



Private Practice Review May 2017

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SPECIAL NOTICES

FOOD FOR THOUGHT

BEHIND THE ASPEN SAGA

Regulators are the reason big pharma can charge what it likes

Jason Urbach, Free Market Foundation in BusinessLIVE, 26 May 2017



"In the media, Aspen Pharmacare has been portrayed as the villain (Also in this newsletter: Aspen's conduct hard to swallow) and it appears the British and European competition authorities will launch their own investigation into the price-gouging allegations. But critics and the public should know better.

In 2014, Turing Pharmaceuticals became the most hated company in America when it raised the price of an old, off-patent drug branded as Daraprim (pyrimethamine) by more than 5 000%. Similarly, Aspen dramatically increased the price of several cancer drugs, some by more than 1 000%.

"People fail to recognise the underlying reasons drug companies can hike-up the price of old, off-patent drugs and simply ascribe the price increases to 'greedy', 'price-gouging' pharmaceutical companies.

"Why would pharmaceutical companies pay millions (Aspen's deal with GSK in 2009 was R4,7-bn) for drugs already (or soon to be) in the public domain which can be freely copied by generic drug manufacturers?

"In order to obtain the marketing approval from drug regulatory authorities: In other words, they were purchasing the marketing rights, along with access to a supply of the drug, which meant they could by-pass the regulatory hurdles required to market the medicine.

"Companies that buy the marketing rights from others can charge relatively high prices because they are, inadvertently, being protected by the drug regulators.

The perverse effect is that governments, which arbitrarily define markets by insisting on imposing price controls and other bureaucratic hurdles, force out producers over time and thus lessen competition in the domestic market.

"The public ought to be focusing its attention on the real barriers that hamper access to medicines and pressuring governments to improve regulatory environments. In SA, bureaucratic bungling and an inefficient drug registration system unnecessarily delay the entry of drugs (both generic and originator) into the SA marketplace. It is time to focus on the real barriers to entry of drugs into the marketplace."

and through the media, these government-created obstacles could be removed with one stroke of the statutory pen.

GETTING GLOBAL FEES RIGHT

Media Release: BizCommunity, 23 May 2017

The implementing of global fees in SA has led to a lot of controversy (a single payment is made to a healthcare team to cover all costs including hospitals, either monthly, or for a defined episode of care).

Global fees address various problems with the current fee-for-service model by shifting medical care emphasis towards preventative, outcomes-based care, rather just for the type and number of services rendered.

- They also promote teamwork, which enable clinicians to better follow complex clinical protocols.
- However, the current formulations suggested by schemes are (encouraging “cutting corners” to save money because they contain no balancing rewards for good outcomes) and undermine clinical autonomy.
- The Health Professionals Council of South Africa (HPCSA) has urged practitioners not to enter into any alternative fee arrangements while this is being resolved.
- Dr Brian Ruff, a health systems expert and co-founder of PPO Serve, an integrated healthcare management company, suggests the **creation of a new fee structure - the “value fee contract”**, (a professional team fee and a value-add fee) which serves the interests of patients, clinicians and funders, and is based on clear principles.

PMB Review should not be dependent on NHI

Dr Johann Serfontein (Healthman) and member of Free Market Foundation health policy unit; BusinessLIVE, 18 May 2017

“There are some theories that the Department of Health (DoH) wants to adjust the PMB basket to include primary healthcare and then use this as the NHI services basket. Adjusting the PMB basket as such, flouts the reasons for its existence, as primary healthcare expenses are highly unlikely to lead to a financial catastrophe for the average household who are members of a medical scheme, while also placing further pressure on medical schemes that are currently already struggling.

“The fact that PMB regulations have not been reviewed in seven years means that now is not the time to stall the process for NHI considerations. There is legally supposed to be another four sets of PMB reviews between the current attempt and the implementation of NHI in 2025.

“Moving towards an NHI might seem inevitable, but measures to keep the private healthcare industry sustainable are required right now. We cannot continue in an NHI-induced legislation vacuum for private healthcare, while we still do not know whether the NHI is even an affordable option in the current economic

climate."

VIEW ON SPECIAL NEWS

Goldilocks and the Bear: New hope for children with ADHD

The first non-profit ADHD screening and early intervention services in underprivileged communities are now possible, thanks to the Goldilocks and The Bear foundation, recently founded by psychiatrist Renata Schoeman (Goldilocks) and entrepreneur/athlete Nic de Beer (The Bear).

The Foundation focuses on raising awareness of ADHD, increasing the knowledge of and providing training to parents, teachers, and healthcare workers, providing screening and early identification of

children with ADHD at schools, referring them for timely intervention and treatment, and capturing statistics on the prevalence and management of ADHD in South African children. They are closely collaborating with the Departments of Education and Health.

#gb4adhd aims to initially screen 500 children per month (of the estimated 200 000 in the Western Cape who have no access to such services) with plans to broaden the reach nationally.

<http://www.gb4adhd.co.za>



Pharmacists who care

Spar

Healthcare

Clinic

Spar is setting up its first healthcare clinics and plans to buy its own pharmaceutical wholesaler when it has about 140 pharmacies. Its first healthcare clinic is to open in two months in Stanger, KwaZulu-Natal. Pharmacy at Spar is a voluntary trading organisation – not a franchise - and stores are independently owned but supported by the Spar Group.

Dis-Chem shares rise

Meanwhile Dis-Chem's share price has risen about 40% since being listed on the JSE seven months ago. The company, which was established in 1978, plans to expand to 200 stores in two to five years.



"If not ruined entirely, the reputation of international generic pharmaceutical giant Aspen has suffered untold damage,"

Stafford Thomas

Financial Mail, 5 May 2017

"Drug firm plots to destroy life-saving cancer drugs in bid to drive up prices."- **The Times of London**, 14 April, 2017 referred to Aspen's demand for huge price increases of up to 4 000% for five cancer drugs for which there are no alternative therapies.

Aspen used strong-arm tactics on the Spanish health service by withholding supplies. Regarding the surplus stock, it advised employees: "The only options will be to donate or destroy this stock."

- In 2014 Aspen locked horns with the state controlled Italian Medicines Agency (AIFA) in a bid to raise the prices of four of its Cosmos drugs by 300% - 1 500%. Aspen largely got its way, but in October 2016 the firm was fined €5.2-m for abuse of its monopoly position and price-gouging by Italy's competition authority. The fine, now the subject of a court appeal by Aspen, was inexcusably not disclosed to its shareholders, despite it being covered by European media.
- In South Africa Aspen has also found itself under the spotlight following a call by DA shadow health minister Wilmot James for a probe by the Competition Commission into Aspen's local pricing methods. It appears to be a misguided call as all SA pharmaceutical prices are approved by the DoH under the single exit price regulatory regime.

VIEW ON GOVERNMENTAL DEVELOPMENT

SA signs innovation agreement

BizCommunity, 26 May 2017

A high level memorandum of understanding (MoU) for medical research and development has been signed between the South African Medical Research Council (SAMRC), the department of science and technology (DST) and Swiss drug firm, Novartis. The MoU will position South Africa as an innovative hub for Africa.

Motsoaledi's Budget Speech

Business Day, 17 May

In his budget speech in Parliament on 16 May, Health Minister Aaron Motsoaledi focused nearly exclusively on NHI, and some of its constituent components.

Reaction:

DA spokesman on health, Wilmot James, accused Motsoaledi of trying to gain access to the medical aid reserves that run into billions, eliminate the medical aid tax credits and block the universal subsidy to middle-to high-income earners.

VIEW ON MEDICAL SCHEMES

Defrauding medical schemes is not a 'victimless crime'

Personal Finance, 13 May 2017

It is estimated that at least 10% to 15% of all claims in the R150-bn health industry are fraudulent, abusive or wasteful in nature. Examples are billing for non-rendered services or supplies, misrepresenting diagnoses to obtain payments and accepting kickbacks. Miscoding of claims is a common abuse.



CMS

COUNCIL
FOR MEDICAL SCHEMES

CMS CIRCULARS

Administration and Managed Care Organisations Accredited (30 of 2017)

Renewal of accreditation of organisations approved on CMS EXCO meeting 26 April 2017. Valid for 2 years, subject to compliance conditions.

PMB Review Consultative Meetings Update (32 of 2017)

The consultative meetings for the Premium Minimum Benefits (PMB) Review have been indefinitely postponed. The decision was made after consultative meetings between the National Department of Health (DoH) and different stakeholders to

Proposed Merger (Momentum and Metropolitan) (34 of 2017)

CMS notice in terms of Section 63(4) & (5) of Medical Schemes Act No 131 of 1998 regarding the proposed **merger between Momentum Health and Metropolitan Medical Schemes.**

Measuring the quality, outcomes and value proposition of managed care interventions (35 of 2017)

The Managed Care Working Group completed minimum data specifications regarding the quality, outcomes and value proposition of managed care interventions for Crohn's Disease and Ulcerative Colitis.

Info on the work carried out with regard to Rheumatoid Arthritis and Multiple Sclerosis will be published in due course.

SPECIAL NOTICES

CALL FOR APPLICATIONS POSTGRADUATE DIPLOMA IN Psychotherapy 2018

The University of Cape Town's Department of Psychiatry and Mental Health have been running the Postgraduate Diploma (PGDip) in Psychotherapy course since 2012. The course aims to introduce participants to different modes of therapeutic interventions as well as enhancing therapeutic skills. It is a broad based course and partially fulfils the criteria recommended by South African Society Of Psychiatrists (SASOP) for GP's wishing to practice psychotherapeutic interventions which are within their scope of practice. It would also be suitable for psychiatric nurses, clinical social workers, psychiatrists, registered counsellors and nurses. The candidate would need to be registered (or be eligible to register) with the HPCSA or an equivalent body.

The diploma is completed over one year with teaching and tutorials occurring on Monday and Tuesday afternoons from 1400 to 1600.

The modules presented are:

- Basic Therapeutic Competencies
- Introduction to Psychodynamic Concepts in Psychotherapy
- Introduction to Cognitive Behavioural Therapy
- Ethical Practices in Psychotherapy
- Evidence Based Practice.

If you are interested please get in touch with me Graeme.Hendricks@uct.ac.za if you would like to discuss the diploma, or need assistance with the application process.

Applications are to open at end April 2017!

[VIEW THE FULL DOCUMENT ATTACHED](#)

**AFRIKAANSSPREKENDE PSIGIATER BY BEETHOVEN PSIGIATRIESE
HOSPITAAL, HARTBEESPOORT**

Beethoven Psychiatric Hospital in Hartbeespoort, Northwest has an opportunity for a psychiatrist, able to speak Afrikaans, to join the team.

For more information, queries or to make an appointment to visit us please contact:

Dr. Marlene Viljoen - Psychiatrist

Tel: 081 403 6793

Or

Mr. Henri Gastrow - Hospital Manager

Tel: 012 253 9922

Visit the website www.beethovenrecovery.co.za