



SIU_{SA}
STRIKING AGAINST CORRUPTION

Health Sector
Anti- Corruption
Forum 

22nd ANNUAL BHF CONFERENCE



The State's preferred and trusted anti-corruption forensic investigation and litigation agency

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Introduction & Opening Remarks

- The vision of growing South Africa together is taking shape once more in the vital area of health where Section 27 of our Constitution affirms the right for all people to have access to health care services, including reproductive health care , sufficient food and water, and social security including appropriate social assistance.
- To give effect to this right, government and social partners have engaged intensively and collaboratively in a national effort to create one health system and introduce universal health coverage in the form of National Health Insurance (NHI). For NHI to be successful, it has to be implemented simultaneously with a quality improvement programme.”
- To mitigate the negative impact of fraud and corruption risks in the provision of a person-centric healthcare, there is a need for a multi-stakeholder collaboration, Corruption Risk Management Framework , National Corruption Prevention Framework to deal with fraud, waste and abuse



The impact of fraud and corruption in the health sector

Cost of Corruption

- Approximately \$455 billion of the \$7.35 trillion spent on health care annually worldwide is lost each year to fraud and corruption.
- The global health care expenditures that total \$7.35 trillion each year, much of it comes from out-of-pocket (OOP) payments by families, insurance reimbursements, and public funding.



The impact of fraud and corruption in the health sector

Cost of Corruption

- The Organisation for Economic Co-operation and Development (OECD) estimates that 45% of global citizens believe the health sector is corrupt or very corrupt.
- Globally, 1.6 percent of annual deaths in children under 5 years of age - more than 140,000 deaths can be attributed to fraud and corruption.



The impact of fraud and corruption in the health sector

Cost of Corruption

- Chronic government underfunding, insufficient regulatory oversight, and lack of transparency in governance breeds corruption and reduce the quality of healthcare.
- Public spending for health care is inefficient in countries with poor governance. Good governance, is critical for national health care systems to function properly.

Types of fraud & corruption risks in the health sector



- Remunerative Work Outside Public Services (“RWOPS”)
- Fictitious medical claims related to doctor negligence in public hospitals (“Medico-legal”)
- Procurement irregularities in provision of healthcare
- Counterfeit medicine and healthcare devices
- Unregistered medical practitioners (“Bogus Doctors”)
- Collusion in provision of healthcare (“Prize Fixing”) – e.g., pharmaceutical, pathology, etc.
- Issuing of medical waste disposal contracts to unqualified companies
- Fraudulent billing of medical schemes



Fraud, Waste and Abuse (FWA)

FWA is increasingly becoming a challenge, particularly in the provision of private healthcare

- **Fraud** refers to intentional deception and misrepresentation of material facts with the knowledge that deception could result in unauthorized benefits or payment
- **Waste** refers to the extra costs incurred when healthcare services are overused or when bills for services are prepared incorrectly
- **Abuse** of medical scheme benefits refers to medical practices that results in an unnecessary cost to a medical scheme or reimbursement of services that are not medically necessary



Fraud, Waste and Abuse (FWA)

The Cost of Fraud, Waste and Abuse in the Health Sector

- The Council for Medical Schemes (CMS) estimates the health sector loses between R22bn – R28bn annually in South Africa alone due to fraud, waste and abuse
- Other experts in the health sector suggest that this is a conservative estimate because it is difficult to quantify FWA losses. There is a view that 5% - 15% of healthcare claims could include an element of FWA



Fraud, Waste and Abuse (FWA)

Common Types of FWA Risks (not exhaustive)

- Claims submitted for services not rendered
- Billing for brand name drugs when generics are available
- Deliberate misuse of codes when submitting medical claims
- Duplication of medical claims
- Charging excessively for medical services or supplies
- Overservicing of patients (e.g. prescribing medication not needed, excessive diagnostic, etc)
- Medical aid claims by non-members
- Pharmacies claiming for medicine but dispensing non-medicine items



Fraud, Waste and Abuse (FWA)

Causes of FWA Risks (not exhaustive)

- Lack of practise number vetting
- Sanctions by regulators are not sufficient to serve as deterrent
- Regulators are reluctant to issue sanctions until criminal conviction has been obtained
- Conflict of interest
- Inadequate cooperation in the sector (e.g. sharing of data, etc)
- Law enforcement agencies do not fully understand health sector legislation to successfully prosecute cases
- Inadequate education & awareness of medical scheme members / beneficiaries



Fraud, Waste and Abuse (FWA)

Mitigating or Preventing Fraud, Waste and Abuse

- Combatting FWA is a collective responsibility of healthcare providers, regulators, medical schemes, administrators, and members. All these stakeholders, including law enforcement agencies has a role to play.
- The FWA has a negative impact on the provision of healthcare, particularly where medical aid premiums escalate and becomes unaffordable, which has the resultant domino effects in the health sector.



Fraud, Waste and Abuse (FWA)

Mitigating or Preventing Fraud, Waste and Abuse

- Effective reporting channels or whistleblowing mechanism should be put in place
- Optimise the use of technology to detect FWA (e.g. data analytics, etc)
- Effective FWA risk assessments
- Conduct vetting & screening of practise numbers
- Collaboration with stakeholders in the sector (e.g. sharing of data, etc)
- Effective consequence management (e.g. disciplinary, criminal, recoveries)
- Active participation by all stakeholders (administrations, regulators, medical schemes, etc) in the FWA initiatives
- Advocacy programs for medical schemes members to enhance ethical culture
- Conduct internal monitoring and auditing
- Implement written compliance and practice standards
- Designate a compliance officer, contact, or committee



Addressing fraud and corruption decisively in the health sector through a multi-stakeholder collaboration

- The Health Sector Anti-Corruption Forum (HSACF) was established as a strategic intervention to address corruption challenges raised under pillar 7 (leadership and governance) in the Presidential Health Summit, 19 -20 August 2018. The HSACF is a multi-stakeholder collaboration founded on a principle of a whole-of-society approach as envisaged in the National Anti-Corruption Strategy (NACS).
- The wide range of institutions within the civil society, public and private sectors that make up the South African anti-corruption landscape have the potential to facilitate the collaborative “whole-of-society” approach towards the achievement of the vision of a corruption-free country as envisaged by the National Development Plan
- The whole-of-society approach objective is to galvanize all the stakeholders in various sectors to collaborate in the fight against maladministration, fraud and corruption, identify areas of cooperation to enhance prevention, detection, civil litigation and prosecution of fraud and corruption.
- The Health Sector Anti-Corruption Forum consists of diverse stakeholders from different sectors such as civil society, law enforcement agencies, regulators, government departments who comes together to collaborate using their respective mandates to fast-track the investigations of fraud and corruption in the health sector and contribute on the measures to prevent corruption, fraud, waste and abuse.



Health Sector Anti-Corruption Forum Stakeholders

Health Sector
Anti-Corruption
Forum 





Governance of Health Sector Anti-Corruption Forum





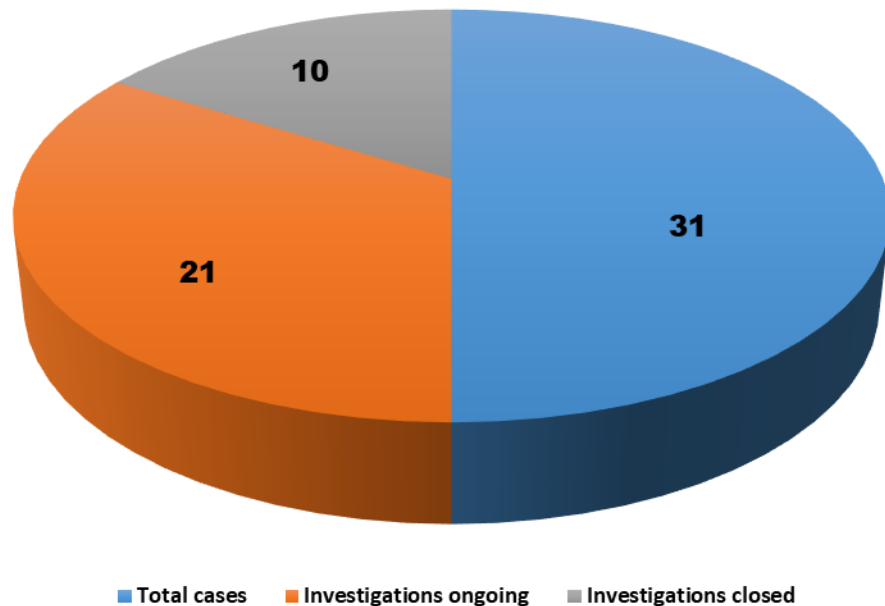
Evaluation of Health Sector Anti-Corruption Forum



- The SIU is in the process of appointing an independent service provider who will conduct evaluation of Health Sector Anti-Corruption Forum. The evaluation will be focused on the design and effectiveness of the HSACF and DPME is being engaged to provide technical support.



Number of Allegations Received



Total cases

This is a total number of allegations of maladministration, fraud and corruption received by HSACF since its inception.

Investigations ongoing

These are cases where formal investigations have been instituted & outcomes reached but other outcomes are still pending such as litigation, disciplinary & prosecution.

Investigations closed

These are cases reported to the HSACF but after assessment, they were referred to other entities because they fall outside the mandate of HSACF or investigations are already being conducted by other entities, and continuous follow ups are being made on the progress.



Consequence Management in Health Sector Investigations

Disciplinary

227

Criminal

386

Recoveries

R2.1bn

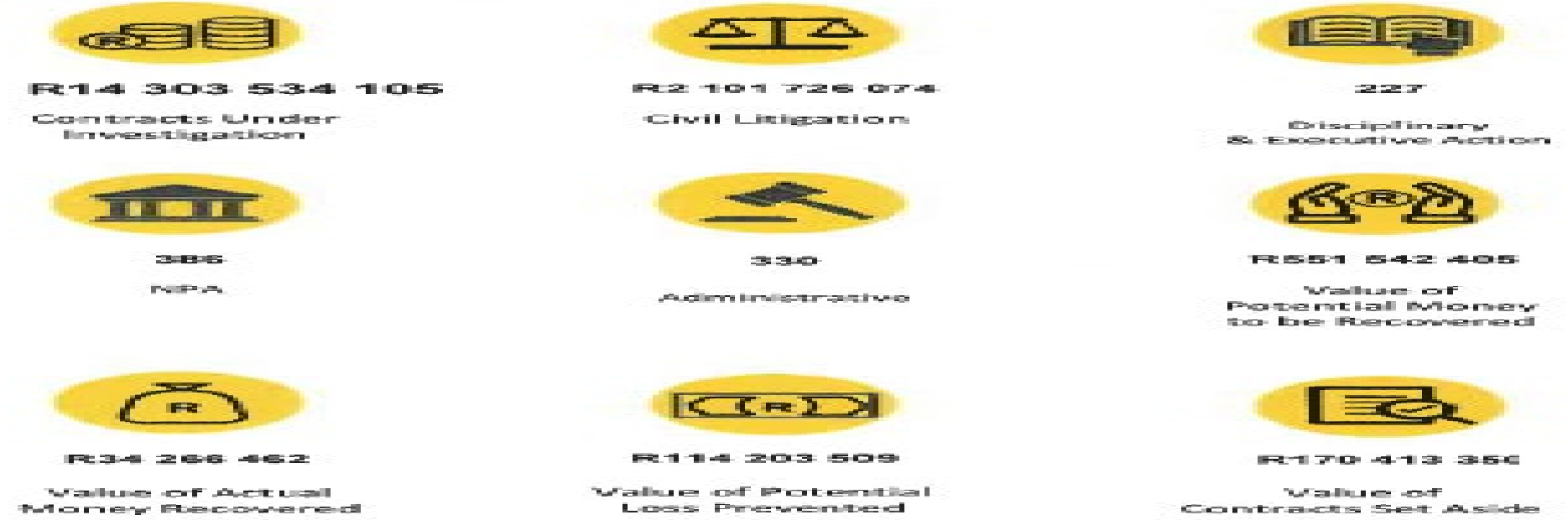
Regulatory

330



PPE Investigations Outcomes as at 31 Dec 2022

PPE INVESTIGATIONS





Health Sector Matters Instituted and Defended in the Special Tribunal & High Courts

| Court | Number of Matters | Value |
|------------------|--------------------------|--------------|
| Special Tribunal | 65 | R 2.8bn |
| High Court | 5 | R 64m |
| Total | 70 | R2.864bn |

Entity Investigated

National Department of Health- Medico Legal Claims

Investigation Outcomes

The investigation has been categorised into four (4) focus areas as follows:

1. Pending matters already on the Court Rolls
2. Default judgments and strike-out applications in trails
3. Monies held in trusts by Plaintiff's attorneys.
4. Contingent liability and all other matters

Contribution to Pillar 5:

Medico-Legal and litigation cases are increasing with costs escalating at an alarming rate and are commonly as a result of incompetence of health professionals, specialist needs not addressed at district hospital level, red tape delaying the turn around time in purchasing or repairing critical medical equipment , emergency services without any tracking in ambulances for abuse prevention and accountability, poor record keeping.”

To date the following outcomes have been achieved:

- 18 legal practitioners are being investigated by the SIU that assisted the Office of the State Attorney in rendering legal services in respect of medical negligence claims in the Gauteng Department of Health and the Eastern Cape Department of Health.
- 17 claims of legal practitioners still need to be verified by Legal Tax Bill Consultants.
- The SIU is also busy litigating cases involving Hypoxic Ischemic Encephalopathy (HIE) with acute profound & partially prolonged in courts costing more than R203 549 298.
- The SIU has investigated a company, which acted as intermediary in both ECDH & GDH and a settlement of R2 228 773.44 was agreed by the departments with the assistance of the SIU.

Prevention

FOCUS

- Ethics management
- Risk identification
- Data collection and management
- Enforcement of accountability
- Communication



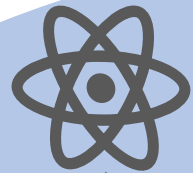
Proactive Detection

- Media analysis (GCIS)
- Open source information (all agencies)
 - ❑ Liaison, social media etc.
- Whistle blower reports:
 - ❑ Sect 34 (PRECCA) (DPCI)
 - ❑ Anti-Corruption hotline (PSC)
- Intelligence reports
 - ❑ Financial intelligence (FIC)
 - ❑ Other intelligence reports (CI, SSA & NICOC)
- Information from COVID-19 response structures (e.g. NCCG)



Operational Coordination Committee

Engagement interfaces



Fusion Centre

Operational Hub

(Located at FIC)

Administrative Support

RECEIVE REPORTS or CASE PLANS

- Identification of potential cases
- Register an enquiry or case docket
- All departments/agencies verify against own databases and provide enhanced information or intelligence
- Allocate matter for investigation to the relevant department or provincial office
- Collect evidence (witness statements, documentary evidence, financial records and bank documents)
- Conduct financial investigation
- Securing of exhibits (including freezing of stolen funds)
- Evaluate/analysis evidence (forensic analysis of transactional data)
- Recovery Processes (POCA – SIU Tribunal)
- Prepare case for prosecution, or prepare report for litigation
- Process bi-weekly progress reports to Fusion until completion

FOCUS

- Criminal investigations (DPCI, DS & IPID)
- Administrative Investigations (SIU)
- Criminal recoveries (NPA-AFU)
- Civil recoveries (SIU)

Investigation



Recovery & Prosecution



Decentralised services in departmental structures

(Located at National, Provincial/Regional structures and Nodal Points)



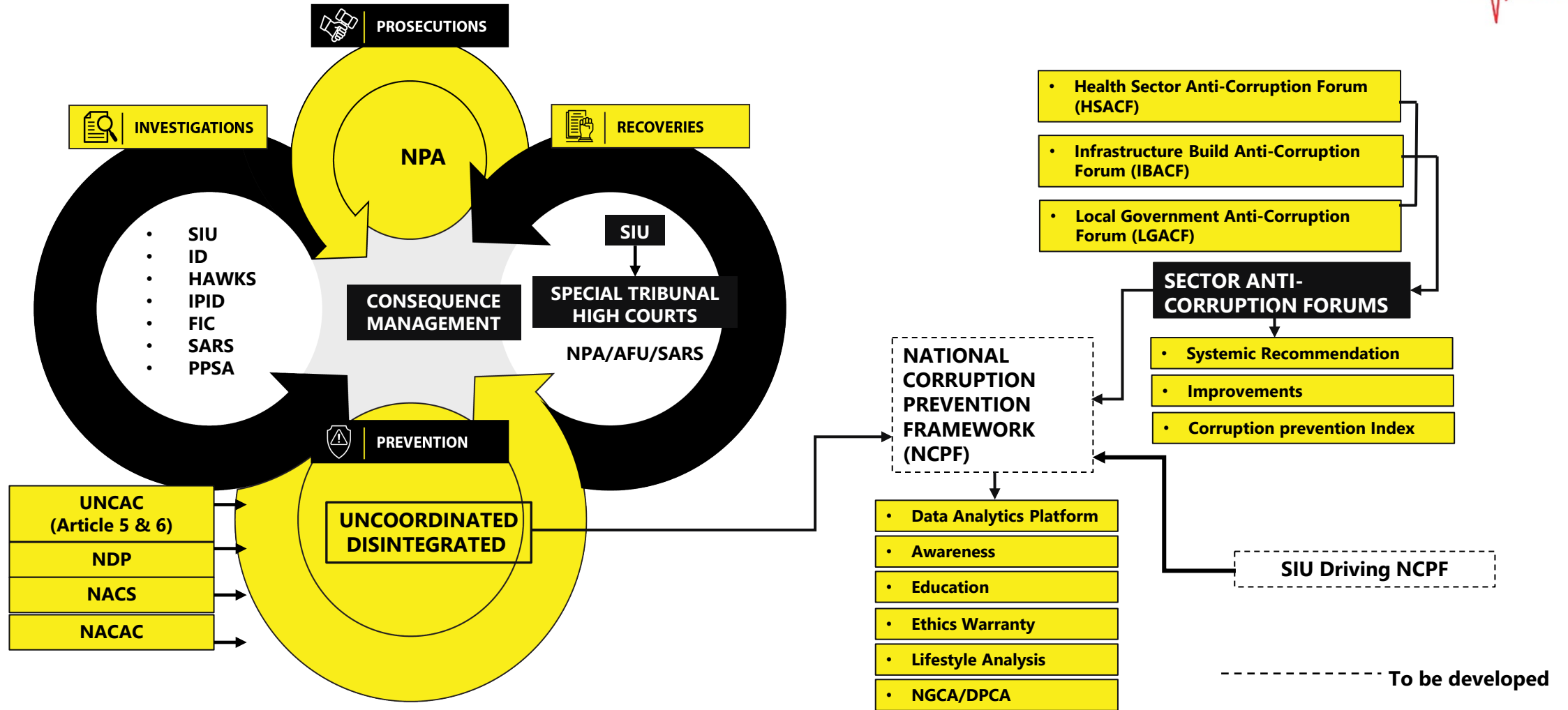
Training Prosecutors on Health Sector Legislation

- There are different types of legislation regulating health-care fraud in South Africa. However, poor understanding of legislative framework has resulted in low prosecution rate of fraud cases
- The Prosecutors & Law Enforcement Agencies needs to be trained on legislative framework in health sector to ensure successful prosecution of fraud cases reported
- It is against this background that the Board of Healthcare Funders (BHF), which is a member of the HSACF is collaborating with the NPA to capacitate Prosecutors on different types of legislation regulating health-care fraud in SA



National Corruption Prevention Framework

Combating Corruption, Maladministration & Malpractice





National Corruption Prevention Framework – Cont...

Data Analytics



- The SIU concluded a Memorandum of Understanding with the CSIR on 22 August 2022
- In terms of the MoU, the parties will collaborate in the field of information and cybersecurity, data intelligence, market data analytics including anti-fraud and anti-corruption initiatives
- The envisaged areas of collaboration are, inter alia, as follows:
 - Generation and/or sharing of electronic data, data sources and outcomes on data analytics procedures performed that may assist the parties in, inter alia –
 - Data modelling and data driven decision making
 - Risk identification pursuant to data modelling
 - Initiating investigations
 - Referrals for audits
 - Targeted awareness campaigns
 - Systemic improvement interventions
 - Mitigating focused risks in vulnerable sectors





Remunerative Work Outside Public Service (“RWOPS”)

Contribute to Pillar 1

This specifically contributes to Pillar 1 of the Compact dealing with Human Resources for Health Policy. Pillar 1 envisages that “The Remuneration of Work Outside Public Sector (RWOPS) policy, also needs to be reviewed to ensure effective use of the existing workforce.”

Pretoria Eye Institute

Allegation 11:

Charges for services that were never rendered

Allegation 12:

Fraud and money laundering, fraudulent billing of medical schemes, multiple use of single use device

Allegation 13:

Faerie Glen Eye Day Care Hospital is run without a BHF Medical Fund practice number. Medical schemes are billed on the pretext that the PEI treated the patient whereas the patient was treated at Faerie Glen Hosp



RWOPS

- SIU Proclamation (R34 of 2019) to investigate the abuse of RWOPS in **Free State Province** (2015 – 19)
- The BHF has shared medical schemes claims information with SIU to facilitate this investigation
- The BHF constructed an IT interface for SIU and Provincial Forensic teams to conduct data analytics
- Two other provinces, **Mpumalanga** and **Limpopo** have shared RWOPS data with the BHF
- BHF has recommended extension of the Proclamation to cover all provinces



HSACF Role to Support Presidential Health Compact & NHI

- The Health Sector Anti-Corruption Forum contribute to pillar 7 leadership & governance, whereby multistakeholders are called upon to collaborate and implement various initiatives to address corruption decisively in the healthcare system
- The Health Sector Anti-Corruption Forum further contribute to National Health Insurance (NHI) through the development of Risk Management Framework that seeks to enhance integrity management in the roll out of NHI
- The Health Sector Anti-Corruption Forum will develop the Implementation Plan, which will be aligned to the Presidential Health Summit Compact

HEALTH SECTOR ANTI-CORRUPTION FORUM CLEANING UP THE HEALTH SECTOR FROM CHRONIC CORRUPTION

Health Sector Anti-Corruption Forum



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The State's preferred and trusted anti-corruption, forensic investigation, and litigation agency.

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MEDIA STATEMENT FOR IMMEDIATE RELEASE
14 APRIL 2023

HEALTH SECTOR ANTI-CORRUPTION FORUM CLEANING UP THE HEALTH SECTOR FROM CHRONIC CORRUPTION

The Health Sector Anti-Corruption Forum (HSACF) is playing a critical role in eradicating corruption in South Africa's healthcare system. The HSACF has received a report from the Special Investigating Unit (SIU) of over R 1.6 billion worth of civil action matters that have been instituted in the High Court and the Special Tribunal. The value includes approximately R500 million that is linked to an investigation in the affairs of the Office of the State Attorney on medical negligence claims and legal service claims.

Eighteen (18) legal practitioners are being investigated by the SIU that assisted the Office of the State Attorney in rendering legal services in respect of medical negligence claims on the Gauteng Department of Health and the Eastern Cape Department of Health.

One of the legal practitioners being pursued by the SIU is Advocate Hassan Ebrahim Kajee, who served as a lawyer for the Office of the State Attorney. Adv. Kajee was arrested early this month on various charges of fraud. SIU investigation revealed that Adv. Kajee inflated invoices, invoiced for services not actually rendered and overcharged for alleged services rendered. Furthermore, Adv. Kajee would bill that he worked more hours daily than actual hours in the day and invoiced for work on different matters simultaneously. The SIU has instituted civil action in the Special Tribunal against Adv. Kajee to recover approximately R27 million for damages suffered by the State.

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Health anti-corruption forum makes progress

Friday, April 14, 2023

The Special Investigating Unit has instituted civil proceedings worth some R1.6 billion as part of the Health Sector Anti-Corruption Forum's (HSACF) role in fighting corruption in the healthcare system.

The forum includes civil society, law enforcement agencies, regulators, government and the private sector with the corruption busting unit as its chair.

According to the unit, the R1.6 billion currently before the courts includes "approximately R500 million that is linked to an investigation in the affairs of the Office of the State Attorney on medical negligence claims and legal service claims". This is related to legal practitioners who rendered services to the Gauteng and Eastern Cape health departments.


"One of the legal practitioners being pursued by the Special Investigating Unit (SIU) is SASSA ex-plaintiff R350 grant



Civil proceedings instituted R1.6bn to fight corruption in healthcare system

The forum includes civil society, law enforcement agencies, regulators, government and the private sector with the corruption busting unit as its chair.

Devdiscourse News Desk | Pretoria | Updated: 14-04-2023 20:54 IST | Created: 14-04-2023 20:54 IST



Cape Town – Health Minister Joe Phaahla has revealed that nearly 30 allegations of fraud have been referred to the Health Sector Anti-Corruption Forum (HSACF) since 2018.

Phaahla said 11 allegations of corruption were referred to the forum in 2018/19 and 2019/20; 12 in 2020/21, five in 2021/22 and one in 2022-23.



The HSACF has made great strides in terms of criminal prosecution, civil recoveries, and medical aid sanctions in investigations by member entities.

| Entity Investigated | | | |
|--|---|--|--|
| Health Professional Council of South Africa | Council for Medical Schemes | National Department of Health | South African Health Product Regulatory Authority |
| Investigation Outcomes | | | |
| <ul style="list-style-type: none"> • SIU submitted a report to the Presidency report in May 2023 • 22 NPA referrals • 19 - Disciplinary referrals • 2 - SASS referrals • 1 - Office of Health Standards Compliance referral | <ul style="list-style-type: none"> • 13 Disciplinary referrals • 16-NPA referrals • 4 - Systemic recommendations | <p>This matter relates to tender officials who defrauded the Department of Health within its substance and travel irregularities. The dossier has been submitted to the State Prosecutor for decision.</p> | <ul style="list-style-type: none"> • 5 - NPA referrals for fraud in respect of five officials who caused the leakage of irregular Revenue. • 5 - Disciplinary referral • The SIU is investigating from its base drafting the final Presidential Report. |



The HSACF has made great strides in terms of criminal prosecution, civil recoveries, and medical aid sanctions in investigations by member entities.

| Entity Investigated | |
|--|-------------------------------------|
| Tombisa Hospital | National Health Laboratory Services |
| Investigation Outcomes | |
| <p>27 payment bundles relating to 25 service providers to the value of R12 342 949 are being investigated. The following outcomes have been achieved to date:</p> <ul style="list-style-type: none"> • 4 - NPA referrals • 5 - Disciplinary referrals • 21 - Referrals made to SAHPRA for Administrative Action | |



The HSACF has made great strides in terms of criminal prosecution, civil recoveries, and medical aid sanctions in investigations by member entities.

| Entity Investigated | |
|--|-------------------------------------|
| Office of the State Attorney | National Health Laboratory Services |
| Investigation Outcomes | |
| <p>Focus Area 2: The procurement of legal services, as contemplated in paragraph 2(a) of this Schedule, by the office of the State Attorney, or payments which were made in respect thereof, in a manner that was - (a) not fair, competitive, transparent, equitable or cost-effective or (b) contrary to applicable policies, procedures, principles, instructions or practices of, or applicable to the office of the State Attorney, and any related unauthorised, irregular or frivolous and wasteful expenditure which the Department or the State incurred as a result thereof.</p> <ul style="list-style-type: none"> • R2 228 773.64 The total value of actual cash and/or assets recovered. • R4 164 076.079 The total value of potential cash and/or assets to be recovered. • 2 - Disciplinary referrals • 5 - NPA referrals | |



The HSACF has made great strides in terms of criminal prosecution, civil recoveries, and medical aid sanctions in investigations by member entities.

| Entity Investigated | |
|--|-------------------------------------|
| Prison of Armo Medical & Patient Transport Free State Department of Health | National Health Laboratory Services |
| Investigation Outcomes | |
| <ul style="list-style-type: none"> • 10 Disciplinary referrals. • 8 - Referrals for administrative action. • 5 - NPA referrals <ul style="list-style-type: none"> • 6 - Disciplinary Referrals • 11 - NPA Referrals • 6 - Disclosed investigations • 5 - The SIU has instituted civil action to recover application against eight companies to the value of R17.2 million. The Special Tribunal has granted the SIU a preservation order. | |



UNITE AGAINST CORRUPTION



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STRIKING AGAINST CORRUPTION

**Report corruption in
government departments,
municipalities and state
owned entities to the SIU**

SIU Hotline: 0800 037 774

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www.thehotline.co.za
www.thehotlineapp.co.za

@RSASIU
Special Investigating Unit
Special Investigating Unit- South Africa



Any stakeholder in the health sector who would like to be part of the Health Sector Anti-Corruption Forum (HSACF) is welcome to contact the Secretariat as per the below details

Mdu Nxumalo

Special Investigating Unit

Email: mnxumalo@siu.org.za

Tel: (012) 843 0095



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Thank you

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