Private Practice Review January 2024 HealthMan ×pedient PRIVATE PRACTICE REVIEW NOTICE Private Practice Review presents the reader with a summary of the most relevant breaking news in the local and global healthcare industry, as obtained from media sources, including the public broadcaster, independent television broadcasters, independent news agencies, newspapers, radio and news sites. HealthMan strives to quote the Original Source. HealthMan compiles this information to provide the reader with a brief overview of the most recent events and developments as they are reported in the media. The views and opinions expressed in Private Practice Review are those of the authors of the media sources and do not necessarily reflect the views or opinions of HealthMan, its directors, employees and associates. In this Newsletter **Food for Thought** General News **News from Government** News from Medical Schemes Financial News **CMS Circulars** Pharmaceutical News Special Notes **FOOD FOR THOUGHT** 'NHI Bill threatens all citizens' constitutional rights' The NHI Bill presented to President Cyril Ramaphosa cannot be permitted, as in its current form, it will infringe the rights of all South Africans by destroying the South African healthcare system, according to a petition by the Health Funders Association (HFA). The petition requests Pres Ramaphosa to withhold assent of the Bill on constitutional and procedural grounds, reported *Bizcommunity* (28 Dec 2023). "In addition to petitioning the President directly as guardian of the Constitution, the HFA will oppose the NHI Bill in its current form through every possible avenue, including approaching the courts to set aside the Bill on constitutional and procedural grounds," said HFA chairperson, Craig Comrie. '... it will go ahead' In his ANC's January 8th statement Pres Ramaphosa said the NHI Bill was a result of "30 years of struggle" and assured the crowd of thousands of ANC supporters that the bill would be signed into law to give everyone in the country access to free healthcare. "This is going to happen whether they like it or not," he said. "I can say we are going to proceed...it will go ahead." BusinessTech (15 Jan 2024) Global survey shows very low scores for SA public health According to a recent survey in 15 countries, published in *The Lancet* (11 Dec 2023), only about one-third of South Africans have confidence in the overall health system, including primary public services such as mental health, maternity and paediatrics. republished by *MedicalBrief* (10 Jan 2024). "The researchers compared various aspects of health system performance globally, including people's confidence in their health system and views on the quality of care they've received, and inequities in coverage and quality." 54.4% of South Africans rated the private health system as very good or excellent while the public system scored a dismal 28.1% "The studies used data captured in 2022 and 2023 from more than 25 000 adults across 15 countries: South Africa, Argentina, Colombia, Ethiopia, Greece, India, Italy, Kenya, Laos, Mexico, Peru, South Korea, United Kingdom, United States and Uruguay. "Only 25% of participants said their system worked well, and less than half were confident they could receive and afford good quality care - even in countries with universal insurance systems." To read more, click on the button below: Read More **Also Read:** 'Medical brain drain puts SAin dire position' - Juta MedicalBrief 18 January 2024 Concerns about SA's lack of AI regulating In an article, published in the **South African Medical Journal**, Keymanthri Moodley, a bioethicist and head of medical ethics at Stellenbosch University, expressed concerns about the absence of regulations governing Artificial Intelligence (AI) and other new technologies, reported **Sunday Times** (14 Jan 2024). "She highlighted the risks of 'technical debt,' where rapid innovation without safety checks, and 'ethical debt,' where Al tools are deployed without fully considering potential consequences. Al is used in developing electronic health records, diagnosing complex diseases like cancer, and finding new treatments but its application in healthcare lacks proper guidelines in SA. Al interventions, like robotic surgery and the use of Al in private practices, still require clinical trial testing, similar to drugs. A major concern with Al in healthcare is the risk of privacy breaches, said Moodley... Moodley argued that Al tools, like humans, can make errors, and Al algorithms might produce false data, potentially compromising the integrity of evidence-based medicine. **NEWS FROM GOVERNMENT** Mad rush before end of 2023 term "According to an annual summary, compiled by the Parliamentary Monitoring Group (PMG), there are currently 58 bills sitting before Parliament - 43 of which were introduced in 2023." BusinessTech (2 Jan 2024). 35 bills are currently with the National Assembly (NA) and 23 are with the National Council of Provinces (NCOP). "The large number of legislation is seen to be a result of pressure on lawmakers to implement legislative changes, given the approaching general elections – which is predicted to reshape the composition of the legislature. "These bills are going to be picked up again and are expected to be pushed through when parliament reconvenes in February." To read more, click on the button below Read More No funds to hire newly qualified doctors in SA **MedicalBrief** reported on 10 January that the National Health Department has yet to appoint more than 800 qualified doctors in public health posts, due to a lack of funds. According to the SA Medical Association Trade Union (SAMATU) this contributes to the continuous emigration of healthcare professionals. Jeanette Hunter, acting Director-General of the Department of Health, said the Department doesn't have enough doctors, and unemployed professionals "should come forward with their registration numbers so that it can arrange jobs for them". Meanwhile the Department announced that 2 101 eligible community service personnel and 2 210 medical interns had been placed at various facilities across the country. • On 4 January EWN reported: "Last month, the Department of Health said it had concluded the process of placing medical interns, with 9,395 of the 10,386 medical doctors, nurses, pharmacists, and other health professionals who had applied having been successfully placed at health facilities throughout the country." **FINANCIAL NEWS** Medicine prices could rise by 6.8% Good news for drug manufacturers is that they have been allowed to raise prices for private-sector medicines by 6.79%, exceeding the inflation rate, reported *Business Day* (12 January 2024). Although the decision by the Health Department offers some relief to drugmakers facing increased costs, it adds financial strain on consumers and medical schemes. "The 2023 single exit price (SEP) adjustment was significantly lower than the inflation rate, at 3.28%. This led to the pharmaceutical industry successfully advocating for an additional mid-year price increase of 1.73% in July. Despite seeming small, this increase is significant for medical schemes striving to minimise their contribution hikes." • The Board of Healthcare Funders (BHF) expressed concern over the rise, fearing a substantial impact on schemes. Life Healthcare confirms sale of AMG Moneyweb reported on 9 January 2024) that the Life Healthcare Group has successfully met all the conditions to sell its UK-based subsidiary, Alliance Medical Group (AMG), to iCON Infrastructure. "Life Healthcare previously announced plans to distribute approximately R8.4bn from the expected R10.8bn net proceeds to its shareholders through a special dividend or a share repurchase programme. The company plans to allocate the remaining R2.4bn towards future growth initiatives." PHARMACEUTICAL NEWS India orders new drug-making standards Reuters reported on 6 January that the Indian government has introduced new manufacturing standards for pharmaceutical companies. "This decision follows a series of incidents involving Indian-made drugs linked to deaths abroad since 2022, prompting a need to enhance the image of India's \$50bn pharmaceutical industry. "The health ministry's inspections of 162 drug factories since December 2022 revealed a lack of raw material testing, with less than 25% of India's 8,500 small drug factories meeting the World Health Organisation's standards." Pharma giants race to obtain share of obesity market Reuters reported on 11 January that pharmaceutical giants, including Amgen and Pfizer, are strategising to penetrate the growing obesity market. This will include introducing or acquiring advanced drugs to rival Novo Nordisk's Wegovy and Eli Lilly's Zepbound. "The market, predicted to hit at least \$100bn by the decade's end, attracts consumers "In 2023, demand for Novo and Lilly's weight-loss drugs exceeded supply in the US. Lilly's CEO David Ricks indicated that supply challenges for Zepbound might persist, and Novo Nordisk also expects ongoing Wegovy supply constraints into 2024." **GENERAL NEWS** Sharp decrease in global tobacco use

with treatments showing up to 20% weight reduction.

"The WHO's latest report indicates that in 2022, about 1.25bn people aged 15 and older used tobacco, compared with 1.36bn in 2000. Projections suggest tobacco use will decrease to around 1.2bn by 2030, even with the rising global population. "According to the WHO, the regions with the highest smoking rates are Southeast Asia and Europe, where approximately a quarter of the population smokes." WHO requires \$1.5bn to address health crises

The WHO needs \$219m to address urgent needs in the occupied Palestinian Territories,

In Afghanistan, 23.7m people desperately need access to clean water and sanitation. The

"The NWU's proposal to regulatory bodies includes a community-based and distributed clinical training platform fostering a comprehensive learning environment, with a six-year programme – three years each of integrated preclinical and clinical training, followed by

"The programme will start with an initial intake of 50 students, with plans to increase

resurgence of cholera globally, demands nearly \$50m in funding, while the health

Reuters reported on 16 January that the World Health Organisation (WHO) has appealed for \$1.5bn in funding to address the health needs of about 166m people affected

by various global humanitarian crises, including in regions

such as Ukraine, Gaza, and Afghanistan.

New medical school for North-

West University

Health Minister Dr Joe Phaahla has given his approval for a medical school at the North-West University, reported *MedicalBrief* (10 Jan 2024).

Twin girls born on different

days over Christmas

uteruses and became pregnant in both, gave birth to twin girls on different days – the first born on a Tuesday and

CMS Annual Report

for 2022/23

At the end of last year the Council for Medical Schemes (CMS) released the first version of its annual report for 2022/23. Analyst Lodi Jordaan prepared an

overview of the report for the benefit of HealthMan clients.

A woman from Alabama, USA, who was born with two

the second on the Wednesday morning.

Kelsey Hatcher (now 32) found out at 17 that she has uterus didelphys, a rare congenital

"Shortly after Christmas the healthy mother and her daughters were discharged from the

condition thought to affect about 0.3% of women.

FOR MEDICAL SCHEMES

hospital." - News24 (23 Dec 2023) (Picture: Instagram)

NEWS FROM MEDICAL SCHEMES

Reuters reported on 16 Jan 2023 that the proportion of smokers dropped globally from one in three in 2000 to one in five in 2024.

"Dr Ruediger Krech, director of the WHO's Department of Health Promotion, sats there has been notable progress in combating tobacco use lately. Still, the extent to which the

tobacco industry prioritises profit over human lives is staggering.

World Health

Organization

response in Ukraine needs \$77m.

internship and community service.

enrolment in the future."

especially Gaza.

JN.1 Covid variant now in SA Daily Maverick reported on 10 January that the World Health Organisation (WHO) has identified a new Covid variant named JN.1, a descendant of Omicron, rapidly spreading worldwide. "Despite the spread, the WHO considers the global public health risk as low. However, there is concern that JN.1 may contribute to an increase in Covid-19 cases, potentially coinciding with other infections, particularly in regions in their winter season."

In his concluding remarks, Lodi Jordaan wrote: The salient features of the overview can be summarised as follows: • The number of schemes decreased from 75 to 72 and beneficiaries increased by 1.0% to 9.035 million. Approximately 51% of all healthcare benefits were paid in respect of hospitals (35.5%) and medicines (15.5%). • Overall, the net healthcare surplus decreased from R12.9bn to R2.57bn. • Amore comprehensive distribution of the total healthcare benefits paid is reflected below under Annexure A. • The proportion of beneficiaries covered by medical schemes as a

proportion of the population increased from 14.8% to 14.9% Schemes reached a solvency level of 47.21% at the end of 2022.

The average gross contribution rates increased by 3.0% in 2022.

Private hospitals (excluding day clinics and rehabilitation facilities)

was paid out of risk. This is a slight decrease of 1.56% and 1.7%

• The highest portions of out-of-pocket expenditure are paid towards

Approximately R111.80 of the average amount of R527.17 claimed by a

To read the full overview, visit the HealthMan website

The Supreme Court of Appeal has rejected a request from the Council for Medical

In terms of the order, the CMS has to allow the Board of Healthcare Funders (BHF)

access to documents about low-cost benefit options (LCBOs).

Schemes (CMS) to challenge a High Court order (July 2023), reported Business Day (16

patient per GP visit, was paid out of medical savings.

was funded out of reserves.

respectively.

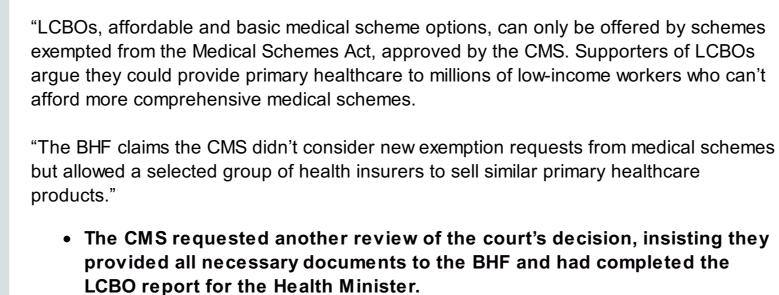
(14%).

For every R100 received in 2022, R93.96 was spent on claims, R8.96 was

spent on non-healthcare expenditure and R2.92 of the claims' expenditure

average claim per admission amounts to R 32 591.53 of which R31 823.44

medicines (35%), All specialists (27%) and supplementary and allied groups



(12 Jan 2024).

At the top of the list was Sizwe Medical Fund.

CMS CIRCULARS

and Restricted Schemes approved with

CMS COUNCIL FOR MEDICAL SCHEMES

effect from 01 January 2024

IRBA PIE Definition and Enhanced

Circular 49 of 2023:

Auditor Reporting

Jan 2023).

CMS blames AGMs of wasting money

No new circulars published by the CMS

in December 2023:

Industry Report - Utilisation of

Health Care Services and

Benefits Paid Annexures

CMS loses appeal against

High Court order

"The report suggests further investigation into the high AGM costs of these schemes, particularly Sizwe Medical Fund." Among the schemes that also need to be investigated are Foodmed Medical Scheme, University of KwaZulu-Natal Medical Scheme, TFG Medical Aid Scheme, Cape Medical Plan, SAMWUMed, and Discovery Health Medical Scheme.

also had higher AGM expenditures, with relative ratios of 20 and 11 respectively.

In its recent report the Council for Medical Scheme (CMS) criticises medical schemes of wasting money on extravagant Annual General Meetings (AGM), reported BusinessLive

The report, which examined the previous financial year, found that out of 71 schemes, 33 spent a total of R29.2m on AGM-related activities. These schemes collectively cover 8.1m lives, compared with 850,248 lives covered by schemes with no AGM-related expenses.

"Medipos Medical Scheme and Engen Medical Benefit Fund, along with Motohealth Care,

SPECIAL NOTES (\rightarrow) **Circular 48 of 2023: Circular 50 of 2023:** Medical Scheme Benefit Options for Open

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