

## ***News on Government Highlights***

### ***Life Esidimeni families claim R70-m from Gauteng***

TimesLIVE: Mpumzi Zuzile, 24 November 2020

#### **We want what is owed to us**

LAWYERS representing more than 100 families affected by the Life Esidimeni tragedy are planning to file a court application this week to force the Gauteng government to pay more than R70-million in outstanding compensation. Ulrich Roux and Associates represents 113 families of patients who have not yet received full payment, in accordance with an arbitration award handed down by former deputy chief justice Dikgang Moseneke in March 2018. Almost 1 600 psychiatric patients were caught up in the scandal when they were moved from Life Esidimeni centres to ill-equipped and underfunded NGOs in Gauteng in 2015, resulting in 144 deaths.

According to Gauteng premier David Makhura's office, the underspending was due to lockdown restrictions, which resulted in delays in the verification process of claimants. Roux said all of the families who his firm represents have been approved by the Gauteng premier as worthy claimants and are waiting for their payments from the office of the Gauteng premier.

Letters of demand He said letters of demand had been sent to Makhura and a round-table meeting was held with his office, but it still refused to act in accordance with the arbitration award.

According to court papers, 105 claimants are claiming R590 000 each, while seven are claiming R1,18-million each and another is claiming R600 000. Gauteng provincial spokesperson Thabo Masebe confirmed there were still 81 victims who were owed money. He said the Gauteng government paid financial compensation to all claimants that were party to the arbitration proceedings, in accordance with Justice Moseneke's arbitration award in 2018, but more claimants, who were not part of the arbitration proceedings, registered their new claims after the arbitration process was concluded.

Masebe said in February 2019 the Gauteng government and the claimants agreed that the compensation would be paid in two equal amounts - one half directly to the bank accounts of the claimants, the other into a trust account for the surviving mental healthcare users, in accordance with the Mental Health Care Act. He denied there had been unreasonable delays in the payment of claims. However, Roux disputed Masebe's statement, saying there was no legal basis for payments to be withheld.

### ***SAMA in dire straits***

In September Eyewitness News reported that the South African Medical Association (SAMA) could be liquidated if the administrator of its union, the SA Medical Association Trade Union (SAMATU), has his way. According to a court application SAMA owes the union R370-m in membership fees alone. SAMA argued that the monthly membership fees it received belonged to it as a professional body for doctors.

SAMATU was placed under administration in October last year following several

contraventions of the Labour Relations Act. This led to a raging legal battle between SAMA, a non-profit professional association, and the trade union administrator. The union represents about 7,500 public sector doctors.

### ***Five things the mid-term budget tells us about the healthcare system***

Nelisiwe Msomi: Health-e News Service. 28 October 2020

THE South African economy is also a victim of Covid-19, Minister of Finance Tito Mboweni said as he tabled the medium-term budget in Parliament. The virus accelerated an economic deterioration that was already under way, he said. Its impact on the country's finances will be visible for years. Mboweni's mid-term document says a second wave of infections and another hard lockdown, will put South Africa's economic growth at greater risk. He proposed consolidated spending of R6.2-trillion over the 2021 Medium Term Expenditure Framework, of which R1.2-trillion goes to learning and culture, R978-billion to social development and R724-billion to health. As the pandemic impacts all sectors, we look at five things the mid-term budget tells us about what's happening in the healthcare sector.

1. Covid-19 funds and tenders As part of the emergency response to Covid-19, Treasury eased normal tender regulations to speed up the delivery of health supplies. However, after a slew of corruption cases, Treasury had to halt this emergency regulation and return to the open tender system. The department of finance has also published details of all Covid-19-related procurement, including the names of companies awarded tenders. The Finance Minister said the Covid-19 pandemic has given rise to shameful and exploitative acts of corruption. This has overshadowed our collective achievements in saving lives and supporting livelihoods. Treasury has collaborated with the Auditor-General to publish Preventative Control Guidelines, which provides a toolkit to identify fraud, corruption and misappropriation of funds. In response to the pandemic, both national and provincial governments have reprioritised about R20- billion and allocated around R2.9-billion of new funding to the health sector for the 2020/21 financial year. Mboweni said the majority of health spending takes place at provincial level. Provinces are taking actions against those found to have been involved in corrupt practices.

#### 2. The future of the National Health Insurance (NHI)

Treasury will be reviewing the costing model and sustainability of National Health Insurance, according to Mboweni's policy document. So far about 57.7-million people have been registered on the National Health Insurance patient beneficiary registry. These registrations still need to be verified by Home Affairs. The pandemic provided lessons for the NHI on public-private healthcare partnerships, particularly toward providing equitable access to healthcare services. Parliament is still considering the NHI bill before it can be passed. These parliamentary processes as well as capacity-building by the National Department of Health have delayed implementation of the NHI.

#### 3. The heavy price of medical negligence

The mid-term document states that potential medico-legal claims increased from R97.4-billion in 2018/19 to R111.5-billion in 2019/20. These claims are the compensation patients receive for medical negligence in the public sector. The Eastern Cape has the highest number of claims, with 38 percent of the cases coming from the province. Treasury says that actual pay-outs declined from R2-billion to R1.7-billion.

#### 4. Social relief to ensure food security

Treasury has allocated R6.8-billion to the department of social services for the extension of the special Covid-19 social relief of distress grant. This extends the grant for three months until 31 January 2021. A further R6.8-billion has been slated for mitigating food insecurity and poverty. In addition, Treasury has allocated R1-billion for food relief to vulnerable households.

#### 5. Employment of healthcare workers

The civil service remains one of the largest budgetary items. The salaries of teachers, police officers, doctors and nurses account for a high proportion of their respective departments' budgets. The number of public servants has increased from 1.15-million to 1.33-million between 2006/07 and 2019/20. The healthcare sector has the chronic staff shortages, despite healthcare workers accounting for the fastest growth in public employment. The sector grew by 32 percent and is the only function in which the ratio of public servants to population rose. Mboweni said that in April this year, government announced a major fiscal relief package of around R500-billion or 10 percent of GDP, including, more than R30-billion for health and other frontline services. Treasury has budgeted R213.37-million for the appointment and training of community health workers and team leaders for HIV, TB, and malaria community outreach services. An added R180.2-million has been allocated for the appointment of enrolled assistance and auxiliary nurses in the statutory human resources, training and development grant.

### ***Competition Commission gets private healthcare reform ball rolling***

The Competition Commission has issued a letter to stakeholders, informing them that the Council for Medical Schemes (CMS) is to establish a “multi-stakeholder working committee” to negotiate the framework proposed by the Health Market Inquiry (HMI). (*Spotlight 9* October 2020).

This follows the release of the HMI report in 2019 that found the private healthcare sector in SA was “neither effective nor competitive”, with serious implications for private medical care consumers. The proposed committee would provide a platform to negotiate prices for private healthcare services in order to keep escalating private healthcare costs under control. Dr Ntuthuko Bhengu, a member of the HMI panel, said the two biggest “messes” requiring the most urgent attention in the sector included pricing and licensing..

**Healthcare economist, Prof Alex van den Heever:** The forum has potential and could be a viable option. However, it will not solve the problems in the healthcare market, but merely create an environment that allows for bilateral contracting.

**Chairperson of SAMA, Dr Angelique Coetzee,** said she is cautiously optimistic about the forum.

**South African Private Practitioners Forum (SAPPF) CEO, Dr Chris Archer and deputy CEO, Dr Simon Strachan**, said they had, in November 2019, made clear their willingness to implement as many of the recommendations as possible. They said that they had been aware of the issues with regulation in the sector for years and had come up with an approach that sought to remedy the situation, called the South African Classification of Health Care Interventions (SACHI).