

More collaboration needed to combat corruption in private sector

Karabo Mafolo: Daily Maverick, 29 November 2020

At a webinar on corruption in the private healthcare sector yesterday, Katlego Mothudi, the Board of Healthcare Funders' managing director, said that the sector needed to collaborate more in order to tackle corruption. He said the sector should be sharing data and sharing strategies so that fraudsters have little room to move. Mothudi said there should be partnerships with law enforcement entities because the industry cannot be the judge and the jury [when it deals with fraud and corruption]. The Council for Medical Schemes has estimated that the total cost of fraud in the South African private healthcare system amounts to about R22-billion a year. Mothudi said that the majority of the cases of corruption involved false claims, where healthcare professionals claim for services not rendered or claim for incorrect services. The Council for Medical Schemes said that fraud, abuse or waste accounts for about 15 percent of the R160-billion in claims that medical aids pay out annually.

In 2019 President Cyril Ramaphosa launched the Health Sector Anti-Corruption Forum where government and civil society would work together in preventing, detecting and prosecuting fraud and corruption in the health sector. John Jeffery, the Deputy Minister of Justice and Constitutional Development, said that in 2019 work done by the Special Investigating Unit had led to the arrest of an attorney in the Eastern Cape relating to fraudulent medico-legal claims estimated to total more than R100-million. A Corruption Watch report on corruption in SA's public hospitals found that the most common form of corruption was employment corruption (39 percent), followed by procurement corruption (22 percent), and the misappropriation of resources (16 percent). Mark Heywood,

Maverick Citizen's editor, who was facilitating the discussion, said that "we talk a lot as though corruption is limited to the public sector, but the private healthcare sector is just as vulnerable to fraud and corruption".

Mapato Ramokgopa, from the Competition Commission, said that the power lies with the doctor to diagnose and offer treatment. Some [doctors] recommend services that are not necessary, some recommend care at a higher amount than needed. In the Competition Commission's Healthcare Market Inquiry report which was released in 2018, the commission found that "the South African private healthcare market... is characterised by high and rising costs of healthcare and medical scheme cover and significant overutilisation without stakeholders having been able to demonstrate associated improvements in health outcomes". While healthcare practitioners recommending treatment that is unnecessary or at a higher amount than is necessary isn't illegal, Mothudi said that the Board of Healthcare Funders would label this as waste and abuse which is when "someone is veering off from appropriate processes.

It's not necessarily corruption, hence we label it as wastage". He said most healthcare professionals aren't corrupt - "there are a few bad apples, but the impact of their criminal activities affects our ability to provide healthcare". Mothudi said that what's lacking right now is consequence management. The cases where fraudsters are being held accountable "are too few and far between".