PRIVATE PRACTICE REVIEW

MAGS

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FOOD FOR THOUGHT

'Broken' Compensation Fund needs 'fixers'

Compensation Fund Restructuring

'Parliament's acceptance of a controversial proposal regarding the Compensation for Occupational Injuries and Diseases Amendment Bill could wipe out a serious sector that has played a crucial role in acting as an intermediary between medical schemes and injured workers, reported *Bizcommunity* (5 February 2021).

Editorial Contributor, *Bizcommunity*,(5 February 2021)

"If the fund were operating optimally and not in the dysfunctional way it is, there would perhaps be no need for intermediaries. But even in this case it should be left to the medical service providers themselves and not to the government to decide how they manage their businesses.

"The section would render void all existing and future pensions or retrenchments of medical claims or any rights to medical claims from the date of the commencement of the Act."

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ALSO READ

Linda Erasmus's article: **'Mental illness must be mainstreamed with extinction by everybody'** (IOL, Sunday Times 28 February 2021)

Click here for link to article

OPINION

The minefield of saving patients' lives

"The recent move to charge a medical practitioner with murder rather than culpable homicide has left many in the medical fraternity feeling that the criminalisation of medical innovation and new errorists is the profession," wrote Bernie Kennedy (a partner & senior lecturer, an associate at Webber Wentzel) in **BizCommunity** (5 February 2021).

Media reports suggest that South African medical practitioners are increasingly being criminally charged when patients pass away under their care.

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COVID-19 VACCINATION

'Whose medical aid money is it anyway?'

"Craig Connole, CEO of **Profmed**, a medical aid servicing 74-202 professionals including doctors and lawyers, says it would be 'undemocratic and unethical' for the medical aid to unilaterally decide that the money in the reserves of a medical scheme is empowered to use the money set aside in reserves for someone else, especially without asking the members' permission."

Rita Roux in *Financial Mail* (10 February 2021)

This follows the recent comment of Ronald Whelan, Discovery Health's chief commercial officer, that for each year that medical aid members' money lies idle, one could be bought for schemes to need a bailout.

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ALSO READ

Katlarine Child's article: **'Medical aids have used their financial aid money to finance vaccines for SA, has anyone asked their members?'** (Financial Mail 23 Feb 2021)

Click here for link to article

NEWS ON GOVERNMENT

Min Tito Mboweni announces R67.2-bn cut to country's health budget

In his Budget Speech on Wednesday February 24, Finance Minister Tito Mboweni announced a R67.2-bn cut to the country's health expenditure over the medium-term.

This follows the R3.9-bn cut that had already been worked into the 2020 budget, reported *Business Live* (24 February 2020) R20-bn has been allocated and re-prioritised to the National Treasury's COVID-19 response fund, with another R6-bn promised to the government's COVID-19 vaccine rollout, and another R6-bn to provisions for coronavirus prevention, testing and care, including hospitalisations during a possible third wave of infections.

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'Vaccine cavalry' to the rescue after AstraZeneca disappointment

SA's un-off COVID-19 vaccination programme has been rescued by a batch of 80 000 vaccines that Johnson & Johnson was keeping in reserve in Europe, reported *Sunday Times* (14 Feb 2021).

The measure is a stopgap until the first batch of Pfizer vaccines is rolled out in April, at which point the country's 400 000 J&J vaccines would be found to be effective against the SA 501.Y.V2 variant in vivo.

Meanwhile, the Department of Health's deputy director-general, Anban Pillay, announced that 1-in-doses of the AstraZeneca vaccine will be shared with other African nations via the African Union (AU) at no cost to the bloc. The expiry date of the vaccines, procured from the Serum Institute of India (SII), is April 30. The government also hopes to exchange millions more doses of AstraZeneca shots earmarked for SA in separate deals with the international vaccine financing mechanism Covax and the AU.

Medicine prices can increase to about 3.7%

The Competition Commission has recommended that the Minister of Health approve, with conditions, section 59 medicine price increases that would allow medicine prices to increase by up to 3.68% this year, reported *Business Live* (4 February 2021). The industry had hoped for an increase of about 5%. According to a notice published on the Department of Health website on Friday, 5 February, companies had until February 25 to submit applications to increase medicine prices.

Cyril pushes vaccine self-reliance

President Cyril Ramaphosa said he has asked the Minister of Higher Education & Innovation (Blade Nzimande) to put together a plan for local production of COVID-19 vaccines, reported *Business Day* (19 February 2021).

"SA already has a state-owned pharmaceutical company, Aeroplants, which was established in 2012 with the initial aim of producing antiretrovirals. But while promises were made in previous announcements by Ramaphosa and his predecessor Jacob Zuma, the company has yet to produce a single product. Its plans to produce medical antivirals were unachievable and pose a substantial danger to public finances, establishing more parastatals is likely to be frowned upon by investors."

'Family friend' allegedly pocketed C-19 cash

Health Minister Dr Zweli Mkhize's long time personal friend Dr Ayanda Ntsekhe is allegedly pocketing ill-gotten COVID-19 cash as paid consultants for a shadowy contractor appointed by the Department of Health, the Sunday Times (14 February 2021).

Rhemvist, (24 Feb 2021) The company, *Digital Vibes*, has secured DoH contracts worth more than R62m for work related to the pandemic.

SPECIAL NEWS

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FINANCIAL NEWS

'Vaccine market looks completely different this year'

The world's three biggest vaccine makers – GlaxoSmithKline, Merck and Sanofi – are left playing catch-up, after upstarts like Moderna and BioNTech demonstrated their mastery of new technologies that will shape the industry for years to come, reported *The Financial Times*, (16 February 2021).

According to Zain Rizvi, a medicine access researcher at advocacy group Public Citizen, the "immense scarcity" of vaccines around the world is directly linked to these big pharma groups being "missing in action". The vaccine market already looks completely different this year.

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Dis-Chem reports huge increase in revenue

Dis-Chem Pharmacies has reported double-digit growth of 12.1% in group revenue to R11.8-bn for the 22 weeks to February 2, with online sales surging 218%, reported *Business Report* (18 February 2021).

Dis-Chem describes the increase in online sales as a result of consumers preferring to shop online because of the risk of infection. Most of their homes are now COVID-19 infection-primed towards the end of last year.

The company's retail revenue increased by12.3% to R10.6-bn and the group continued to gain market share in all its core categories. Dis-Chem increased its store network by 10 new stores, contributing R123-m to revenue.

PHARMACEUTICAL NEWS

'Not enough data to support use of Ivermectin'

According to Merck & Co, the original manufacturer of Ivermectin, there is not enough data available to support the use of the medication for COVID-19 patients, reported *News24* (8 February 2021).

In terms of the Medicines and Related Substances Control Act, a Section 21 application for the use of Ivermectin for COVID-19 patients could be approved by a medical practitioner in SA. Recently, an interim settlement was reached in the Gauteng High Court between the SA Health Products Regulatory Association (SAHPRA), AfriForum and Dr Wolfgang Wilhelm Kemp, which allowed for doctors to start Ivermectin treatment as soon as a Section 21 application had been submitted.

Police seized R126-m worth of Ivermectin at Oh Tambo

Jon Feast, Newsroom, 17 February 2021 "The police seized a shipment of Ivermectin at the International Airport, describing it as a "major breakthrough in clamping down the illegal importation of unregistered medicines".

However, on January 28, ***Business Day*** reported that SAHPRA had decided to allow doctors to prescribe Ivermectin for coronavirus patients under a fighting chance or "compassionate use" programme, while it waits for stronger evidence to emerge from clinical trials.

GENERAL NEWS

Medical drone start-up to deliver C-19 vaccines

Zipline inc. a drone delivery service that has partnered with governments in Africa to begin transporting COVID-19 vaccines in April.

The South San Francisco-based start-up said in a media release that it is partnering with "a leading manufacturer of COVID-19 vaccines" in all of the markets where its drones currently operate, reported ***Bloomberg*** (4 February 2021).

Zipline can help bypass the need for freezers — and prevent vaccines from spoiling — by repeatedly supplying a small number of doses on demand. A drone in the network, the company said, can fly to a remote clinic, deliver enough doses for 500 people to receive them at an ultra-low temperature in less than an hour.

The tax on sugary drinks has worked

The tax on sugary drinks has raised R5.4-bn in revenue for government since it was signed into effect. (The first four months of the tax, which increased each subsequent grain is taxed at about 2.5c/g.) The levy excludes nectars and fruit juices, which are high in sugar and contain more sugar than regular soft drink.

According to Prof Pamela Mohkari, director of Proteles SA, the purchase of sugary drinks has fallen by 51% since the levy was introduced. Research in the UK and original recommendation rate could reduce the risk of diabetes, hypertension and other non-communicable diseases, she said.

Before the pandemic, SA spent R13.2-bn a year on covering the costs of caring for those with diabetes and hypertension. The cost may increase to R40.1-bn by 2030.

SA firm to produce ultra-cold vaccine storage

SA natural gas and helium producer, Renergen, has launched its prototype cold chain storage called Cryo Vaccs, which has been developed in SA. The Cryo Vaccs can store vaccines for periods of up to 30 days without the need for any power supply, reported *Business Tech* (17 Feb 2021). "Companies and governments around the world are working on ways to establish cold chain storage and distribution networks for vaccines, which must be shipped and stored at ultra-cold temperatures and can only last at the required temperatures for up to five days.

"Because liquid helium is only a fraction of the cost of liquid nitrogen, the cost of operating the Cryo Vaccs distribution costs and can accommodate up to 12 times more vials per flight."

Who to pay compensation for C-19 vaccine side effects

Business Tech reported that Johnson & Johnson's vaccine is expected to be the first to receive a compensation program for serious side effects caused by COVID-19 vaccines. The countries due to get COVID-19 vaccines via the Covax sharing scheme – including Ghana, Ivory Coast, Mozambique, Senegal, Tanzania and Zimbabwe – will be covered by a no-fault compensation program, the World Health Organisation (WHO) eligible economies , which include most African and Southeast Asian countries.

'Diagnosing TB in kids may be just a breath away'

A study that used breath analysis to diagnose TB in children, by Prof Heather Zar, Professor at Cape Town, may help to identify TB in children. According to *Prof Heather Zar*, the results suggest that there are "promising results" and that the method has TB on our. However, larger studies will be needed.

- ***Sunday Times*** (14 February 2021).

NEWS ON MEDICAL SCHEMES

Web of fraud and corruption uncovered at GEMS

"The Government Employees' Medical Scheme (GEMS) has been rocked by allegations of tender rigging, fraud, maladministration and corruption totalling more than R500-m," reported *Sunday Times* (14 February 2021). "Forensic reports that GEMS has detailed in a series of 10 forensic reports which show that over a period of five years the scheme appointed and paid more than R500-m to companies in which some of its executives had direct financial interests.

Discovery to merge with Quantum

Discovery Health Medical Scheme has announced plans to merge with Quantum Medical Scheme, a move that it said it hopes will lower the administrative costs of its core medical aid would not be sustainable over the long term due to its declining membership and their increasing average age. Quantum is a small, restricted membership medical scheme whose participating employees are Retired and Sun International workers.

Circulars from the CMS

The following Circulars were published by the CMS in February 2021:

10 of 2021
COVID-19 Vaccines Survey

11 of 2021
Claims information for beneficiaries treated for COVID-19

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