

SUMMARY OF HEALTH NEWS: OCTOBER 2012

October's news highlights:

Ageing:

According to *Economist Intelligence Unit* **healthcare costs may decrease when governments invest in healthy ageing initiatives**. This can be done by cost-effective preventative methods like **immunisation for older people; education on nutrition; health screening; and other measures to help ageing individuals remain active and healthy** members of society and to **avoid the cost of long-term care**. The report stated that preventive measures could have up to a **fourfold return on investment** and could help adults maintain an optimal quality of life as they aged.

Meanwhile Robert Cumming of the Sydney School of Public Health said **Sub-Saharan Africa** may see a more than a **200% increase in the number of older people living with HIV** in the next 30 years, thanks to improvements in life-saving ARV treatment. By 2040 the figure could reach 9,1-m. **(p4)**

The latest on ARVs: (p4)

SA researchers have found that the **immune systems of two women living with the HI-virus were able to produce antibodies which could neutralise and kill 88% of the virus**. In an article in *Nature Medicine*, Penny Moore said researchers hoped they could use this information **to develop a vaccine that would prompt the body's immune system to make broadly neutralising antibodies**.

Obese South Africans: (p11)

A study by Profmed medical scheme has revealed **that 78% of obese and 52% of morbidly obese people in SA considered themselves to be healthy**. According to Profmed, **61% of South Africans were either overweight or obese**.

US research shows that South Africans are among the most inactive people in the world - **(58% of the women and 48% of the men are couch potatoes)**. **SA was in the third place for obesity in the world**. Prof Vicki Lambert from the University of Cape Town said **inactivity killed more people than obesity, diabetes and smoking combined**. **(p.11)**

Read more about:

Groundbreaking new hip, knee surgery; New technology (10 times more sensitive than standard methods and 10 times cheaper) that allows doctors to **'see' disease**; and Taking the "ouch" out of injections. **(p11)**

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For a five page summary on Business Day's Insights on Medical Schemes and more medical aid news: read the attachment insights medical schemes

1. NATIONAL HEALTH INSURANCE (NHI) & PUBLIC HEALTH

Motsoaledi shares his plans; Zuma announces health plan for schools

Health-e News Service, 6 October; The Star, 12 October 2012

In an interview with Health-e-News Health Minister Motsoaledi said he had two **pre-conditions for the NHI system: overhauling the quality of care in the public health system and reigning in and regulating the pricing of healthcare in the private sector.**

Five important areas in the public sector:

1. **Infrastructure:** the revitalisation of nursing schools, more mother and child health facilities and the incorporation of breast milk banks and kangaroo care rooms in maternity facilities;
2. **Human resources:** to increase the number of doctors trained; build a ninth medical school in Limpopo; rebuild other medical training facilities and increase the number of SA doctors trained in Cuba (1 000 matriculants have already been sent to Cuba to be trained as doctors).
3. **Quality** of healthcare in the public sector and **legislation** to enable this. **The Office of Health Standards Compliance** will see the establishment of units of inspectors to scrutinise healthcare facilities, an **ombudsman to handle complaints** and the appointment of **specialty trained facility improvement teams**.
3. **Re-engineering of the PHC system.** This involves the **deployment of retired nurses** to schools falling in **the 10 NHI pilot districts** and **ward-based PHC teams** led by professional nurses. HIV counselling and testing programmes, intervention with condoms and male circumcision services will also be available.
 - * The **Integrated School Health Programme** was recently launched by Pres Jacob Zuma in Cullinan and will allow pupils to access a variety of health services. The school health nurse and team would provide sexual and reproductive health services including contraception, HIV counselling and testing.
5. **Deployment of teams of specialists**, including gynaecologists, paediatricians, family physicians, anaesthetists, midwives, paediatric nurses and PHC nurses to the health districts.
 - * Motsoaledi said he is determined to **focus on the pricing of healthcare in the private sector; medical schemes should be regulated more effectively** and more ways should be found to **involve the private sector**, more specifically general practitioners, in NHI.

NHI funding proposals 'due out by February'

Business Day, 26 October 2012

The Treasury expects to publish its **delayed discussion document on financing options for NHI** before next year's February budget, according to its head of public finance, Andrew Donaldson. Speaking at the release of the medium-term budget policy statement Finance Minister Pravin Gordhan said "lots of excellent work" had been done on potential financing mechanisms for the NHI. The Treasury has previously said it is **considering a payroll tax, higher value-added tax, or a surcharge on income tax.** The **adjusted budget** sees **R1,3-bn shaved off total non-interest government expenditure in the current fiscal year, bringing it down to R878,7-bn.** This leaves the projected budget for the next two years unchanged at R953-bn and R1,03-trillion respectively.

But the Department of Health's **R27,56-bn budget for this year is increased by R500-m**, of which R366-m is earmarked for conditional grants for infrastructure. Funding for HIV/AIDS programmes would be increased in next year's budget to compensate for the withdrawal of support from the US President's emergency plan for AIDS relief (Pepfar).

Promotion of healthy ageing could cut healthcare costs

Netdoctor.co.uk, 15 October 2012

A report from the *Economist Intelligence Unit* (EIU), sponsored by Pfizer, found that **healthcare costs decrease when governments invest in healthy ageing initiatives**. According to the report **immunisation is one of the most cost-effective preventative measures for older people**. **Education on nutrition, exercise and health screening also make a valuable contribution**. Katherine Dorr Abreu, who edited the report, said it was crucial for **policymakers to consider measures that help ageing individuals remain active and healthy** members of society to **avoid the cost of long-term care**. The report stated that preventive measures could have up to a **fourfold return on investment** and could help adults maintain an optimal quality of life as they aged.

2. NEWS ON HIV/AIDS, TB, MALARIA & COMMUNICABLE DISEASES

Perilous neglect

The Financial Mail, 26 October 2012

TB might be spreading like wildfire as mine strikes worsen, said Prof Umesh Laloo of the Nelson Mandela School of Medicine at the University of KZN. According to a **Chamber of Mines review of the gold mining industry's TB programmes** TB incidence is **15 times higher among gold miners** than among the general population. Miners diagnosed with first-time TB receive their **treatment at work daily** as part of the Dots (recognised directly observed treatment, short-course) programme.

Dr Thuthula Balfour-Kaipa, the Chamber of Mines head of health services, said reports had been received of some **miners turning up for their TB treatment despite the strike**, but personal-safety problems could make that less likely and the **strike might have a detrimental effect on workers' health**.

Defaulting on TB treatment incurs a two-fold risk for the patient: the increased chance of relapse from not having completed the treatment; and the danger of developing resistance to the drugs used. Drug resistance necessitates another, longer, course of multidrug treatment, and it leads to a bigger risk of **infection for family, friends, workmates and other members of the community**. Of the 336 000 new active disease cases notified in 2010, about 2% was MDR-TB, and about 10% of those, XDR-TB.

In the beginning of this century the **TB epidemic was often concealed by HIV/AIDS**. **At least three out of five TB patients are also HIV-positive**; fighting two infections at once.

The possibility exists that this co-epidemic might spin further out of control in a country with the world's highest number of HIV-positive cases. **Beyond the mines, the public health and economic fallout of wider-spread infection could be far-reaching**, as SA's already overburdened public health system would struggle to cope. The World Bank points out that for every **100 infectious TB patients in SA, only 58 are now being found and cured** by the health system.

SA gets ready for HIV vaccine trial; Vaccine one step closer SA; HIV: Antibody breakthrough

Health-e-News 2 October; The Star, 25 October; Business Day, 22, 23 October 2012;

Dr Glenda Gray, SA co-principal investigator for the HIV Vaccine Clinical Trials Network, said **results of the RV144 Rhai study in Thailand gave hope for a vaccine to prevent HIV infection**. The vaccine had a 31% efficacy during trials. If the SA trial was successful, SA would be the first country where the vaccine would be licensed.

* Scientists from SA National Institute for Communicable Diseases and the Centre for the AIDS Programme of Research in SA announced they had found that the **immune systems of two women living with the HI-virus were able to produce antibodies which could neutralise and kill 88% of the virus**. These agents were working not just against one strain of the virus, but several different strains. **The HIV virus evolves to evade its host's immune system by adding a sugar molecule** to its surface, the host's **antibodies adapt to recognise the sugar in such a way**

they can kill 9 of 10 known strains of HIV. In an article published in *Nature Medicine*, lead author Penny Moore said researchers hoped they could use this information **to develop a vaccine that would prompt the body's immune system to make broadly neutralising antibodies.** The study is based on blood samples taken at regular intervals over several years from two women infected with HIV, enabling scientists to study how both the virus and the women's antibodies have changed over time.

- * Health Minister Aaron Motsoaledi said when an HIV vaccine has been developed it must come from SA and be available and affordable for all South Africans. SA would soon be **producing the active ingredients of anti-retrovirals through a partnership with the Nuclear Energy Corporation of SA** and Swiss pharmaceutical manufacturer **Lonza.**

ARV lifeline: one pill beats three; Life expectancy rises as HIV plans kick in; WHO' s Global TB Report; Motsoaledi endorses ' KZN approach' to HIV fight ; Researchers concerned over older people

The Times, 8 October; Business Day, 5, 18, 25 October; WHO: Media Statement, 18 October; News-Medical.Net, 19 October; SAPA, 28 October 2012

Mylan Pharmaceuticals - which manufactures a **three-in-one ARV pill** - will **be allowed to tender for a contract to supply the Department of Health (DoH)** after an agreement with Aspen Pharmacare. According to *Medécins Sans Frontières*, **the three-pill combination costs the government R113 a month per patient.** The **current three-in-one pills cost four times more** than the three separate ARVs being supplied to the government. Health workers believe prescribing three-in-one pills will improve patient compliance. Mylan and Aspen are currently the only two companies to have registered a first-line regimen three-in-one pill in SA, with Aspen buying pharmaceutical ingredients from Mylan.

- * The latest Rapid Mortality Surveillance Report from the Medical Research Council (MRC) shows **life expectancy in SA had risen to 60** and the **childhood mortality rate had fallen to 42 per 1 000 live births** due to **the rapid expansion of HIV-treatment programmes.** Between 2009 and last year the infant mortality rate fell 25 %. According to the report 49% of the deaths were attributable to HIV.

However, the death rates of babies under 28 days and maternal mortality rates appear to be getting worse.

- * **Sub-Saharan Africa** may see a more than **200% increase in the number of older people living with HIV** in the next 30 years, thanks to improvements in life-saving treatment. By 2040 the figure could reach 9,1-m Robert Cumming of the Sydney School of Public Health, said at a conference on aging in Africa that it was driven by the fact that people were **being treated with ARVs and therefore would survive to become older.**
- * The SA National AIDS Council (Sanac), which advises the government on the fight against HIV and tuberculosis (TB), will adopt KwaZulu-Natal's multi-sectoral approach, **involving all stakeholders at community level**, according to Health Minister Motsoaledi. **A core aspect of the multi-sectoral approach was "war rooms" in municipal wards** - which provincial departments had to visit regularly - and a target of having **at least 10 primary care workers in each municipal ward.**
- * An estimated **20-m people are alive today as a direct result of tuberculosis (TB) care and control**, according to the World Health Organisation (WHO) Global Tuberculosis Report 2012. In the space of 17 years, 51 million people had been successfully treated and cared for. However, WHO's latest data confirm that TB remains a major infectious killer: 2011 saw a global burden of 8,7-m new cases; an estimated 1,4-m deaths; and only 1 in 5 patients estimated to exist being diagnosed worldwide.

- * The **United Nations** has commended **SA** on its efforts to **reduce transmission of HIV from pregnant women to their newborns**. SA decreased mother-to-child transmission of HIV from 3,5% in 2010 to 2,7% last year.
- * According to the report a new **diagnostic device can be used to test patients for TB, including drug-resistant TB, in just 100 minutes**. It is now available in 67 low- and middle-income countries.

Only 1 in 3 childhood cancers diagnosed, treated

Health-e News Service, 12 October 2012

Around 2 500 SA children develop cancer every year, but **less than a third are actually diagnosed and treated**. Prof Christina Stefan, head of Paediatric Oncology at Tygerberg Hospital, said the **main cause is a lack of awareness**. According to a study by the Stellenbosch University patients were being **misdiagnosed at every level** - clinics, referral hospitals, general practitioners and even specialists. A **workshop was recently held to train members from healthcare facilities in the Western Cape in identifying the symptoms of childhood cancer**. The most common childhood cancer in SA is **leukaemia**, followed by **brain tumours, lymphoma and nephroblastoma**. More and more children are presenting with **Kaposi's Sarcoma**, a type of cancer associated with HIV infection.

AIDS takes heavier toll on men

The Mail & Guardian, 28 October 2012

According to research published in PLOS Medicine **the gender differences in deaths of people on anti-retrovirals in SA are not related to the HI virus**. **Males** on HIV treatment are almost **a third more likely to die** than females because they access antiretrovirals **at a later stage** of their disease than women, making them more vulnerable to death. They are also more likely **to leave antiretroviral programmes** than female patients. In SA about 55% of HIV-infected people are women, yet more than two-thirds of patients receiving public sector antiretrovirals are female.

PLOS study's lead researcher, Morna Cornell, said it was a not case of men not wanting to use health services, but had something to do with the **way men were being treated**, rather than them being responsible for their own mortality.

According to a recent study in the Journal of Epidemiology and Community Health, **men (on HIV treatment) in the richest fifth of the world are twice as likely to die as women**.

3. DOCTORS, NURSES, HOSPITALS & TRAINING

Doctors hit by malpractice: claims surge; 248 doctors found guilty of incompetence

The Saturday Argus, 6 October; Sowetan, 24 October 2012

Health Minister Aaron Motsoaledi announced an investigation to identify **the reasons for the increase in medical litigation and negligence claims, as well as recommendations on remedial action**. According to Dr Graham Howarth, head of medical services, Medical Protection Society (MPS), there had been a rise in **multimillion-rand clinical negligence claims**. **Neonatology, neurosurgery and spinal surgery** were areas where there had been large claims costs.

Issues driving the rise are the **cost of claims** and the **increased size of awards**; increased **advertising by lawyers**, and the **financial limits placed on the Road Accident Fund**, which forced lawyers to seek other types of personal injury cases.

- * According to the Health Practitioners Council of SA (HPCSA) **248 doctors, including nurses, were found guilty of incompetence, insufficient treatment and misdiagnosis between 2008 and 2012**. The council issued 283 fines and 137 suspensions to doctors for misconduct. Cases of incompetence rose from 18 between the 2010 and 2011 financial years to 32 in the current financial year, while insufficient care and mismanagement of patients increased from 20 in the

same period to 44 in 2012.

- * The **Gauteng health department** stands to **lose R1,4-bn in settling medical blunders**. This figure rose by R524-m as compared with last year's R876-m worth of claims, revealed in the department's 2011/12 annual report. This year alone the department has already paid out R44-m for five claims. According to the HPCSA doctors' low morale and poor working conditions were the biggest contributors.

Gauteng public accounts watchdog demands answers; Head of health quits; National grants boost for hospitals; Arbitrator rules against laboratory service; Charlotte Maxeke yet to get a clean bill of health; Patients suffer as EC hospital workers strike; Gauteng health department underperforms
Health-e News Service, 4,19 October; Business Day, 10 October; The Citizen, 10 October; SAPA, 6, 24, 28 October; The Star, 8, 18 October; The Times, 16, 18 October 2012

The **Gauteng department of health** has **missed nearly 60%** (117 of 210) of the **targets** it set out to complete in the last financial year, according to the latest financial report. More than R90-m of the emergency services' R788-m budget was not spent; R257-m of the R419-m budget for machinery and equipment and R132-m of the R722-m for building costs was not utilised.

- * **Gauteng public accounts watchdog**, Siphon Makama, said **financial irregularities were negatively affecting operations in health institutions** across the province, **therefore academic hospitals must have their own CEOs and board members with fully-fledged powers**. The department had suffered more than **R6,6-bn in losses** in the past financial year of 2011/2012. The allocated **budget was more than R24-bn**, but Makama's committee found that more than **R3,4-bn has been lost owing to the premature cancellation of contracts and litigation** against the department. **More than R2-bn was wasted in unauthorised and irregular payments; R1-bn was incurred on employees' compensation, overtime abuse and deviations not in compliance with the supply chain management policy**.
- * Meanwhile, the department is facing **R1,4-bn in medical claims**. DA spokesman on health, Jack Bloom, said the increase in claims highlighted the **deteriorating in Gauteng state hospitals**. The department paid out R44-m in claims in the 2011/2012 financial year. The department has **not won any medical negligence claims in two years**, according to Bloom. Department spokesperson Simon Zwane could not confirm this.
- * **Dr Nomonde Xundu**, head: Gauteng DoH, **requested that she be relieved of her duties**. Her move is seen as **an admission of her failure to manage the distressed department**. She is the **third head of the department to leave in 3 years**. Xundu will return to the US as SA's health attaché.
- * Gauteng health **MEC Hope Papo**, who was appointed in July and given the task of applying the turnaround plan until 2014, said the department had - by the **end of August - achieved savings of R81,6-m**, including fleet management, laboratory services, medical supplies, overtime, cellphones and travelling costs, however **the monthly shortfall was over R300-m**. He blamed his predecessor, Ntombi Mekingwe (removed from the post earlier this year), for the blunders of a string of "irrational and bad" contracts with suppliers.
- * Two months after Gauteng Premier Nomvula Mokonyane promised to address the **problems at Charlotte Maxeke Johannesburg Academic Hospital - staff shortages remain dire**: 110 critical vacancies have been filled - about a quarter of the total needed; there are **still 277 nursing vacancies, 244 of which are for professional nurse speciality posts; and 153 vacancies for doctors - 107 of which must be specialists**. Problems had worsened since the Gauteng DoH had **reduced paid overtime from 72 to 36 hours** a month.

The premier also promised to improve services at **three of the department's biggest hospitals**: Chris Hani Baragwanath, Steve Biko Academic and Dr George Mukhari. Baragwanath recently

appointed 141 nurses, 4 pharmacists, 20 cleaners and 10 security officers.

- * Gauteng **health institutions and nursing colleges will receive about R123-m** from two national grants: R110-m for **repairing hospitals and clinics** from the Health Infrastructure Grant for 2012/13 (total grant: R1,6-bn). KwaZulu-Natal will receive R393-m (24%); Limpopo (17%) and the Eastern Cape (16%). The second national grant is the National Nursing Colleges and Schools Grant, which totals R100-m.
- * The National **Health Laboratory Service (NHLS) has lost its fight with KwaZulu-Natal's health department** over claims for **diagnostic tests**, after an arbitrator found in favour of the province. KwaZulu-Natal, which only acquired the IT systems used by the rest of the service in 2010, insisted it was within its rights to pay a flat rate of **R45-m per month instead of R95-m** other provinces are paying.
- * At the end of **August provincial debt for public healthcare was R2,25-bn**: The highest debts were: R1,46-bn - KZN; R470-m - Gauteng; and R107-m - Eastern Cape.
- * A strike has left patients at the **Nelson Mandela Academic Hospital** and surrounding clinics and hospitals in the **Eastern Cape** without life-saving medicines and treatment. Reports indicate that the administrative staff went on strike because they **are unhappy about their exclusion from a performance bonus**. The hospital is one of the poorest performing hospitals in the country.

Nurses accurate barometers of hospital quality

News-Medical.Net, 10 October 2012

According to research by the University of Pennsylvania's School of Nursing, **nurses are accurate barometers of hospital quality**. Author Matthew McHugh, a health policy expert at Penn Nursing, said for a complete picture of hospital performance, **data from nurses was essential as their assessments of quality were built on more than an isolated encounter or single process** - their skills in assessing were developed over time through a series of interactions and direct observations of care. This study, published online in *Research in Nursing and Health*, included more than 16 000 nurses in nearly 400 hospitals in California, Florida, New Jersey, and Pennsylvania, four of the US's largest states accounting for more than 20% of hospitalisations annually. He said **although the patient's perspective was the most relevant quality-of-care indicator, nurse-reported quality-of-care was clearly a valuable indicator of hospital quality**.

West Coast gets medical station

The Cape Argus, 3 October 2012

Rural communities on the West Coast now have access to improved ambulance services following the opening the **R6,5-m Vredendal Emergency Medical Service (EMS)**. The unit supplies emergency medical **services to about 70 000 residents** of Vredendal and **the 19 neighbouring towns** in the region.

4. MEDICAL AIDS

Open scheme rate hikes average around 9%

Personal Finance, 27 October 2012

The **average increase** in medical scheme contributions among the **open schemes** for next year is 9,01%, according to Alexander Forbes Healthcare. Bonitas (9,9%), Bestmed (8,99%), Hosmed (7,2%), LA Health (9,9%), Liberty (11%), Makoti (4,99%), Medihelp (11,2%), Resolution Health (10,8%), Spectramed (9,4%), Fedhealth (7,9 %), Health (7,9%), Discovery Health (10,9%), Profmed (8,59%), Pharos (10,8%) and Topmed (9,47%).

Increases much lower than average: **Compcare's 6,9% and Genesis's 4,95%**.

Something rotten in the health industry; Council to get tough on medical schemes

Business Day, 8 October 2012

The Council for Medical Schemes (CMS) and DoH are planning **new amendments to the Medical Schemes Act**. The fact that serious governance failings came to light, indicated there are **systemic weaknesses that could only be addressed by amending the Medical Schemes Act, according to Alex van den Heever**, who holds the Old Mutual chair of social security at Wits. **In the past decade, 10 medical schemes have been placed under curatorship** after **trustees milked their reserves** and dished out contracts to friends and family. Among them are **Medshield, Sizwe, Bonitas, GenHealth, Medicover 2000, Pro Sano, Protea, Renaissance, and Telemed** (all open schemes). **Closed medical schemes** that are restricted to specific professional groups tend to have very tight oversight, **limiting the scope for corruption**.

- * Details of amendments have yet to be made public. **In March 2008 the Cabinet approved the Medical Schemes Amendment Bill**, but it was **never processed** since the government turned its attention to NHI.

Tribunal concerned at merger 'anomalies'

Business Day, 26 October 2012

The **Competition Tribunal requested the commission to investigate** why **contradictory information** was supplied during a merger application between **Life Healthcare** and the **Amalgamated Hospital Group** in **2001** and the **recent application** for the **merger with Joint Medical Holdings group (JMH)**. The tribunal said when Life Healthcare acquired Amalgamated Hospital Group in 2001 it stated in its merger notification that **JMH was a competitor**, yet it stated in the notification of the present merger that it was **not a competitor**, as Life Healthcare had de facto control over it. The tribunal found that Life Healthcare in practice controlled JMH, despite not owning a majority stake. With the approved transaction Life Healthcare would increase its **stake in JMH from 49% to 70%**.

The **CC recommended the prohibition** of the merger between Life Healthcare and JMH on the grounds it would lessen or prevent competition in the greater Durban area, where JMH operated. The **tribunal, however, approved the merger**. The tribunal said there was insufficient evidence that the transaction would lead to a substantial lessening of competition.

Medshield gets curator over dodgy 'research fees'

Business Day, 4 October 2012

Medshield Medical Scheme has been placed under provisional curatorship after the CMS uncovered **alleged governance failings - including inappropriate and excessive payments to trustees and illegal payments to brokers disguised as "research fees"**. There are no concerns over the financial position of the scheme. The court appointed **Themba Langa as provisional curator**. Some of the irregularities to be investigated are: "retainers" paid to chairman Thabo Mabeta in transactions; trustees allegedly paying themselves retainers, consultancy fees, expenses of more than R10,4-m and allegations that brokers had been paid illegally via an intermediary called Medshield Broker.

Mediclinic defends doctor in Dubai jail

Business Day, 3 October 2012

Mediclinic International is lobbying the United Arab Emirates (UAE) to **change its medical liability laws after the arrest last month of a Cape Town doctor on manslaughter charges**. **Dr Cyril Karabus was tried and convicted in absentia**, sentenced to a 3,5 year jail term and ordered to pay 'blood money' after the death of a child in Abu Dhabi in 2002. In the UAE patients can lay criminal charges against doctors, who face jail terms and fines if convicted. Mediclinic Middle East's CEO David Hadley said **30 medical malpractice claims had been brought against Mediclinic since it opened its doors in Dubai in 2006**.

More news on medical schemes in insightsmedschemes

5. PHARMACEUTICALS

Pharmacists still awaiting permits

Fin24.com, 7 October 2012

Pharmacists who recently completed a **refresher course to diagnose and prescribe medicine for certain illnesses are still waiting for their permits**. According to the DoH the Pharmacy Board is to blame. The refresher course must be successfully completed before the end of next year by pharmacists who have completed the postgraduate qualification in Primary Care Drug Therapy (PCDT) before 2011.

Cipla CEO quits ahead of hearing; Cipla Medpro lists 'charges' against Smith; Questions remain

Business Day, 8, 9 October, Business Report, 9 October; Financial Mail, 19 October 2012

Cipla Medpro's suspended CEO, Jerome Smith, has **resigned on the eve of a disciplinary hearing against him**, a move that analysts say may **pave the way for a takeover of the local pharmaceutical company**. Smith had alleged that he was **pressurised, held to ransom and threatened into apologising and acknowledging his wrongdoings**. Smith said he had been advised by his lawyers that it would be **inappropriate to respond and conduct a "trial by media"**.

- * **Cipla Medpro alleged Smith paid himself R3,6-m in unauthorised bonuses, took undeclared interest-free loans from the firm, fiddled his expenses, misused the company's facilities, including its bank account, funds, administration, staff and tax status**. The board also alleged that Smith had **breached his contract as chief executive and did not act in the best interests of the company when he made serious and disparaging allegations against the board**.
- * Investment Managers' David Couldridge said there **should be internal control systems in place to identify and prevent these kinds of issues**. Cipla Medpro chairman S'bu Luthuli said Smith had been asked to pay back the amounts that were not authorised and **he had paid back the bonuses**.
- * In its issue of 19 October *Financial Mail* states Cipla **refused to give direct interviews with key executives** and several **calls and messages to Smith remained unanswered**.
Allan Gray – holding more of 10% of Cipla – **answered "no comment"** when asked if it had meetings with the board of Cipla. **Sanlam Investment Management** - also a major shareholder - described Cipla's **lack of communication as "unfortunate"**.
- * Johan du Preez will continue to serve as interim chief executive.

Generic drugs are vital for a healthy Africa

Mail & Guardian, 9 October 2012

According to the **Council for Health Research and Development**, an international non-governmental organisation based in Switzerland, **only 37 countries in Africa have some capacity to produce pharmaceuticals**. SA is the only country with limited primary production of active pharmaceutical ingredients. Pharmaceuticals, especially those needed for HIV/AIDS and non-communicable diseases, are imported from the USA, Japan, France, Germany and the UK.

- * At a recent conference in Cape Town Prof Richard Sullivan of King's College in London, said the price **of technology and drugs drives more than 75% of the escalating costs of healthcare globally**. **Generic versions of these drugs might offer the only way to ensure that more people gained access to quality treatment, especially in oncology**.

Reports suggest that **more than 50% of the population now uses generic medicines**.

6. FINANCIAL NEWS

Drug firms get ready to bid for state's new AIDS tender

Business Day, 12 October 2012

JSE-listed pharmaceutical companies are gearing up to **bid for the DoH's latest AIDS-drug tender of R6-bn - R9,5-bn**. Strong bids are expected from **Aspen Pharmacare, Adcock Ingram and Cipla Medpro**. The two-year tender takes account of the Department of Trade and Industry's designation of the pharmaceutical industry as one in which **preference should be given to local manufacturers** and a commitment to providing patients with three-in-one HIV-pills. It also allows a **three-month transition period** when the government switches suppliers.

Adcock Ingram has just been awarded about **75% of the DoH's tender** for "large volume parenterals" - a contract worth about **R288-m**.

Activists write to Health Minister regarding ARV tender

Health-e News Service, 23 October 2012

Due to **concerns with the ARV-tender**, the Treatment Action Campaign and Médecines sans Frontières (MSF) sent a joint letter to the Minister of Health. Issues raised include: A request that **procurement procedures should be assessed**; the wording of the ARV tender specifying that **the inclusion of Fixed Dose Combinations (FDCs) will be based on economic considerations alone**, given the current pricing of FDCs in SA's private sector; and, a reminder that not only are **FDCs available in developing countries for as little as R69 (Ranbaxy)**, but that **the benefits of FDCs far outweigh cost considerations**.

Lenmed to open new hospital in Mozambique

Business Day, 29 October 2012

President Armando Guebuza from Mozambique is expected to formally open **SA private hospital group Lenmed's new facility in Maputo**. Lenmed has been operating in SA since the early 1980s and more recently expanded its reach into Mozambique and Botswana. The **104-bed Hospital Privado de Maputo** was commissioned last year after it was discovered that lots of patients from Mozambique travelled to SA to make use of private hospitals. Lenmed owns **60% of the business**, with the remaining stake held by Mozambican company Invalco. Lenmed recently acquired a 70% stake in the 200-bed Lenmed Health Bokamoso Private Hospital in Gaborone, Botswana for an undisclosed sum. A spokesperson for Lenmed said the company also had expansion plans in SA.

Africa is healthy market for drug firms

Business Report, 31 October 2012

Pharmaceutical markets in **sub-Saharan Africa earned revenues of \$2,2-bn (R19bn)** in 2011 and are estimated to reach \$5-bn in 2018 as a result of the **growing middle-class, increasing incidence of non-communicable diseases** and the continued burden of **infectious diseases**. These markets are expected to an **annual growth rate of 12% from 2011 to 2018**, with the fastest growth to be experienced in **Ghana and Tanzania**.

Research by Frost & Sullivan looked at Ghana and Nigeria, Tanzania, Kenya, Botswana and Zambia with the focus on the therapeutic segments including anti-infectives, cardiovascular, diabetes, respiratory, oncology and central nervous system medicines. **An anti-infective pharmaceutical market** which comprises antiretrovirals, antimalarials and antibiotics represented **44,2% of sales**. The cardiovascular segment represented 11,8% percent of sales.

7. GENERAL NEWS

Inactive South Africans face peril of disease; most obese South Africans in denial

SAPA, 18 October; Cape Argus, 2 October 2012

A study by Profmed medical scheme has revealed **that most overweight people are in denial: 78% of obese and 52% of morbidly obese people in SA considered themselves to be healthy.** According to Profmed, **61% of South Africans were either overweight or obese.**

- * Another report from the Centre of Metabolic Medicine and Surgery (CMMS) stated **66% of women and 33% of men in SA were overweight** and 10% of men and 28% of women might be morbidly obese.
- * According to **US research** (Prof I-Min Lee from Harvard), South Africans are among the most inactive people in the world - **(58% of the women and 48% of the men are couch potatoes)**. This leads to people likely to suffer from **chronic conditions such as diabetes, hypertension and cardiovascular diseases.** Prof Lee said **SA was in the third place for obesity in the world.** Prof Vicki Lambert from the University of Cape Town said **inactivity killed more people than obesity, diabetes and smoking combined.**

Taking the "ouch" out of injections.

Business Day, 2 October 2012

A new **laser-based system that blasts microscopic jets of drugs into the skin could soon make getting a shot as painless** as being hit with a puff of air, according to **South Korean scientists.** A laser (commonly used for facial aesthetic treatment) is used to propel a tiny, precise stream of medicine with just the right amount for force. The aim is to penetrate only the epidermal layer of the skin where the skin has no nerve endings, so the method will be completely pain-free.

Company to sue over 'quack' claims

Business Day, 12 October 2012

Local complementary medicine company **Solal Technologies is suing consumer Kevin Charleston for defamation** after saying Solal's magazine, *Health Intelligence*, was **"a disguised marketing programme for Solal Technologies, a company that actively promotes pseudoscience and aggressively attempts to shut out valid criticism of its advertising"**. The article was accompanied by an image of an old advertisement claiming that "asthma cigarettes" could offer relief from asthma, hay fever and bad breath and was published on the website Quackdown, jointly owned by the Treatment Action Campaign (TAC) and the Community Media Trust. **Solal demands damages of R350 000. Solal recently resigned from the Health Products Association (HPA), a body for companies that sell complementary medicines.**

Groundbreaking new hip, knee surgery brings hope

The Star, 15 October 2012

Tembisa Hospital has been chosen by medical technology company Smith & Nephew to **launch a pilot project for knee and hip replacement surgery.** Top orthopaedic surgeons from state hospitals attended the **groundbreaking arthroplasty surgeries taking place over two days.** The replacement device, **Visionaire**, is made exactly according to the patient's anatomy, using a 3D model. Dr Richard von Bormann, president of the SA Knee Society and a consultant orthopaedic surgeon at Groote Schuur Hospital, performed the surgery.

Doctor shortage spreading in US; Healthcare costs: top concern for US executives; on-site health clinics *Bloomberg, 22 October; Reuters, 22 October; The Washington Post, 22 October 2012*

US Corporate executives are more worried about **providing healthcare benefits** to their employees than about issues like wages, taxes or attracting qualified workers, according to a survey by recruitment company, Adecco SA. In a poll of senior executives, **55% named healthcare benefits as**

their **biggest current business challenge**, and about a third said they were holding back hiring because of healthcare reforms introduced by Pres Barack Obama.

- * **On-site healthcare clinics are increasingly being set up at large companies** in the US to reduce healthcare costs and boost employees' productivity. A recent study by the National Business Group on Health found that **46% of large employers offered at least one on-site clinic**. Experts say that the implementation of the Affordable Care Act could accelerate or expand interest in employer-sponsored clinics.
- * The **US doctor shortage is now hitting large population centres** such as Las Vegas and Detroit where people are forced to wait weeks or months or travel hundreds of miles for care. Nationwide, there is a shortage of more than **13 000 doctors**, according to the Association of American Medical Colleges. This could grow **10-fold to 130 000 doctors within 12 years** as the US population ages and 30-m more people are added to insurance rolls under the 2010 healthcare law. Greater use is being made of **nurse practitioners and physician assistants, who can prescribe medicines and diagnose and treat many illnesses**. The US government has offered **incentives, like loan repayments and scholarships**, to get doctors to practice in under-served areas.

Pioneering study exposes pollution's disease burden

Reuters, 24 October 2012

According to the "2012 World's Worst Pollution Problems" report **pollution from factories and mines is putting the health of 125-m people at risk worldwide** and is as dangerous in the developing world as malaria or tuberculosis. People living near **tanneries, recycling plants, chemical factories or mines**, among other toxic industries are the most vulnerable. Researchers examined more than 2 900 active or shuttered industrial sites in 49 low- and middle-income countries and estimated the health impact of pollutants - such as **lead, mercury or chromium** - on the people who live nearby or work at the sites. The report cautioned that in many cases the data were "very limited". **Smaller companies**, often producing for local markets, tended to have **the biggest negative health impact**. In the 49 countries, representing about two-thirds of the world's population, more than **17-m years of healthy life might be lost because of pollutants** caused by the 10 industries examined, compared with **14-m for malaria, 25-m for TB and nearly 29-m for HIV/AIDS**.

Test allows doctors to see disease

AFP, 28 October 2012

Scientists in Britain have used a **super-sensitive test using nano-particles to scan for molecules of p24, a marker for HIV infection, and Prostate Specific Antigen or PSA**, an early indicator of prostate cancer. A statement said that if the result was **positive for p24 or PSA**, there was a reaction that generated irregular clumps of nano-particles, which gave off a **distinctive blue hue** in a solution inside the container. If the results were **negative**, the nano-particles separated into ball-like shapes, creating **a reddish hue**. Both reactions can be easily seen by the naked eye. The technology was **10 times more sensitive than existing standard methods and also 10 times cheaper**. This could pave the way for more widespread use of HIV testing in poorer parts of the world.

Questions loom over SA deaths, orphans

Business Day, 31 October 2012

Statistics SA declared in the **latest census report** that **the mortality figure of 604 000 in the reporting period was underreported**. The report found that the number of orphans in cases where the mother or both parents had died had **more than doubled** in the last 10 years, topping 7,1% for maternal orphans and 3,7% for those who lost both parents. Prof Rob Dorrington of actuarial science at the University of Cape Town said the **number of orphans did not accord with estimates based on mortality**. In the case of orphans who had lost their mother, there was the "adoption effect" - reporting an adopted mother as a biological mother. In the case of fathers, there was bias resulting from absent fathers being reported as being dead. Dorrington said it might not be apparent from the reports, **but none of the figures presented were actual counts ... but were estimates, based on a fairly big adjustment for an estimate of the undercount**. As such they should all be presented with bands of uncertainty.