HealthMan
PRIVATE PRACTICE REVIEW

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A summary of breaking news and analysis affecting private healthcare in the public and private sector, published in the media.

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Food for Thought

The 'big 4' SA issues that scare foreign investors

Michelle Phillips

Excerpts from an article in News24 by Michelle Hermanus, former CBE MP and SA Ambassador to Ireland

In her weekly column for News24 (31July), Hermanus ranks the four most important issues concerning foreign countries from investing in South Africa.

- The issue of land and expropriation without compensation.
- Crime and the lack of effective policing.
- Uncertainty regarding the Mining Charter; and
- National Health Insurance.

Hermanus says that "all of our worst crises private medical services will be significant in addressing the very serious issues in the public sector."

"In particular, foreign companies keep reminding me that good healthcare is one of the top requirements when deciding where to locate," wrote Hermanus.

"These companies emphasise that if as they hear the private healthcare system in our country is destroyed, existing companies will withdraw, and no new companies will locate here. Our private healthcare system is self-safe: a massive brain-drain of medical specialists and other skilled South Africans."

"The problem is that with all four these issues, there is a sense of political urgency, but in reality on the policy action now it will be further, to a decreased or increased cost to me the worst. South Africa can afford either Eskom or a National Health Insurance. Not both. So, take your pick?"

Proactive solutions to ensure the continued viability of the private healthcare sector

Prof Alex van den Heever

Dr Lizabeth Mkhwanazi

Mr Casper Venter

On Saturday, 14th July, SAPPF hosted a panel discussion on the recently published National Health Insurance and Medical Schemes Amendment Bills and the Health Market Inquiry Report.
Dr Chris Archibald, Executive Director of SAPPF, moderated the discussion at the International Hotel, OR Tambo Airport.

Invited panellists:-

1. Prof Alex van den Heever, MBA University Dept of Social Studies, Are these Proposals Rational?
2. Dr Lizabeth Mkhwanazi Health Economist, The Business Case
3. Mr Chris Penfold, Medscan Medical, Legal Implications
4. Dr Jonathan Broomberg, Discovery Health, Medical Schemes Industry Perspectives
5. Mr Casper Venter, Medshare, Medical Scheme Governance
6. Mr Ben Parsons, DOTB, Civil Servants Perspectives
7. Dr Brian Neff, PPO Service, Innovative Future Solutions

"The future isn't what it used to be."
"We all want change, but no one wants to change"

News on Government

NHI Bill: Funding figures vital for assessing viability

"A SA's dire economic environment is truly crazy,saying that the most important aspect of the NHI Bill, namely the money needed to implement the proposed National Health Minister Aaron Motsoaledi as he is being his problem." **Dr Johann Serfontein, Medical Economist, consultant HealthTrack** Businessday 21July 2018.

The underlying assumptions that the 4% of GDP currently spent on private healthcare could be redirected to the public sector, as the Minister tells it, comprehend, forms NH's lot of private healthcare. Yet, the Minister has contributed in the form of an empirical calculation of the costs, but this still leaves NHI on spent 4% of GDP on healthcare, which is more than public healthcare, including other personal contributs in the process.

Should this private health expenditure stop tomorrow, the public system will gain an additional 4% of GDP, which is twice the state budget increasing by a single rand.

This private money would leave the health system if done so: taxpayers transfer into the public sector for affordable citizens will be lost, and the 4% of GDP will be lost to unemployment benefits - they will demand it in cash, leaving only the medical aid tax revenues to pay for defaults in the health budget.

The question remains whether NH tariffs will be set between the state costs of rendering a service, Doctors on the NH payment schedule, or the medical aid tariffs charge above NH levels. If NH tariffs do not correlate private practice costs, providers will be forced to subsidise the public sector altogether, adding to the shortfall of medical personnel.

- **Sunday Times**, 21July 2018: "The budget for NH has yet to be determined, but Minister Aaron Motsoaledi estimates at R370-bn seem to thumb such by a brutal accounting figure."

Alarming amount of vacant posts in the public sector

According to a report by the Promotion Access Campaign (TAC) SA has not filled over 37,000 posts in the public health sector, despite a court order mandating affirmative from November 2017 until this year.

Limpopo had over 64,000 funded posts. Only 35,450 were filled by February 2017. Other badly affected provinces include KwaZulu-Natal, with 8,964 vacant posts. Free State with 8,201 and Gauteng at 6,000 posts.

Oncology crisis

Minister Aaron Motsoaledi blame are at least 15 oncology machines worth R60 million each lying for lack of public hospitals ; but he is still looking for cancer specialists. Only 20% of the 1,000 specialists he has accordingly to service 1.5 in cancer patients. Motsoaledi said "we will only on private oncologists to come and we will pay them well." He said the NHI would use the rotation mechanic, and the PPR number is being finished. Charlotte Maxeke Nan Nan, Dorothi Schoer and Tygerberg hospitals are the biggest cancer units in the Western Cape.

Although Motsoaledi blames the oncology crisis and issues of provisions on integrage "procurement, complaint and pathways", Lauren Pretorius from advocacy group Treatment Action Campaign (TAC) disagreed that Minister about the crisis. Mr Q. Jones.

Eye healthcare:

Half of KwaZulu-Natal's government hospitals that are supposed to provide vital eye healthcare to patients have been closed for months because there is no one to work in it.Nearing 40 patients who are on a waiting list for cataract surgery.

Students return from Cuba:

A total of 200 students sent to study medicine in Cuba have returned home since 2012 to 2017. The students will spend the next 18 months finishing their qualifications at a SA university, Minister wants a decision.

They are part of a group of 2,895 South African medical students who were sent to Cuba for medical training.

SA's healthcare heading to ICU

"As a consequence, the country is already an acute shortage of medical specialists, and doctors in rural areas are being forced into very long hours to get out of house and home to care for patients." **Gauteng-based Mayor** Mr Tshwilondi Mpfare, 7 July 2018 Sowetan Live. "Medical schemes are facing ever-rising premium payments, coupled with increasing co-payments, co-payments and co-payments." Sol Kwazeni the HPCSA spokesperson said. Medical aid costs have increased against SA being ranked 48th in the world for healthcare costs, based on absurdly stringent standards of medical care, unnecessary high-tech and general practitioners referrals and unnecessary further consultation before being allowed to practice. Medical aid costs are driven by prices, the HPCSA is dysfunctional. The main cause of the crisis has been aggravated by Minister Motsoaledi. Motsoaledi's 2015 Ill-conceived National Health Insurance proposals, the HPCSA is responsible for the crisis, in response, the HPCSA simply showed Motsoaledi the door, and ignored the fact the hotspots were "recommendations" and not "rules" and "necessarily have to be acted upon.

Financial News

'Consumers are deliberately disempowered'

"Consumers are spending more than they should on medical aids, while getting less and less in return, at the same time medical inflation is usually shows down prices is lacking in the private healthcare sector. These are some of the findings of the preliminary report by the Competition Commission's Healthcare Market Inquiry (HMI).

Interested parties have until 7 September to respond to the report.

In the executive summary of the report, the commission says consumers were described as "confused and disempowered".

The report suggested that it bemoaned the medical aid industry for confusing consumers, as they couldn't compare different plans and medical schemes. There are "literally hundreds of plans on offer, consumers are overwhelmed and can stay choice scheme and plan options on the basis of price." Tabled Nqcobo, chairman of the Competition Commission in South Africa's three main private hospital groups Netcare, Life and Mediclinic of trying to underminee the prices, which would hurt the competition between them. The provisional report also said the three hospital groups had "much more of a handling of their data, which gives them a marketing used to calculate their profits and avoid lawyers every step of the way.

MORE REACTION on HMI:

Professor Alex Pillay is the HMI Executive Director's economic research manager. He said the HMI report was "very good" and "very comprehensive." Pillay said the HMI's investigation took almost four years to complete, and was "very thorough." He said he was disappointed in the complaint of the private healthcare sector.

Dr Jonathan Broomberg of Discovery Health said GDMA is particularly concerned about the allegations that doctors increase demand of unnecessary services, including hospital admissions and medicines.

He said the HMI report has conclusion after analysing claims data. "We are of the considered view that the conclusion of the HMI report is not supported by data and conclude that many admissions are unnecessary and thus contribute to doctor-induced moral hazard."

Council For Medical Schemes (CMS) CMS acting response Dr Sipho Kabane said the CMS was concerned about the HMI's finding that medical aids should be contained in the actual number of contributions, standardisation and end-coverage benefits, and that medical aids should be more open and with smaller consortia to provide the various options available.

GEMS: Doing SA's private healthcare system will insure the introduction of more regulators, according to Dr Scott Cleland, the CEO of the Government Employees Medical Scheme (GEMS). These issues could not simply be addressed by competition and changing the private healthcare sector requires regulation.

Netcare said it remained cognisant of the need for access to quality healthcare services for all South Africans. However, the hospital group feels that with certain aspects of the provisional findings, which Dr. Richard Friedman, Netcare's executive, said "are based with "opposed flawed and unsupported by the evidence which has been made available to Netcare or its experts".

Special News

HMI Report gave DoH more than it was hoping for - Motsoaledi

Health Minister Aaron Motsoaledi stung the provisional findings of the Competition Commission's Health Market Inquiry (HMI) indicated that the commission is its ongoing fight against the exorbitant costs of private healthcare. Commenting on the HMI's Provisional Report, Motsoaledi said that the HMI's findings "exceeded our hopes." He said the Competition Commission in Hammer is what he called "the uncomfortable truth." SA's private sector following its 2004 ruling that banned collective price negotiations between medical aids and healthcare providers.

According to Motsoaledi, the HMI findings provided the Government much more evidence that it was looking for to support its claims that costs in the private healthcare sector are "out of control."

"The investigation showed that much more is needed to address the issues that many raised the 2009 ruling, particularly in enforcing regulation that stakeholders have been fighting against."

He said he noted the HMI's recommendations around the setting up of a Dispute for Regulator for Healthcare (DORH) to provide effective and efficient regulatory oversight on issues such as pricing and healthcare quality, as well as its recommendations to prohibit medical aids from contracting with providers who charge prices that are "excessive and unrelated to the cost of rendering the service." Motsoaledi however stressed that the proposed new regulator should be independent and not be appointed by him.

To read more, click on the button below.

Read more

Pharmaceutical News

Alzheimer's patients offered hope by Wits breakthrough

A new discovery by a group of SA researchers offers a glimmer of hope to Alzheimer's patients, where the cause of Alzheimer's disease.

Within two years, it could appear in pharmacies as a private report using that erases down the progression of a disease that affects millions of people. The key connections between these proteins clump together and deposit amyloid-beta plaques, reported in a paper published in the Oncologist journal.

UCT to spearhead research into antibiotic resistance

UCT has been awarded a new unit Grants for the Study of Antimicrobial Resistance in Sub-Saharan Africa, to combat the rise of antibiotic resistance.

The unit is dedicated to studying the origin, development and fundamental mechanisms of antimicrobial resistance and mathing-up-to-date information on how to prevent and offer microorganisms that cause disease. The research is funded by the South African Medical Research Council (SAMRC).

General News

Durban offers best hospital care

According to the Discovery Health 2017 patient survey Durban has one of the top 20 private hospitals out of 100 in the country.

The Life Healthcare group had the most hospitals in the top 20. Doctors' communication was the most important factor in patients' care, followed by nurses and the hospital.

Ahmed Al-Kadi Private Hospital, Durban; Busamed Gateway Private Hospital, Umhlanga; Clifton Medical Centre, Durban; Clifton Medical Centre, Durban; Clifton Medical Centre, Durban; Lenmed Health Nu Hilda Hospital, Benoni; Durban; Life Day-Care Private Hospital, Mount Nuy; Life Centurion Hospital, Johannesburg; Life Chatsworth Gardens Hospital, Chatsworth; Life Dorothea Day Clinic, Durban; Life Dorothea Hospital, Durban; Life Eastcoast Hospital, Durban; Life Glenwood Hospital, Durban; Life Sandringham Hospital, Pietermaritzburg; Life Wilgeheuwel Hospital, Johannesburg; Lenmed Hospital, Nelspruit; Mediclinic Milnerton; Cape Town; Mediclinic Vergelegen, Cape Town; Mediclinic Vergelegen, Cape Town; Netcare Hospital, Cape Town; Netcare Park Private Hospital, Pietermaritzburg; and Zulti Africaans Hospital, Pretoria.

News on Medical Aids

The long wait to NHI for medical aid members

Medical scheme members could be moved into a single medical scheme pool, which is a similar way to umbrella retirement funds on the long wait to National Health Insurance.

This is one of the measures being considered by Minister of Health Aaron Motsoaledi, the Council for Medical Schemes, which has been tasked with consolidating schemes to improve the pooling of risk and make medical aid more affordable.

Speaking at a conference on January and CEO of Discovery Medical, Ivan Kotzenberg said "the umbrella system as part of a framework for consolidating medical schemes at the Council for Medical Schemes." Kotzenberg said the Council for Medical Schemes Minister in Sun City.

Will NHI affect medical schemes?

"The Medical Schemes Amendment Bill and the Health Market Inquiry Report, are likely to impact on and cause a shock to schemes, options as changes will only take place in the NHI Bill, which is still in the hands of Schemes Act on passed, which will most likely take several years and unlikely to be ready for implementation in 2019. According The CEO of Discovery Health Overall, medical schemes expects appeal to the Minister of Health, Aaron Motsoaledi, to reconsider the latest draft regulations released issued by the Minister was at odds with the Medical Schemes Act.

Speaking at a conference on January this Motsoaledi that Ministers had increased, put the NH at risk, leaves no flexibility for the Council for Medical Schemes to carry out its CMS. The bill, about removing the co-payments has also been controversial.

Circulars:Council for Medical Schemes

CMS Council for Medical Schemes

The following Circulars were published by the CMS in July 2018.
Visit www.medicalschemes.co.za for more info.

28 of 2018
General Concerns noted during the Analysis of the 2017 Annual Financial Statements and Statutory Returns

29 of 2018
Standards of Authorisation of Auditors and IFRS Advisers

30 of 2018
Advanced Training Programme for Brokers

31 of 2018
The Executive Committee of the Council approved Accreditation of Administrators and Managed Care Organisations

Special Notices

Psychiatry Practice: Locum Position Available

A Locum position is available at a Psychiatry Practice in the Strand, near Cape Town, from October 2018 to the end of March 2019.
Contact Practice Administrator at: chris@bukeit.co.za

To advertise in Private Practice Review contact Marelize Carnelie: marelize@healthman.co.za.

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