



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 broadcast, independent television, broadcast, independent news agencies, newspapers, radio and news sites. HealthMan strives to quote the Original Source. HealthMan complies with 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 or associates.

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→ **FOOD FOR THOUGHT**

Government stays committed to NHI policy

In his Budget Speech, delivered on 21 February, Finance Minister Enoch Godongwana announced that Treasury has set aside a revised estimate of R267.3bn for consolidated health expenditure this year. This will rise to R271.6bn in 2024/25. The consolidated health budget then increases to R281.1bn in 2025/26 and R295.2bn in the outer year, representing baseline reductions of R23.7bn over the medium term.

– Mail & Guardian (22 February).

"The allocation for the NHI is a demonstration of the government's commitment to this policy. There remains a range of system-strengthening activities, that are key enablers of an improved public health care system, that must be undertaken," reported Daily Maverick (21 Feb 2024).

- Such activities include:
- Building a national health information system and digital patient records;
 - Upgrading health facilities and improving quality of care to ensure that they meet the minimum criteria to be certified and accredited for contracting under NHI;
 - Strengthening facility and district management in preparation for contracting;
 - Granting semi-autonomous status for central (and potentially other) hospitals; and
 - Developing reference prices and provider payment methods for hospitals.
- Many of these activities are already under way but require further development before the NHI can be rolled out at scale."

Godongwana stated there would be no tax proposals for NHI in the short term. The Health Department previously said a surcharge on personal income tax and a payroll tax would be needed to find R200bn to supplement public sector funding sources.

Medical scheme tax credits remain unchanged with no provision for inflation, a measure expected to raise about R6bn in revenue over the medium term. The medical scheme tax credit remains R264 per person monthly, for the first two members, and R246 per month for additional members.

Also read: Big NHI tax allayed (The Citizen 22 Feb 2024)

Who will fund Gauteng to buy private hospitals?

During his State of the Province Address, Gauteng Premier Panyaza Lesufi announced that the Province would be purchasing 18 private hospitals to be converted into public hospitals. - News24 (21 Feb 2024).

These hospitals are supposed to be ready in time for the National Health Insurance (NHI) scheme, but "who or even what" will actually fund the transaction, remains a mystery.

Lesufi said: "With the assistance of the Workers' Investment Portfolio, we have just signed an agreement that will see the Gauteng Government buying back 18 private hospitals in our province, and we will convert them into public hospitals so that we are ready for the NHI. This investment with the National Workers Fund, we believe will go a long way to make sure that our health system is improved in our province.

"News24 reached out to Lesufi's office to establish who exactly would be funding the purchase of the hospitals, but the office referred News24 to the Department of Health. However, the Department of Health sent News24 back to the Premier's office to clarify."

SA urgently needs clarity on NHI funding

Where could the money for implementing NHI come from? asked Larisse Prinsen (lecturer in law at the University of the Free State) in Business Times (25 Feb 2024). According to former Discovery Health CEO, Ryan Noach, legal protections are in place to guard against the nationalisation of medical scheme funds, "as they are voluntary contributions by medical scheme members that are effectively held in trust by these schemes".

"The hope is for the Treasury to provide clarity and a sustainable path forward for Member, South Africans wait, hoping the steps taken will avoid unintended consequences compromising other socio-economic rights."

NHI is the 'will of the people'

At the recent SA Medical Association (SAMA) conference Dr Lwazi Manzi, the Head of the Secretariat for the AU Covid-19 Commission, said South Africans were confident in the Government's commitment to achieving fairness by enacting the NHI Bill

– News24 (17 February 2024).

"Manzi emphasised that the establishment of the NHI fund reflected the desires of the South African people, a sentiment that should be honoured. However, it is worth noting that the association has publicly disapproved of the current version of the NHI Bill."

→ **NEWS FROM GOVERNMENT**

Reduction in healthcare budget injures all

"Making life-and-death decisions based on financial constraints is a reality for doctors following a R1.5bn reduction in the Western Cape's health budget over the past year," reported News24 (16 Feb 2024).

"The budget cuts have led more than 1,000 health workers to issue an open letter pleading with both the Provincial and National Governments to reconsider their decision, which has plunged health services into severe austerity.

"The hiring freeze implemented in the last quarter affected all areas indiscriminately, including nursing budgets and agency budgets.

Solidarity loses its NHI court bid

Business Day reported on 29 February that the High Court rejected the Solidarity Trade Union's attempt to dismantle the National Health Insurance (NHI) Bill before Pres Cyril Ramaphosa signs it into law.

"Judge David Unterhalter found the Government's actions lawful, supporting the notion that, preparing for significant legislative changes before their official enactment, is prudent and necessary for effective public administration.

"Solidarity's challenge wasn't entirely fruitless, as they succeeded in affirming their legal standing to question the hiring practices for the NHI preparation, indicating their intention to continue challenging the NHI on various grounds.

"Despite the setback, Solidarity's deputy CEO, Anton van Bijl, expressed the union's persistent commitment to opposing the NHI initiative, viewing the court's decision as the start of a broader battle over healthcare in South Africa."

'Doctors on streets while patients die in queues'

These were the words of roughly 100 medical professionals used in their protest at the Union Buildings on 26 February.

"This protest followed a statement from Health Minister Joe Phaahla who, in reaction to President Cyril Ramaphosa's State of the Nation Address, promised to reveal strategies and schedules for hiring healthcare personnel, including newly graduated health experts and jobless doctors," reported News24 (28 Feb 2024).

"A memorandum was presented to a representative from the President's office, highlighting their pleas for stable employment with complete salaries and benefits and calling for creating a database for healthcare workers completing their community service to ensure their proper placement.

"Recently the Health Minister confirmed that 645 junior doctors are awaiting job placements after their community service in December. He blamed it on the difficulty in funding new positions due to escalating employment costs."

New rules regarding overtime payment

Gauteng Health Department informed CEOs and senior managers of public health facilities that the authority to approve commuted overtime payments will be centralised from 1 April, pending a review of the policy. - Business Day (25 Feb 2024)

As a result, all overtime payments must now be approved by the Department's head office. According to the Department it is not eliminating overtime payments for doctors, but revising its policy.

"This initiative by the Department aims to rein in its commuted overtime expenditure, which significantly exceeds its budget of approximately R2.2bn."

Department considers a six-month supply of ARVs

Business Day reported on 23 February that the Health Department is considering a policy change to provide people living with HIV with a six-month supply of medication as it seeks to boost the number of patients on treatment.

According to Health Minister Joe Phaahla providing patients with pills for six months instead of a supply of one to three months would help people sick with their treatment. Meanwhile local drug makers are advocating for PEPPAR to fulfil and expand upon its December 2022 pledge to transition at least 2m HIV/AIDS patients to treatments manufactured in Africa by 2030.

Dis-Chem's revenue gains 12.2%

Dis-Chem, valued at R26bn on the Johannesburg Stock Exchange (JSE), announced a 12.2% growth in revenue from 1 September 2023 to 28 January 2024 compared to the same period last year. - Business Day (25 Feb 2024). This was fuelled by increases across its retail, wholesale, and external business segments.

"Following a trading update released on 23 February, Dis-Chem's stock price saw its most significant rise in nearly four months, climbing 3.53% to close at R30.23.

→ **FINANCIAL NEWS**

'Battle between death and insolvency'

Delegates at the SAMA conference voiced their concern about patients' difficulty accessing cutting-edge medical treatments despite significant medical progress. CEO Lauren Pretorius of Campaigning for CANCER, emphasised that the value of medicine should not be solely determined by its cost, but by its positive impact on individuals and society. She called for a discussion on the value of healthcare solutions to hold the Government accountable for fulfilling its responsibilities.

Adcock Ingram's profits stagnate

Pharmaceutical company Adcock Ingram has experienced limited profit growth in the six months ending December. The company, known for products such as Fentanyl painkillers and Coreza C co-and-fu medication, said that a challenging market, supply issues due to delays at South African ports, and decreased sales from antiretroviral drug tenders led to a drop in organic sales. - Business Day (21 Feb 2024)

Life Healthcare to pay R6/share special dividend

Life Healthcare will distribute the proceeds from selling its stake in Alliance Medical Group (AMG), a UK-based company, to its shareholders through a special dividend of R6 per share. - Business Day (29 Feb 2024)

The sale generated a total of R845.9m (approximately R20.7bn).

"The move to sell AMG to Icon Infrastructure came after shareholders expressed a desire for dividend payments."

→ **PHARMACEUTICAL NEWS**

Special award for founder of Pelebox

An electrical engineer, Neo Hutiri, was awarded the Royal Academy of Engineering's special medal as part of the 10-year celebration of the Africa Prize for Engineering Innovation, reported Daily Maverick (26 Feb 2024).

Neo Hutiri founded Pelebox, a digital platform for efficient medication distribution, after experiencing firsthand the inefficiencies of medication collection at public clinics while undergoing treatment for TB. The service simplifies the collection process, significantly reducing waiting times from hours to seconds.

"With 123 lockers already deployed across several regions and plans for expansion supported by the African Continental Free Trade Area, Hutiri's vision extends to making healthcare services more accessible and efficient across the continent."

Health Department warns against 'misleading' vaccine posts

"The Health Department has issued a warning to the public to disregard a circulating voice note that falsely claims vaccinations against Covid-19 are causing deaths and suggests using an unapproved product for prevention," reported TimesLive (20 Feb 2024).

"The public is advised to ignore such misleading information. It was also noted that the product mentioned, activated charcoal, lacks authorisation from the SA Health Products Regulatory Authority (SAHPRA), which is responsible for ensuring the safety and effectiveness of medicines in the country."

→ **GENERAL NEWS**

Vaping: Draft legislation on its way

"A short while ago, vaping was a cool thing to do. Vaping simulates smoking by creating a fine mist of vapour from a blend of nicotine, chemicals and flavouring. It began as a means to get nicotine addicts off traditional cigarettes."

Bhekisla – (25 Feb 2024).

However, it has sucked in a new breed of young smokers – attracted to the colours, fruity smell and sweet taste of vapes". As parents are less informed about the harmful effects of vaping, they buy them for their kids.

Although there are currently no laws that govern vaping, new legislation is on its way – the Tobacco Products and Electric Delivery Systems Control Bill.

The draft legislation proposes that smoking and vaping be banned in all public areas; whatever applies to tobacco products – like no smoking in public areas – will also apply to electronic cigarettes and heated tobacco. Advertising will also be banned.

→ **NEWS FROM MEDICAL SCHEMES**

Affordable healthplans: All eyes on Minister of Health

"The medical funding industry is keenly watching to see if Health Minister Joe Phaahla will green-light more affordable healthcare plans, previously hindered by Government actions," reported Chris Bateman in Financial Mail (22 Feb 2024).

Medical schemes are pushing for budget-friendly options to be exempt from CMS regulations to compete with insurance offerings, advocating for a reduction in the mandatory minimum benefits and for setting upper limits on specialist fees, which often exceed the rates covered by schemes.

Meanwhile, Minister Phaahla admitted that there are legal concerns regarding these affordable options, estimating a resolution timeline in months rather than years.

The Board of Healthcare Funder's (BH-F) attempt to get an exemption from the Competition Commission for collective bargaining has been stalled by politics for over two years.

→ **CMS CIRCULARS**

Circulars published by the CMS in February 2024

Circular 4 of 2024: International Financial Reporting Standard (IFRS)17 – Statement of Financial Position Date added: 12-02-2024	Request 6 of 2024: Circulars for HIV, TB and STI data for the 2022 African National Aids Council (SANAC) Date added: 20-02-2024
Circular 5 of 2024: Section 8 (h) Exemption Application Process Date added: 15-02-2024	Circular 7 of 2024: Real-time monitoring (RTM) for 2024 Date added: 20-02-2024
	Circular 8 of 2024: General concerns noted during the analysis of the 2022 AFS and ASR Date added: 27-02-2024

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