

FINANCIAL NEWS

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Overweight and obesity cost SA's health system R33bn annually

Statistics show that 70% of women and one-third of men in SA are obese or overweight.

“Not only are these statistics alarming in their own right, but it is associated with diseases like diabetes and a range of cardiovascular conditions.” –

TimesLive (19 Nov 2023)

According to a Wits University research study (2021-22) “overweight and obesity” costs SA’s health system R33bn annually.

“The direct cost of diabetes to SA’s health system is R2.7bn - and that is only for those patients who are diagnosed.”

According to a recent report by Stats SA the number of deaths due to diabetes have increased by 36.5% over a decade, from 19 692 in 2008 to 26 880 in 2018.

\$100m to develop potential novel drugs

Reuters reported on 18 July that the US pharmaceutical company Pfizer and venture firm Flagship Pioneering have jointly invested a \$100m to facilitate the development of up to 10 novel drugs in various fields, including internal medicine, cancer treatment, infectious diseases, and immunology.

“Flagship’s Pioneering Medicines division will spearhead the drug discovery drive. The agreement stipulates that Flagship-endorsed firms may receive up to \$700m in milestones and royalties upon successfully introducing and selling any experimental treatments discovered and developed through this partnership.”

Drug price drop by 40%

Health-e News reported on 1 Nov 2023 that the price of the resistant tuberculosis (MDR-TB) drug *bedaquiline*, a key component in MDR-TB treatment, will drop by 40%.

This follows an announcement by the manufacturer, Johnson & Johnson (J&J), that it would not assert its patents on *bedaquiline*, opening the door for the production of more affordable generic versions for 134 lower- and middle-income countries.

“Over the past decade, concerns about patents and the cost of *bedaquiline* have grown, leading to calls for J&J to lower the drug’s price. In September this year, the South African Competition Commission initiated an inquiry into J&J’s *bedaquiline* pricing.”

AI saves AfroCentric billions

AfroCentric has reduced its administration costs by billions by integrating artificial intelligence (AI) into its business operations, according to Vukosi Sambo, AfroCentric’s head of data and insights. – (10 August 2023)

“AfroCentric, owner of Medscheme, delivers private and public healthcare solutions and process approximately 12.5m claim lines monthly, with over 99% processed solely by AI without human intervention. This AI usage also addresses fraud and abuse, saving their scheme clients an impressive R150m annually.

“The group has saved their medical scheme clients a remarkable R4.6bn by analysing consumption patterns and health service utilisation. This equates to an average monthly savings of R241 per member.”