. SA ranks 46th globally in terms of pharmaceutical exports. The increase in life expectancy in SA has created a demand for pharmaceuticals will continue to increase as people live longer.
To read more, click on Pharma Retailers

Pharma Retailers

Aspen is on its way to recovery

Pharmaceutical company Aspen Pharmacare is slowly turning around after its debt stood at R53.2 bn in December last year. By the end of June Aspen's debt was reduced to R35.7 bn, mainly because of the sale of its infant nutrition business in China to the Japanese business to Nevertia' genero division Sandoz for R6.5 bn. It has also entered into a five-year manufacturing and supply agreement with Sandoz for the portfolio of divested brands. Aspen hopes to be on track to meet its debt reduction targets by the end of the 2019 financial year.

Pharmaceutical News

New TB vaccine in pipeline
In October it was reported that scientists were closing in on a new game-changing vaccine for tuberculosis (TB), the world's deadliest infectious disease. Researchers at GlaxoSmithKline (GSK), researchers have found a new tool to help provide protection against TB. If successful, the vaccine could "avert tens of millions of new cases of TB and save millions of lives globally".

Heartburn medicine withdrawn
SAHPRA announced that four pharmaceutical manufacturers, Cipla Medpro, GlaxoSmithKline, Sandoz and Sun Pharma, had withdrawn ranitidine products which suppress stomach acid from SA shelves. SA's biggest drug manufacturer, Aspen Pharmacare, was forced to restate its financial results and write down the value of its heartburn medicine Zantac by R719 m after a nationwide ranitidine recall.

General News

Hi-tech boosts treatment
While the country's state clinics are notorious for long queues, it takes patients in the Western Cape about five minutes to get medication for chronic illness, reported **Cape Times** (11 July 2019). This is thanks to a high-tech innovation used at Mitchell's Plain Pharmacy, the province's chronic medication dispensing unit in Pacive, where state patients' medicines are prepared. The pharmacy uses automated dispensing technology and high-speed packaging to ensure accuracy, resulting in the pre-packaging of almost 400 000 monthly scripts.

Facebook acts on 'sensation'
Facebook announced that it has been making changes to its page-ranking algorithm to reduce "posts with exaggerated or sensational health claims" and attempts to sell products based on health fears. This is a direct response to an investigation by the **Wall Street Journal** showing the prevalence on Facebook and YouTube of false claims such as the use of baking soda injections to cure cancer. The WSJ's investigation, which consulted with doctors, lawyers, privacy experts and others, found numerous false or misleading claims about cancer therapies online.

US healthcare very bad
The US healthcare system is a monument to perverse incentives, unintended consequences and political inertia, wrote Tim Harford in **Financial Times** (15 July 2019). The US system costs more than twice as much as Britain's, for less universal coverage provided by the UK's NHS. Even the government-funded part of the US system costs more per capita than the NHS. Why so expensive? It's because US doctors prescribe more treatments, and those treatments cost more than they do elsewhere, wrote Harford.

ERs may help beat HIV
According to researchers who tested nearly 3 000 patients at Eastern Cape hospitals, emergency departments could be one of the keys to beating HIV. The ER provides a chance to reach people who, otherwise be missed, can be engaged for counselling, testing and linkage to care.

Practitioner burnout
In a survey among 400 doctors and 147 dentists, done by **Medical Protection Society (MPS)**, it was found that 65% of doctors, and 61% of dentists experience a decreasing sense of personal wellbeing; 27% of doctors suspect that emotional exhaustion has at some point contributed to an irreversible clinical error, with 60% saying this was related to a lack of concentration; 31% of dentists suspect that emotional exhaustion has at some point contributed to an irreversible clinical error, with 43% saying this was related to a lack of concentration.

63 000 TB deaths in 2018
A total of 63 000 people died of tuberculosis (TB) in SA in 2018, according to the World Health Organisation (WHO). Two-thirds of those who died (42 000) were HIV-positive. The WHO estimates that about 301 000 people fell ill with TB in SA in 2018, ranking the country sixth globally. In between 300 000 and 400 000

DIY alternative to Pap smear
A new DIY home urine or swab test could potentially help more women discover whether they are at risk of cervical cancer, the Medical Research Council in London Cologne Lancet say that in the future, some women could order the test kits online, use them at home and then send their sample by post to be analysed.

News from Medical Aids

Medical schemes performance underwhelming

According to the latest Medical Schemes Industry Report by the Council for Medical Schemes (2018) bodies are not better at managing healthcare costs and improve the quality of cover and experience on offer, reported **BizCommunity** (18 October 2019).
Bonitas (75.1) and Discovery (74.8) lead the industry. Medihelp (73.5) come in on par with the industry average score of (72.9); while Momentum scores just below. GEMS had the lowest score at 68.3. Overall customer satisfaction for the industry has increased to 72.9 compared with 71.6 in 2018. Bonitas and Discovery were the only two schemes to show improvement in their scores.
Of the complaint incidence across the sector, customers complained most about fees and charges (22%), claims issues (19%), terms of cover or scheme rules (13%), feedback (9%) and waiting time (7%). Discovery and Medihelp have the most complaints about fees and charges, both at 28% and above industry average (22%).
The sector's average complaint resolution time is 15 working days. Discovery medical scheme is highest with Medihelp (78.2) and Bonitas (78.9) – both above the industry score of 76.2. Discovery follows with a score of 77.1 which is in line with the industry. GEMS (73.6) and Momentum (72.9) are lower than the rest of the industry.

CMS plans to scrap low-cost healthcare
CMS registrar, Sipho Kabane, issued a circular on December 6, saying no low-cost benefit options would be permitted going forward, and no more products based on exemptions to the Medical Schemes Act would be approved. – **City Press**.
This includes bargaining council medical schemes that cover workers in industries such as transport and farming, which have for decades been allowed to provide less cover than traditional medical schemes, as well as cheap hospital plans offered by companies like the likes of Momentum, Sanlam and Discovery Life.
The exemption framework had created opportunities for companies to offer products that were not in consumers' best interests, Kabane said.

While the CMS said it was developing a new and more affordable prescribed minimum benefit package with a strong emphasis on primary healthcare, the package has yet to be costed. Industry sources are sceptical that it will be in place by the 2021 deadline.
Discovery Health said the development is at odds with a long-standing policy aimed at ensuring health insurance and medical scheme cover more affordable for millions of people.
The Board of Healthcare Funders (BHF) said that the organisation was "deeply concerned" about the circular and was subjecting it to a technical review to fully understand its implications.

Circulars from the CMS

The following Circulars were published by the CMS in November/December 2019.

79 of 2019
Medical Scheme benefit options for open schemes approved with effect from 1 January, 2020

79 of 2019
Invitation to comment on draft PHC services and request for data to cost the services

80 of 2019
Low Cost Benefit Option & Demarcation Products

Special Notes

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