

Experts dissect SA's Covid-19 response – BizCommunity 14 September 2020

The Covid-19 pandemic caught the country unaware, but several lessons can be drawn from the crisis as we look ahead into implementing the National Health Insurance (NHI).

"When Covid-19 hit the country, the funding industry had two main fears, the main one being uncertainty," Dr Katlego Mothudi, managing director of the Board of Healthcare Funders (BHF) said at an online conference themed *A View from the Representative Bodies* hosted by the Gordon Institute of Business Science (GIBS).

Mothudi explained that the first fear was because the funding industry, like the rest of the world, did not understand the disease and what impact it would have on the industry and how events would unfold the rest of this year and with the passage of time.

The second issue was and remains questions around the industry's sustainability. "While there has conventionally been a perception that medical schemes with their high reserves will have adequate funds to take care of their members, in the first few months of the pandemic the markets performed so poorly that some schemes reported losses of up to 30% in the value of these reserves; and if this had happened together with an unfavourable claims experience, the impact would have been more disastrous.

"While schemes were doing all they could in preparation for various scenarios; they primarily needed to ensure that if we reached the peak, we could still process and pay claims from members and manage the burden of the disease, this was and remains our biggest concern."

He noted that as a result, medical schemes have had to consider several factors pertaining to the economic impact of Covid-19 over the past five months.

Mothudi highlighted that it is estimated that over three million people have lost their jobs due to Covid-19 and the lockdown situation, and this has affected household incomes and their ability to pay for private healthcare and contributions for their medical cover.

"We still do not know the extent to which this will impact medical scheme membership, as a number of households remain uncertain of their financial future. This financial burden does not only affect medical schemes and households, but healthcare practitioners as well," Mothudi said.

"Without a doubt we need to have a strategy in place to ensure that if a similar crisis hits the country, we are not again forced onto our knees. Critical lessons must be drawn from these experiences to minimise the financial burden on the economy, households and medical practitioners," he said.

Collaboration and partnerships will enable better response to crisis

“To enhance our engagements on matters like these going forward, public private partnerships (PPPs) remain an important consideration across the board, and more so in healthcare.

“While we have been driving the establishment of partnerships for a while, perhaps it’s time we continuously work on enhancing existing efforts and those set up during this crisis to ensure continuity in our attempts to improve healthcare outcomes as we go forward, so that when disastrous situations like these occur we, as a country, are better prepared,” Mothudi said.

We also need to address to enhance healthcare systems, is access to information and good data management; and to ensure that we have an integrated approach to the way we manage data, so that all administrators and medical schemes have access to the same information on the population of the country. Restriction of access to information across schemes is a big hindrance to population health management and benchmarking exercises, he said.

“We have seen the importance of good reporting in countries which experienced the pandemic ahead of us and where there has been inconsistencies in reporting due to a lack of integration in data management across the healthcare system, the results can lead to a disaster and poor decision making; so we need to have good data management systems in place.

“At the end of the day, the private and public sector population are the same population, and so we cannot implement different strategies to improve this environment, we should not compete when we have a crisis, we should be able to build collaboratively and ensure that we have common protocols with a common purpose.”

Speakers agreed that South Africa can draw some lessons from other countries in how they responded to the crisis.

Professor Alex van den Heever, chair, social security systems administration and management studies at the Wits School of Governance, challenged government’s response to the pandemic, saying that, “South Africa and the world in general were not ready for a pandemic. However, the most critical thing that should have been done by government was from the onset to bring together the public and private sector to develop an overall framework for treating patients in both the public and private sectors as was the case in Chile, which has a similar structure in the public and private healthcare environments.”

He noted that between February and March the country had not drafted a clear strategy on how we would deal with Covid-19, when most of the countries around the world had already done this. “Even if they got some things wrong, they put their plans on paper. They had a strategy and were transparent about their strategies, whereas South Africa concentrated its powers in the hands of the National

Coronavirus Command Council (NCCC) and immediately closed the doors and windows so that you could not see what and why people were doing things,” he said.

Reopen local industries to ensure self-sustainability in procurement

“Our biggest issue is that during this time of Covid-19 we’ve seen several non-technological companies suddenly come out of the woodwork. Every other person became a masks supplier. We saw test kits that were not approved by South African Health Products Regulatory Authority (Sahpra) being advertised on websites. As a result, the regulator started implementing a few new vigorous requirements, which resulted in over 40 documents and communications released to the industry in a short time,” said Tanya Vogt, chief operating officer of the South African Medical Device Industry Association (Samed).

“These challenges were as a result of the fact that South Africa has not been a primary local manufacturer, and when North America and the Asian countries imposed trade embargoes on the sale of PPEs, the country took a lot of strain. So, there is a need to draw lessons from this, and strengthen the local manufacturing industry to ensure that in times of crisis the country is self-sustainable.

“We need to make sure that we have an agile regulatory system that can respond quickly to the types of experiences that we saw during lockdown and the supply of PPEs,” said Vogt.

“A number of projects currently underway present opportunities for the country and the region, including the partnership of the Department of Trade and Industry, The South African Medical Research Council, the Department of Science and Innovation to fund up to R18m to seven local manufacturers for the production of diagnostic agents and rapid point-of-care tests. While these have not yet been manufactured, the projects are commercially available, and anticipated to kick off within six months. The National Ventilator Project is also a promising project for the country and the continent.

“We need to make sure that we are less dependent on imports from the rest of the world when it comes to medical technologies required particularly in times of a pandemic, and rather focus on how we can support and trade with our African counterparts and strengthen collaborations within the African Union, because apart from South Africa, almost no local technology manufacturing happens in other African countries. What South Africa is experiencing, other African countries are probably experiencing and even far worse.”

Dr Lance Lasersohn, specialist anaesthesiologist and intensive care physician and president of the South African Society of Anaesthesiologists (Sasa), said, “ We need unified health assets, a health asset of the nation that can deliver care so that we don’t have to find open areas such as what happened in Lombardi to treat patients.

“We need to look at the existing supply of procurement input, using existing

manufacturing to increase local production. We need to repurpose factories and the whole funding vehicle to work for the demand-side.”

In closing, Dr Kgao Legodi, chair, Private Practice Committee South African Medical Association (Sama), highlighted that the Covid-19 pandemic has caused havoc in the world and put immense financial strain on the private sector. “This is the first time such a thing has happened during our time, the morale injury to us is psychological distress caused by actions or inactions, which violates an individual’s moral code.

“This kind of injury is a risk factor for a range of mental health conditions including post-traumatic stress, and unfortunately that can become suicidal. The damage is immeasurable.”

He highlighted that to date the country has lost 70 specialist doctors and 240 healthcare workers, mainly due to the lack of personal protection equipment.