



**Content:**

- [Food for Thought](#)
- [View on Government](#)
- [Special News](#)
- [Financial View](#)

- [View on Pharmaceuticals](#)
- [View on Medical Schemes](#)
- [Special Notices](#)

**Food for thought**

**NHI debate 'fundamentally dishonest'**



"The debate over National Health Insurance (NHI) is fundamentally dishonest. On the one side there is a stubborn refusal to face economic reality. On the other, there is a refusal to recognise that the system of unequal access must change," wrote **Stuart Theobald** in *Business Day* (19 August 2019).

"While a progressive income tax element will also play a role, SA's top marginal tax rate of 45% is already far higher than the world average. Workers will take to the streets while the rich take to the skies. Resistance to NHI deductions could make e-bills look tame."

"With the country still reeling from the Zuma state capture era, trust in the government is weak. In the case of NHI, that is worsened by the poor outcomes of the trials to date."

"Only 15% of the population is currently covered, but that includes every business and enterprise leader, the heads of most civil society organisations, diplomats, academics and the entire public service. A genuine threat to the quality of their healthcare is going to be an immense hill to climb."

"On the other hand, much of the shrill resistance to NHI has been at least as dishonest as its protagonists. This is a habit among the chattering classes to simply tell the government to do a better job. This conveniently shifts blame. The debate over NHI has been characterised by a lack of positive alternatives that would meet constitutional muster. It is time we are honest about both our means and our obligations," wrote Theobald.



**Who are we fooling over NHI?**

"People who believe an ANC government can run a universal health-care system need their heads examined," wrote columnist **Justice Malala** in *Business Live* (15 August 2019).

"So here you have a government that cannot run a power utility, or an arms manufacturer, an airline or pretty much anything else it touches, telling you that it's going to force you to ditch your private healthcare provider and go to Jubilee Hospital in Hammanskraal or Chris Hari Baragwanath in Soweto. Both are heaving with exhausted doctors, too many patients and a plethora of other problems."

"Anyone who actually believes that an ANC government can be entrusted with running a sophisticated, well-executed universal health-care system needs their head examined — at a private facility, because the state psychiatric system has virtually collapsed," wrote Malala.

**ALSO READ:**  
Click on the button below marked **COMMON GROUND** to read the well balanced article **NHI: In search of common ground** by **Marcel Lew**, published in *Daily Maverick* (26 August 2019).

**COMMON GROUND**

Click on the button below marked **TRANSFORMATION?** to read the article **NHI: Is it about transformation or patronage?** by **Alex van den Heever** in *Daily Maverick* (27 August 2019).

**TRANSFORMATION?**

**View on Government**



**Provinces stress implications**

In a statement issued after a two day meeting, the Budget Council (a statutory body composed of the national government and the nine provincial finance MECs) flagged the complexity of implementing the NHI scheme because of the implications for provincial health departments.

The council said it broadly supported the objective of universal healthcare, but, due to the substantial effect on inter-governmental fiscal relations, any implementation should be done in a phased manner and that provinces should remain engaged with the processes about the bill.

Provinces have concurrent powers with national government over health and receive R150 bn from the Treasury to run provincial health services. The change implies huge restructuring and reform, by far the most ambitious yet attempted by the government.



**Training of nurses choked by red tape**

"The training of nurses in 2020 is in jeopardy due to delays at key regulatory authorities, following a change in the curriculum and training requirements," reported *Business Day* (26 August 2019).

According to the Council for Higher Education (CHE) the government's plans to switch to new qualifications require that the training institutions be re-accredited by the SA Nursing Council (SANC), which has largely not been done.

The SANC, in turn, says the Department of Higher Education has yet to declare public nursing colleges institutions of higher education. Failure to implement the new qualifications will choke the production line of new nurses, because institutions are barred from continuing with the old qualifications after the end of 2019.

**Many Gauteng hospitals without managers**

The Gauteng Dept has recently advertised vacancies for 14 hospital CEOs as well as other critical posts, indicating that at least half of Gauteng hospitals are without permanent CEOs. Earlier Gauteng Health MEC Bandile Masuku pledged that all senior management posts will be filled. Some of the vacancies are due to CEOs being removed from their posts, following accusations of corruption.

**Treasury works on new financing paper for NHI**



"Treasury is preparing a financing paper on the NHI, which is expected to give more detail on how much the scheme will cost and how it will be funded," reported *Business Day* (26 August 2019).

According to a memorandum attached to the bill, an extra R30 bn would be required on top of the current R220 bn health budget to implement "the full set" of NHI interventions.

In a statement by Budget Council it had been decided that Finance Minister Tito Mboweni would engage with Health Minister Zweli Mkhize on the implementation of NHI.

**Special News**

**HPCSA's role in NHI dissected**



With the submission of the NHI Bill to Parliament now having set South Africa irrevocably on the road to achieving universal health coverage (UHC), the role of the HPCSA in ensuring that the plan meets its objectives of quality, accessible care came under the spotlight at the Council's first ever National Conference held at Emperor's Palace this week.

The event themed *Regulating Health Professionals in the 21st Century*, focused on the changes that are required within the HPCSA's regulatory framework to improve the quality of care and adapt, not only to a changing health system and changing patient needs, but also to the benefits of the 4th Industrial Revolution. It was attended by more than a thousand healthcare professionals.

A panel comprising of representatives from different sectors in the private and public health systems set the tone with an open discussion on core issues, specifically the emerging gaps in the current regulatory framework and the deficiencies in the Council's ethical rules to allow for the delivery of universal health coverage and to ensure a sustainable healthcare system.

**READ MORE**

**Financial View**

**NHI rattles medical schemes & stocks**



The share prices of private healthcare companies plunged after the NHI Bill was tabled in Parliament recently. Medical aid schemes have taken centre stage since the tabling of the bill, with questions about the future of their business as well as what kind of cover they are expected to provide under the NHI. This is because the Bill is unclear about their role, stating that once NHI is fully implemented in 2026, medical schemes can offer only complementary cover not provided under NHI.

"By Friday (16 August 2019) Discovery's share price had shed 4.17%. AtoCentric, whose subsidiary Medscheme administrates 16 medical schemes, tumbled 16.29% and Momentum's shares lost 2.62%. The losses for shareholders were about R5-bn," reported *Business Times* (18 August 2019).

Discovery announced on the JSE news service, that substantially limiting the role of medical schemes "would be counterproductive to the NHI because there are simply insufficient resources to meet the needs of all South Africans".

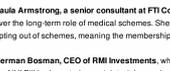
Despite the potentially negative implications for medical aids, Discovery Health CEO Jonathan Broomberg said that once it was fully implemented "the NHI will create additional opportunities for medical schemes to innovate in their products and for the development of new health insurance products outside of the medical scheme environment".

**Karl Leinberger, chief investment officer at Coronation**, a Discovery shareholder, said that "while his company supports the goal of delivering better healthcare for all, the question is whether more couldn't be done to improve government service delivery without a massive restructuring of the private healthcare system".

**Paula Armstrong, a senior consultant at FTI Consulting**, said the NHI Bill had created uncertainty over the long term role of medical schemes. She said restricting their cover would result in people opting out of schemes, meaning the membership pool would shrink, resulting in premiums rising.

**Herman Bosman, CEO of RMI Investments**, which has a 25% stake in Discovery, said that although the NHI Bill had created uncertainty, "share price reaction to this uncertainty is overdone".

**Private hospital group Mediclinic** says it supports the government's plan of providing universal health coverage but has stressed that more clarity is needed regarding the legislation.



**HASA discusses confusion and panic about NHI**

Private industry leaders and deputy director general of the DoH, Anban Pillay, spent the first day of the annual Hospital Association of Southern Africa's (HASA) conference focusing on NHI, reported *Times Select* (27 August 2019).

**Stavros Nicolou, head of the pharmaceutical task team representing drug companies**, claimed NHI's plan had wiped R55-bn off the market value of private health companies in SA, which affected returns on pensions.

**Barry Childs, healthcare actuary**: "There has been a massive overreaction to NHI news in the market."

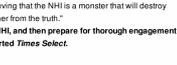
**Dr Jonathan Broomberg, head of Discovery Health**: "There is still significant ambiguity and confusion in the bill, which is a big reason for the market's negative reaction."

**Health Minister Zweli Mkhize**: "There has been a concerted campaign from some parties to spread false information intended to scare people into believing that the NHI is a monster that will destroy everything that currently exists. Nothing can be further from the truth."

**Mkhize's proposition is that we should support NHI, and then prepare for thorough engagement on the details, reported Times Select.**

**View on Pharmaceuticals**

**'A regte egte plan to cure the huge drug backlog headache'**



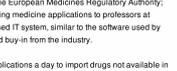
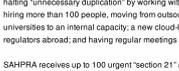
"On 22 August the SA Health Products Regulatory Authority (SAHPRA) announced measures to deal with a backlog of 16 000 drug awaiting registration. The backlog was due to skills shortage, staff working only part-time and a paper-based system. SAHPRA ignored the 4 700 applications for new drugs or generics it received every year," wrote **Katharine Child**, *Times Live* (23 August 2019).

**With new staff and systems, SAHPRA has committed itself to completing the backlog within two years, starting from the beginning of this month.**

Systems that have been put in place to deal with the backlog include: an online application system; halting "unnecessary duplication" by working with the European Medicines Regulatory Authority; hiring more than 100 people, moving from outsourcing medicine applications to professors at universities to an internal capacity; a new cloud-based IT system, similar to the software used by regulators abroad; and having regular meetings and buy-in from the industry.

SAHPRA receives up to 100 urgent "section 21" applications a day to import drugs not available in SA because of stockouts or because they are new and still unregistered locally. The system has now been moved online and SAHPRA promised to deal with each application within 24 hours.

**View on Medical Schemes**



**'No racial profiling' by medical schemes - SAPFF**

**'Overmedical schemes' in probes**

The SA Private Practitioners' Forum (SAPFF), said it has no evidence that medical schemes are using racial profiling to determine which of their members to investigate for fraud in its submission to the Council for Medical Schemes (CMS).

The CMS is conducting an investigation into allegations by the National Healthcare Practitioners' Association (NHCPA) that medical schemes and administrators are targeting black and Indian doctors for fraud investigations and unfairly withholding payments.

SAPFF raised concerns over the methods used by medical schemes to flag potentially 270000 doctors on its membership base, but was adamant there is no racial dimension to it.

The physician society's president, Dr Adri Kok, who testified on behalf of SAPFF, said the organisation does not keep records of its members' race but has "guessed" the race of members who had been investigated based on their surnames and geographic location.

Kok said the forum has been able to help members to resolve their disagreements with medical schemes and urged doctors to cooperate when asked to open their books for scrutiny.

Medical scheme administrators are oversteering the mark in their fraud investigations into the terrain of healthcare professionals, straying into the territory of regulatory authorities and claiming back money they have not proved they are entitled to, according to consultancy firm **Elisabé Kinck & Associates**.

Kinck gave a presentation regarding forensic investigations to the CMS inquiry into allegations that medical schemes unfairly target Black, Indian, and Coloured healthcare professionals. The CMS, which regulates the sector, said in February that fraud, abuse and waste cost the industry between R22-bn and R28-bn a year.

Kinck said there are different views on the application of section 59 (3) of the Medical Schemes Act, which gives medical schemes the power to recover money paid to a practitioner who is not entitled to such funds, and to recover losses that have been sustained due to theft, fraud or other misconduct.

She said many medical scheme administrators claw back funds in cases of suspected fraud without substantive evidence, but in her firm's view there has to be proof of fraud before money is reclaimed.

**Thebemed Medical scheme under curatorship**

Thebemed Medical Scheme has been placed under provisional curatorship following a successful application by the Registrar of the CMS. Dr Sipho Kabane, chief executive and registrar of the council, said the curatorship application was necessitated by the scheme's financial difficulties and, in particular, its persistent failure to maintain the minimum statutory solvency ratio of 25%.

**Probe into merger between BPMS and Momentum**

The Competition Commission has launched an investigation into the merger between a small medical scheme for employees of oil company BP Southern Africa (BPSA) and SA's third-biggest scheme Momentum Health, after a complaint from BP pensioners alleging the deal will end the subsidies they receive from BP. The Competition Commission approved the merger of BP Medical Aid Society (BPMS) and Momentum on June 13 without conditions, but the transaction was turned down by the CMS on July 30.

**Special Notices**



**ACCESS TO A MEDICAL ADVISOR**

In the event that a specialist would like to make contact with a Medical Advisor, the specialist can send an SMS to 44845 with the following information:

- Specialist practice number
- Specialist full name and surname
- Patient membership number and dependent code/name
- Authorisation or reference number (if available)
- Requested date and two (2) requested times for a MA to call back (optional)
- Indicate in short the nature of the clinical query, e.g. Hospital, Chronic Medicine or Oncology-related query (optional)

Alternatively an email can be escalated to the following email address with the above required detail: [smsadctors@edscheme.co.za](mailto:smsadctors@edscheme.co.za) for **CMS** and [medscheme@edscheme.co.za](mailto:medscheme@edscheme.co.za) for the other schemes.

**To let: Consulting Rooms in Paulshof, Sandton**

Studio apartment (+50 square meter) on a property in a boomlet, access-controlled area in Paulshof, Sandton. Ideal for professional consulting rooms. Separate entrance, open plan working space, kitchenette and bathroom.

For more information, contact **Kirsten Mckloed Grobler** at [kirsten@sourcemarketing.co.za](mailto:kirsten@sourcemarketing.co.za) or **083 419 2714**

To place an advertisement or special note in the next issue of SAPFF HealthView, contact **Maretha Conradie** at [maretha@healthman.co.za](mailto:maretha@healthman.co.za)

HealthView and Private Practice Review provide news and opinion articles as a service to our members to enhance their understanding of the health care industry. The information contained in these publications is published without warranties of any kind, either express or implied. HealthView and Private Practice Review are published solely for informational purposes and should not be construed as advice or recommendations. Individuals should take into account their own unique and specific circumstances in acting on any news or articles published. Often these articles originate from sources outside our organization that are reported in the national press. Consequently, any information, trademarks, service marks, product names or named business are assumed to be the property of their respective owners, and are used solely for informative purposes in our publications. There is furthermore no implied endorsement of any of the products, goods or services mentioned in our publications.