

HEALTHVIEW

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Food for Thought

The fatal flaw of Zweli Mkhize's NHI plan
Katharine Child: Financial Mail: 17 October 2019

"Health Minister Zweli Mkhize has billed NHI as the magic elixir to fix SA's health sector. Resources will be shared on the basis of need, they argue: the wealthy will pay taxes for the NHI based on their income, and the sickest will get treatment. All the money will be collected by an NHI Fund, which will buy services from the private sector doctors and specialists and dole out to those who need treatment. Medical aids as we know them won't exist - in the long run anyway - because you won't need them.
"It sounds like a utopia of bulletproof unicorns and perpetually youthful elves, that's because it is. The numbers don't stack up."



To read more, click on the button: FATAL FLAW

FATAL FLAW

NHI Bill created 'fair amount of hysteria' - JP LANDMAN



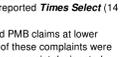
"The tabling of the National Health Insurance (NHI) Bill in Parliament during August has generated a fair amount of hysteria - most of it not connected to what the Bill actually said," wrote **JP Landman** in an Investment **Research Note for Nedbank Private Wealth** (14 October 2019).
 "It is clear from the numbers that a fully-fledged NHI is many years away and will be materially dependent on the tax cake getting bigger.
 "The private medical sector will continue."
To read more, click on the button: JP LANDMAN

JP LANDMAN

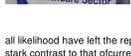
View on Government

From the annual report of the Council for Medical Schemes:

The CMS 'noted with concern' that the treatment of PMB (prescribed minimum benefit) conditions are still being funded by members' medical savings accounts, despite this being prohibited by the act.
 "And, when asked to respond to such complaints from their members, none of the schemes provided the council with reasons why accounts were being illegally funded. Instead, they merely advised that the accounts concerned had been reprocessed to pay from the medical schemes' risk benefit," reported **Times Select** (14 October 2019).



Last year there were 285 complaints about schemes that paid PMB claims at lower scheme rates. The annual report does not record how many of these complaints were resolved in members' favour, but problems arise when schemes appoint designated service providers (DSPs) that members must use to enjoy full cover for PMBs. The industry grew from 6.73-m beneficiaries in 2000 to 8.92-m beneficiaries in 2018. The top 10 medical schemes account for about 80% of the medical scheme population; 61.5% of that population is covered by open schemes and 38.5% by restricted schemes. **The Council for Medical Schemes Annual Report can be found at:** <http://www.medicalschemes.com/Publications.aspx>



HMI Report a 'gift for Mkhize'
 The much-delayed final HMI report, which was originally slated for publication in November 2016, could not have come at a better time," reported **Business Day** (9 October, 2019). Former Health Minister Aaron Mokoalele, would in

all likelihood have left the report to gather dust on a shelf. Mokoalele's position stands in stark contrast to that of current Health Minister Zweli Mkhize, who has struck a far more professional and conciliatory tone with the private sector, consistently signalling the government's interest in partnering with business to improve the health of the nation. The theme is consistently repeated in his speeches and is written large in his decision to establish a forum with Business Unity SA in which to discuss NHI. The report is now firmly in Mkhize's hands. Let's hope he recognises it for the gift it is."



Government tackles nursing-training snag
Health Minister Zweli Mkhize and Higher Education, Science and Technology Minister Blade Nzimande agreed that SA's 10 public nursing colleges, can begin offering the new qualifications in January, pending their registration as institutions of higher education, reported Business Day (18 October 2019).

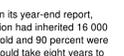
The development offers the colleges relief from a requirement for switching to the new qualifications. But like all nursing education institutions they also require accreditation from three other agencies the SA Nursing Council, the Council for Higher Education, and the SA Nursing Council, the Council for Higher Education, and the SA Qualifications Authority before they can switch to the new qualifications. Meanwhile private hospitals have appealed to the SA Nursing Council to allow them to train more nurses, warning the decision to restrict numbers threatens the pipeline of future nurses. The move to restrict numbers also undermines a proposal tabled by the Hospital Association of SA (HASA) at the Presidential Jobs Summit in 2019 that the sector train 50 000 nurses over the next eight years to help tackle SA's critical shortage of healthcare professionals.

Submissions for NHI Bill

On 23 October **BusinessLive** reported that Parliament has received more than 100 000 written submissions - mainly from organised groups - to the proposed National Health Insurance (NHI) Bill, with a few weeks still to go before the November 29 deadline.

Special Investigating Unit (SIU) to investigate SAHPRA

President Cyril Ramaphosa has given the SIU permission to investigate the SA Health Products Regulatory Authority (SAHPRA). The authority decides if new medicines are safe and effective enough to be sold in the country and gives the go-ahead to clinical trials of new drugs.



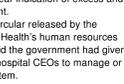
Meanwhile Parliament's portfolio committee on health has 'expressed concern' about the performance of the newly constituted South African Health Products Regulatory Authority (SAHPRA) and gave it four months to come up with a turnaround plan," reported **The Citizen** (23 October 2019).
 "Regular expenditure is not SAHPRA's only problem, either. In its year-end report, chairperson, Professor Helen Rees, noted the new organisation had inherited 16 000 applications. Of these applications 50% were over five years old and 90 percent were generic medicines. She said using the current strategies, it would take eight years to clear the backlog even if no new applications were received.

To read more about current SIU investigations, click on the button below:

SIU investigation

State doctors accused of chasing private work while patients suffer

Health Department policy implemented in 1993, allowing state specialists to do private work, has resulted in one-in-three specialists on the government's payroll also working in the private sector, according to SAPPF CEO, Dr Chris Archer.

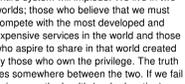


This temporary response to poor salaries paid to hospital specialists - called Remunerative Work Outside Public Service (RWOPS) - has led to abuse of the system, leaving state patients suffering, junior doctors unsupervised and medical students inadequately trained, said Archer. In extreme cases specialist run up to five private practices while earning a full-time salary from the government.

HealthMan consultant, Dr Johann Serfontein, said that some RWOPS doctors are among the top claimers from medical schemes - a clear indication of excess and lack of oversight. Last week, a circular released by the Department of Health's human resources department said the government had given a mandate to hospital CEOs to manage or restrict the system.

Special View

NHI through the eyes of the man who is going to help make it happen



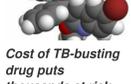
"I am blessed to be an eternal optimist and a utilitarian. I would not have climbed into the bullring. I was not committed to NHI. Do we have all the answers? No. Do we have a clear and unequivocal blueprint? No. But we do have a plan, a clear vision and a lot of powerful global players praising us for embarking on this journey."
 These are the words of **Dr Nicholas Crisp**, the man who has been appointed to one of the most challenging positions in the country's healthcare system - that of developing and implementing the organisational capacity for the administration and operations of National Health Insurance (NHI). He took time out of his gruelling schedule to answer questions from **MedBrief Africa** co-editor, **Marjetjie van den Berg** on why he believes that the NHI could be instrumental in changing South Africa's healthcare system for the better.

Q: In short, what makes you believe that NHI will work in South Africa?
NC: Why not? We are sitting on a time-bomb and I believe that if we leave the present arrangements unchanged, the entire system will implode. We live in two worlds; those who believe that we must compete with the most developed and expensive services in the world and those who aspire to share in that world created by those who own the privilege. The truth lies somewhere between the two. If we fail to improve the health (and education) outcomes of the nation the economy will never grow. NHI is not a magic bullet. It is also not the health system. It is a financing mechanism that seeks to redress imbalance, achieve social solidarity and ensure that nobody endures financial hardship because they become ill. In its published form, the NHI will force essential systemic changes in the health system.

To read more, click on the button below

READ MORE

Financial View



Cost of TB-busting drug puts thousands at risk

The lives of thousands of people who risk a multi-drug resistant tuberculosis (MDR-TB) infection every year, are at an even greater risk due to the price of, Bedaquiline, the one drug that can save their lives," reported **Cape Argus** (14 October 2019). A global campaign has recently been launched by the Fix the Patent Laws Coalition (FTPLC) calling on pharmaceutical giant Johnson & Johnson (J&J) to lower the price of its TB drug, Bedaquiline, to less than R15 a day for people in need. J&J charges double the price that MSF is asking, about R5 400 (\$860), for a six-month course for countries eligible to buy the drug through the GDF.



Mediclinic records solid half-year performance

Mediclinic announced that its revenue in South Africa rose by 7% to R8.56-bn during the period from R8-bn last year. It projected that its earnings before interest, tax, depreciation and amortisation (EBITDA) would increase by 5% during the period. Chief executive Dr Ronnie van der Merwe said Southern Africa revenue increased by 7%, with an increase of 2.7% in in-patient bed days sold; in line with expectations. In Switzerland, Hirslanden delivered revenue growth of around 5%. Mediclinic Middle East reported 8.5% increase in revenue.



Retailers buck tough-times trend

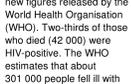
"In what has generally been experienced as a tough economic climate, particularly for consumer facing companies, Clicks and Dis-Chem seem to have bucked the trend," wrote **Sifiso Skenjana**, founder and financial economist at **AFRA Consultants in Business Day**, (23 October 2019). **Pharmaceutical retailing in SA is estimated to be a R68-bn industry of which 69% is attributable to the private sector and 31% to the public sector. The increase in life expectancy in SA means the demand for pharmaceuticals will continue to increase as people live longer. To read more, click on Pharma Retailers**

Clicks posts strong profit



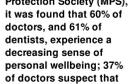
Clicks reported a 17% increase in full-year earnings. A wide store and pharmacy footprint, strong management and a robust rewards programme helped keep customers loyal, reported **Business Day** (25 October 2019). The group will spend R718-m on rolling out new stores and pharmacies over the next financial year and expanding its pharmaceutical distribution centre and IT systems. Clicks, which operates 704 stores and 545 pharmacies, increased its share of the retail pharmacy market one percentage point to 24.9%. The company's share price has outperformed its peers so far in 2019. Its competitor, Dis-Chem Pharmacies, fell 19% in the same period.

View on General News



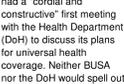
South Africa: 63 000 TB deaths in 2018

A total of 63 000 people died of tuberculosis (TB) in SA in 2018, according to new figures released by 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. (The real number might be between 215 000 and 400 000.) A newly approved three-drug treatment for TB will be available in 150 countries including India and SA, priced at \$1 040; more than twice the cost proposed in the past by advocacy groups for other treatments. Prices in low income countries will be in line with the price offered through GDF.



Burnout may lead to clinical errors

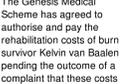
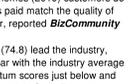
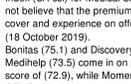
In a survey among 450 doctors and 147 dentists, done by **Medical Protection Society (MPS)**, it was found that 60% of doctors, and 61% of dentists, experience a decreasing sense of personal wellbeing; 37% of doctors suspect that emotional exhaustion has at some point contributed to an irreversible clinical error, with 60% saying this was related to a lack of concentration; 31% of dentists experience emotional exhaustion has at some point contributed to an irreversible clinical error, with 43% saying this was related to a lack of concentration. 47% of doctors, and 44% of dentists, indicated that they start the day feeling tired.



BUSA and health officials discuss NHI

Business Unity SA (BUSA), which represents companies and professional bodies, reported that it has had a "cordial and constructive" first meeting with the Health Department (DoH) to discuss its plans for universal health coverage. Neither BUSA nor the DoH would spell out what was discussed at the "six a side" meeting. The BUSA delegation includes Discovery Health CEO Jonathan Broomberg, Melanie da Costa from Netcare, SAPPF's CEO, Dr Chris Archer, and Discovery executive director Ayanda Nsaluba. The Health Department's team Anban Pillay, Aquina Nicholas Crisp, Naheem Raheman, UCT professor John Alagaba and health economist DI McIntyre.

View on Medical Schemes

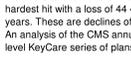


Schemes performance 'underwhelming'

According to the South African Customer Satisfaction Index (SA-CSI) for Medical Schemes (2019) customers do not believe that the premiums paid match 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 and GEMS with 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 an improvement on 2018 scores. Of the complaint incidence across the industry, 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 degree to which customers feel they are being treated fairly by their 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.

MGB dispute: Genesis will pay...

The Genesis Medical Scheme has agreed to authorise and pay the rehabilitation costs of burn survivor Kelvin van Baalen pending the outcome of a complaint that these costs should be covered by the scheme as a prescribed minimum benefit, reported **Business Day**, (9 October 2019). The scheme had refused to pay for more than 10 days of rehabilitation but the agreement, made an order of court, came after van Baalen lodged an urgent application to the Western Cape High Court asking it to order the scheme to pay for his treatment, pending the outcome of a complaint laid with the CMS.



Members are ditching top-end Discovery Health plans

Members have been ditching the top three tiers of plans offered by Discovery Health Medical Scheme (DHMS), with 22% of that base disappearing over the past five years," reported **MoneyWeb** (15 October 2019).

The top plans - Executive, Comprehensive Series and Priority Series - account for 19% of the medical scheme's 1.35-m members, down from 28% in 2013. Every plan across these top tiers has shown declines in members and beneficiaries over this period, with the exception of the Classic Comprehensive Zero MSA (medical savings account) plan, which has a tiny base of under 1 000 members. Together, these plans have lost 72 000 members to end-2018 on 256 975. The scheme's Classic Comprehensive plan has been hardest hit with a loss of 44 493 members and 124 636 beneficiaries across the five years. These are declines of 25% and 30%, respectively. An analysis of the CMS annual reports over the past five years shows that DHMS's entry-level KeyCare series of plans has shown only an 8% increase to 251 951 members.

Special Notes



Vacancy for Clinical Psychologist and Experienced Psychiatrist in Windhoek

Bel Esprit Hospital in Windhoek is seeking an experienced Clinical Psychologist and Psychiatrist to assist with both in patient and out-patient services. Please email CV, certified copies of qualifications and relevant registrations to: hr@belesprit.com.na Closing date: **Friday, 15 November 2019**

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