



## PRIVATE PRACTICE REVIEW OCTOBER 2017

A summary of breaking news and general information regarding healthcare in the public and private sector, published in the media.

### Contents

[Food for Thought](#)  
[View on Special News](#)  
[View on Government](#)  
[Special Views](#)  
[View on New Products](#)  
[Financial View](#)  
[View on General News](#)  
[View on Medical Schemes](#)  
[Special Notices](#)

---

## FOOD FOR THOUGHT

### South Africa needs to rethink its Healthcare Model

- Jacques Snyman CEO:  
Medical Specialist Holdings



SA's Healthcare expenditure as part of gross domestic product is 8.5%. According to the World Health Organisation's (WHO) the global average is 9.95%.

"The concept of fee-for-a-service is dead. Any provider delivering healthcare that charges for every step they take is rewarded financially, not by outcome," wrote **Dr Jacques Snyman, CEO of**

stance on medical care, the patient and costs.

"With value-based care and alternative reimbursement models, it is the outcome that is rewarded, not the work done.

**"It eliminates challenges around existing models where the more a practitioner does, the more he/she is paid, so there is no incentive to**

"We work in concert with the medical schemes to develop a consistent methodology to showcase how we can reduce costs while ensuring patients achieve value-based care.

"Currently we have 18 quality assurance metrics which we will be expanding on in the future, using them to highlight that cost savings are not coming at the

**Medical Specialist Holdings (MSH) in Biz Community;** 19 October

"It is into these limitations around healthcare budgets and resources that the value-based care model (VBC) steps, providing an alternative

**have efficiencies of care."**

The goal of the alternative reimbursement and VBC model is to improve outcomes, but there are challenges around how existing models work and the ever-present need to satisfy the bottom line.

expense of appropriate care.

"The savings percentages are modest, but in light of existing inflationary increases, these are enough to make a significant impact," wrote Snyman.



**Wesley Diphoko;**  
**Independent Media Lab**



**Chief Justice Dikgang Moseneke**

## Information: The missing link to better healthcare

Government lawyers in the hearings about the deaths of mental health patients moved out of Life Esidimeni's care have managed to stop the media from speaking to families and lawyers, even preventing fact-checking of what journalists have heard in complicated testimony.

The arbitration process is discussing why and how 1 712 people were taken out of Life Esidimeni homes and hurriedly moved into hospitals or ill-equipped non-governmental organisations, leading to an estimated 141 deaths.

"The Life Esidimeni debacle has put a spotlight on one of the major challenges in the SA health system," wrote **Wesley Diphoko, head of the Independent Media Lab and founder of the Kaya Labs**

Family of patients who died at the facilities shared stories of how they were not informed about the health status of their relatives.

The fact that very few people knew what was happening at Life Esidimeni and the fact that it was difficult to communicate challenges illustrates a broken information system that should inform all concerned about the well-being of the patient.

**"If the NHI is to succeed in transforming the South African health system and avoid the Life Esidimeni tragedy, information will have to form part of the solution."**

In future it should be possible for the Health Minister and a health MEC to

in **Business Report** (20 October).

The report by the Health Ombudsman differed from the MEC's statement about the number of people who died.

The Moseneke inquiry heard of how health professionals were unable to communicate their real thoughts about decisions taken by officials.

have a single view of health status within the country or province, wrote Diphoko.

- Meanwhile **Business Day** (17 October) reported that Mental Health NGOs in Gauteng were struggling with inadequate subsidies, new licensing requirements, staffing and infrastructure according to a report on enquiries into 10 NGOs.

---

## VIEW ON SPECIAL NEWS



### Nurses - game changers

Academics at Wits University uncovered overwhelming support for transplants among hundreds of nurses they questioned, but found that the lack of a structured protocol for referring potential donors meant they were uncertain of how to go about it.

According to Harriet Etheredge, an expert in medical ethics and organ transplants, a suitable protocol should emphasise teamwork and clarify the role of doctors, "as nurses need to be aware of how they might navigate relationships if doctors themselves are unwilling to refer a potential donor".

The full study can be found at:

<http://www.sajcc.org.za/index.php/SAJCC/article/view/322/287>

---

### Research on pain-free test for TB in children

Researchers from the UCT and the Tuberculosis Vaccine Initiative are investigating whether tissue from the oral cavity, including from the cheeks, tongue and gums can be used to successfully diagnose TB in children.

### AIDS researchers receive lifetime achievement award

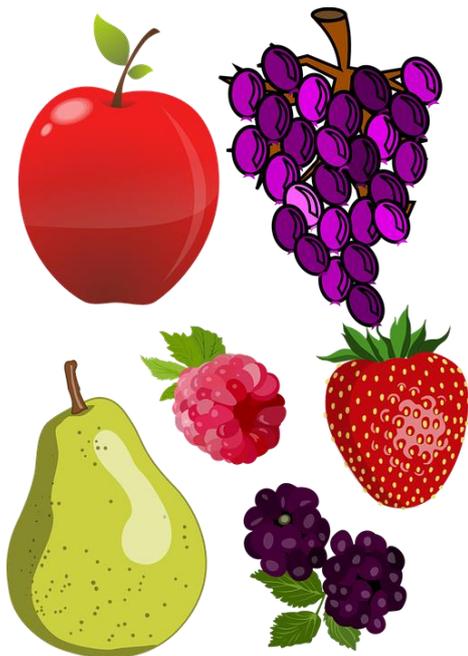
SA's leading **AIDS researchers, professors Salim and Quarraisha Abdool Karim**, are to be awarded the Institute for Human Virology (IHV) Lifetime Achievement Award for exceptional public service for their contributions to the global AIDS

Diagnosing TB in children is so difficult and often-painful that many kids are misdiagnosed and lose their chance to be cured. So far, they have “promising” results for 49 samples from TB patients; 45 of which have tested positive in the laboratory using the oral swab method, translating into a sensitivity rate of 92%.

response.

## Index indicates inefficiencies

SA was ranked bottom of a list of 19 nations in the **Future Health Index**, a global survey which measures the ability of healthcare systems to deliver best results at lowest costs.



## Cancer, fasting & diet?

Fasting and ketogenic diets may result in conventional cancer treatment becoming safer and more effective as well as cut the “financially toxic” high costs according to world authorities on cancer at the recent **Rethinking Cancer Congress** in Paris, France.

Research showed that methods to extend healthier lifespans also offered protection from cancer. High on the congress event menu were ketogenic diets (high fat, low carbohydrate, moderate to low protein), stem cell therapy advances, antiangiogenesis (stopping cancer’s blood supply) and the metabolic model of cancer. The model holds that cancer may not be genetic, but more likely a mitochondrial, metabolic disease.

## VIEW ON GOVERNMENT



## Plan to establish NHI fund on hold

The Treasury has delayed plans to set up a National Health Insurance (NHI) fund,

scheme, which shows more than half (56%) the total credits claimed in 2014-15

saying it wants advice from the Davis Tax Committee on the feasibility of proposals to adjust the medical tax credits to finance it.

Former Finance Minister Pravin Gordhan said in the February budget policy statement that an NHI fund would be established to support priority health programmes, and that more details would be provided in the medium term budget policy statement (MTBPS), which was delivered by Finance Minister Malusi Gigaba on 25 October.

The Treasury now says more work needs to be done, and has published an analysis of the medical tax credit

accrued to 1.9-m taxpayers with a taxable income below R300 000, many of whom were workers who belonged to medical schemes.

**Although the Treasury does not directly say so, the data indicate that scrapping or sharply reducing the medical tax credits will hit people with lower incomes particularly hard, and potentially make their medical scheme cover unaffordable.**

Gigaba said in the recent budget speech that the National Treasury and the Department of Health are working on proposals to expand NHI services in a progressive and affordable manner.

---

## Motsoaledi appoints board members for SAHPRA

Health Minister Aaron Motsoaledi has appointed the board of the SA Health Products Regulatory Authority (SAHPRA); an important step towards setting up the agency to replace the Medicines Control Council (MCC). The 15-member board will be chaired by Prof Helen Rees.

SAHPRA is expected to be more efficient than the MCC at processing applications to register medicines and trials.

## Is the NHLS still a going concern?

The National Health Laboratory Service (NHLS) received a qualified audit for 2016-17 after its auditors, SizweNtsalubaGobodo, highlighted irregular expenditure of more than R1-bn and cast doubt on its ability to continue as a going concern because it reported a R1 879-bn deficit for the year.

NHLS reported a surplus of R273-m the year before.

---

## Western Cape health report shows 'major challenges'

Western Cape DoH suffered losses of about R269-m; impairment allowances amounted to R238-m; and close to R70-m was underspent according to the annual report.

Most targets were achieved. However, major challenges were highlighted. The

## Cancer treatment waiting times in KZN increase

KwaZulu-Natal cancer patients currently have to wait up to nine months for treatment, according to provincial DA spokesperson for health, Imran Keeka.

This revelation comes almost four months after the SAHRC released a scathing report detailing the collapse of cancer

department ended the 2016/17 financial year with a surplus of R89.58-m.

services in the province.

## SPECIAL VIEWS

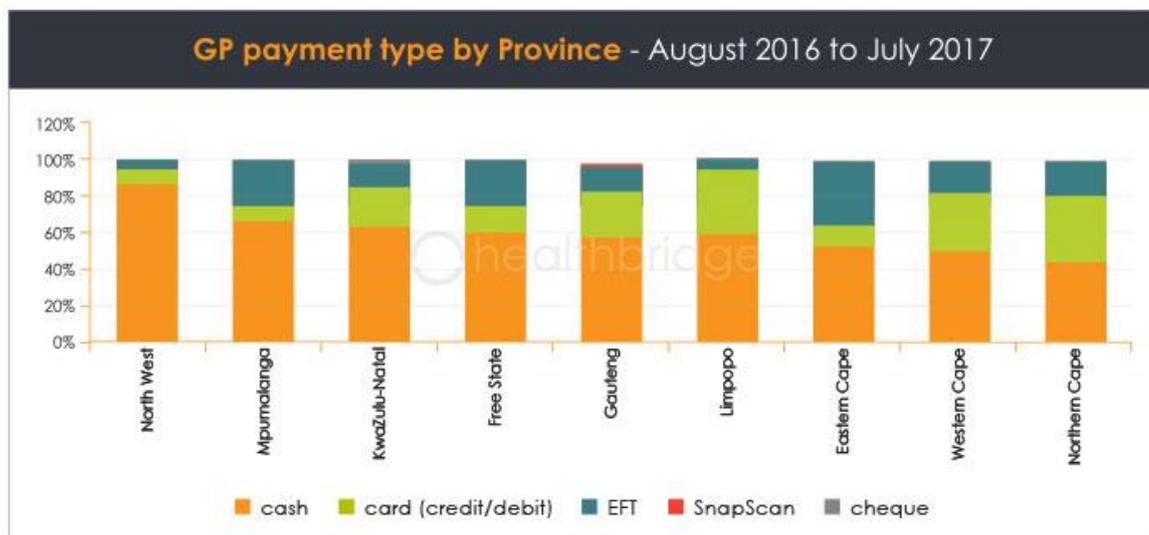


Cash, card or cheque?  
A look at **payment options.**



With so many options in the marketplace, knowing which payment options to offer patients can seem overwhelming.

So we took a look at the most popular payment methods being used by GP medical practices across the country and uncovered a surprising trend.



To view a full report of this trend, follow the link below.

[Button](#)

**Make  
the change  
to fixing your  
premiums until 2020**

Many of your colleagues are  
saving up to one third of their  
annual indemnity contributions

**2Q20**

\*Terms and conditions apply

**ME  
WE**

## ***Making the change***

*At EthiQal, we are changing Medical Risk Protection. Our dedicated, highly experienced and knowledgeable team is working together with doctors, their Associations and Societies, the legal profession and representatives from Government to ensure trusted outcomes between doctors and patients - in sickness, adversity and health.*

***We believe that together we can positively change the risk landscape for South Africa's doctors - now and into the future.***

Visit us today at [www.ethiqal.co.za](http://www.ethiqal.co.za) or speak to us at [info@ethiqal.co.za](mailto:info@ethiqal.co.za) / 0860 384 4725

---

## VIEW ON NEW PRODUCTS

### Patent laws lead to high prices for cancer drugs

SA's patent laws are denying cancer patients access to lifesaving medicines that can be bought in India for a fraction of the cost they command here, according to a report by health activists, **Fix the Patent Laws Coalition**.

The report analysed 24 cancer medicines that had no generic competition in SA. It concluded 15 were available in India for less than half the private sector price in SA.

The report is to be handed over to the Department of Trade and Industry, along with a detailed submission in support of its draft intellectual property policy, which was released for public comment in August.

- Prices of injectable cancer drugs - even older medicines around since the 1990s - are increasing at a rate far higher than US inflation, according to research published in the **Journal of Clinical Oncology**. The study looked at 24 injectable cancer drugs that had been approved since 1996: The average increase was 25% over eight years.

---

## FINANCIAL VIEW



### Dis-Chem grows its SA footprint

Dis-Chem continued to increase its footprint by adding 19 new stores taking the total to 118.

### Patents: Roche nears an earnings cliff

Landmark Roche patents, that helped launch the modern biotechnology era, are expiring in 2018 extinguishing a source of

### Demand for cancer drugs drives J&J up

Johnson & Johnson (J&J) reported a higher-than-expected quarterly profit.

Higher sales of cancer

Another 10 stores will be opened by the end of August 2018.

The results showed that the group grew its turnover by 13.3% to R9.61-bn as compared with R8.48-bn reported last year.

Retail turnover increased by 15%.

billions of dollars in income for the Swiss drug maker. This will result in increased pressure on Roche's new medicines to succeed.

Roche's \$20bn-a-year drug trio Rituxan, Avastin and Herceptin are also losing protection, exposing them to cheaper biosimilar copies.

drugs Darzalex and Imbruvica helped the company post a 15.4% rise in pharmaceutical sales in the third quarter.

Total revenue rose 10.3% to \$19.65-bn as other businesses performed well.

However, net earnings fell to \$3.76bn, or \$1.37 per share, in the quarter.

---

## VIEW ON GENERAL NEWS



### Obesity costs SA economy more than R700-bn/year

According to the **Discovery Vitality OBECity Index** for 2017, the economic impact of obesity in SA is more than R700-bn per year. Obesity costs the global economy R16.4-trillion; roughly equal to the impact of smoking and wars. According to the WHO, worldwide obesity has more than doubled since 1980. In 2014 more than 1.9-bn adults were overweight; 600-m of them obese.

- Cape Town residents may be the slimmest in the country and buy the healthiest food, but barely half of them are at a healthy weight, according to the index. Only 53.5% of Capetonians had a healthy weight, Johannesburg: 52%; and Port Elizabeth: 48.8 %

---

### Diabetes and the cycle of amputations

Up to five amputations, months in hospital, then death - this is the cycle

### Discovery's breakdown of deaths by province

**Discovery Life** has just released a breakdown of its 2016 life cover claims

that keeps repeating itself in the Johannesburg surgical wards overseen by chief of surgery, Prof Thifheli Luvhengo.

Around a third of the patients in the Charlotte Maxeke Academic Hospital's three surgical wards are there because of complications due to diabetes.

At 14 smaller Gauteng hospitals that refer patients to Charlotte Maxeke; 60% to 70% of surgical patients are diabetic. Diabetes is also a major cause of blindness, kidney failure, heart attacks and strokes, according to endocrinologists.

for death or disability.

In the report it is noted that certain diseases were more prevalent in certain provinces. Unfortunately, no reasons were provided.

If you are in KwaZulu-Natal you are more likely, statistically, to die of heart-related conditions, but cancer is more likely to kill you if you live in Cape Town.

The report found people in Cape Town were 44% more likely to claim disability cover for cancer while fighting the disease than residents in other provinces.

---

## VIEW ON MEDICAL SCHEMES

### SA's 10 biggest medical schemes



Discovery continued to dominate SA's medical insurances industry with almost a million more beneficiaries than the Government Employees Medical Scheme (GEMS). This is according to the latest statistics released by the **Council for Medical Schemes** (CMS).

### The 10 biggest schemes by number of average beneficiaries are:

1. Discovery Health Medical Scheme: 2.707-m;
  2. GEMS: 1.801-m;
  3. Bonitas Medical Fund: 676 785 (Prior to absorption of Liberty);
  4. South African Police Service Medical Scheme (Polmed): 497 129;
  5. Momentum Health: 257 371;
  6. Bankmed: 214 305;
  7. Bestmed Medical Scheme: 200 400;
  8. Medihelp: 195 858;
  9. Medshield Medical Scheme: 153 415; and
  10. LA-Health Medical Scheme: 147 778.
-

# Doctors and medical aids at loggerheads

Doctors are accusing medical schemes of withholding payments, citing fraud when no proof of the alleged fraud is provided.

On the other hand the medical schemes are painting a contrasting picture, saying medical aid fraud impacted on member premiums.

**Kevin Aron, Medscheme's chief executive**, said medical schemes paid claims up front in good faith. However, Medscheme's approach is to investigate wastage and abuse.

---

## CMS Circulars



The following Circulars were published by the CMS in October.

Visit [www.medicalschemes.co.za](http://www.medicalschemes.co.za) for more info.

### **62 of 2017**

Standard Guidelines on format of Business Plans for the registration of a new medical scheme, new/restructured benefit options, Regulation 29, Amalgamations, Reinsurance and Standard Management Accounts.

### **63 of 2017**

Draft guidelines for preparation of broker agreements in compliance with Section 65 of the Medical Schemes Act, No 131 and Regulation 28 in terms of the Act.

### **64 of 2017**

Measuring quality outcomes and value proposition of managed care interventions in respect of Epilepsy and Parkinson Disease.

### **65 of 2017**

Quarterly Statutory Returns Submission for period ending 30 September 2017.

---

## **SPECIAL NOTICES**

Saumsung  
Sonar Package  
for sale

Samsung WS80A with the elite Package and Hello Mom application as well as a colour printer and UPS  
Seller: Dr. Piet du Toit (GP) relocating from Welkom to George.

Member of ISUOG.

Contact Dr Du Toit at 082 553 4191

To place a Special Notice or Advertorial, contact:  
[maretha@healthman.co.za](mailto:maretha@healthman.co.za)

---