SUMMARY OF HEALTH NEWS: NOVEMBER 2013

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NOVEMBER: FOOD FOR THOUGHT:

CC investigating ... healthcare sector waiting in suspense

At the recently held Hospital Association of SA (HASA) conference Health Minister Aaron Motsoaledi denied rumours that he would convince the Competition Commission (CC) to do things that would destroy the healthcare system and, especially, the private healthcare system. His agenda was very transparent: that healthcare must be affordable for everybody, he said. Acting competition commissioner, Tembinkosi Bonakele, said government had never pretended to be neutral in the debate over the CC's market inquiry into the healthcare sector. The CC's independence was guaranteed by statute. The panel of inquiry - to be appointed by the end of the year - would consist of "eminent persons with an appropriate balance of skills" (including lawyers and health economists) and would look into hospital groups, the funders of medical care, all companies along the value chain, as well as the demand for health insurance and the nature of the relationship between medical schemes and administrators. **Bonakele said the government probably had an outcome in mind and obviously had a vested interest in the outcome. The inquiry will start in January 2014, and terms of reference should be announced in December after being postponed for several months. The aim is to publish a draft report by September 2015 and a final report by the end of 2015.**

* Bonakele admitted that there had been criticism of the CC's decision in 2003 - that the annual negotiations between medical schemes and healthcare providers on the tariffs that providers would charge for their services constituted collusion and were therefore in contravention of the Competition Act.

No NHI mentioned in SA's budget plans?

Dick Forslund, researcher and economist: Alternative Information and Development Centre, writes in *Business Report, 27 November:"*Since the DoH published its Green Paper in 2011, the public debate about how to finance the National Health Insurance (NHI) reform has been in limbo. Behind closed doors, there has been a fierce debate between the department and the National Treasury. **In the medium-term budget policy statement (October), the acronym NHI does not appear. In real terms for 2012/16 alone, the Treasury is about R150-bn behind the plan for public health reform, modelled in the 2011 Green Paper. There were no traces whatsoever of the NHI in the Treasury's budget plans.** The 2011 Green Paper proposed that the size and strength of the public health sector ought to be more than doubled between 2010 and 2025, making clear that resources would have to be transferred to public health from private health. However, there is a limit to possible reallocations within the budget. **A thoroughgoing reform like NHI cannot be financed with increased borrowing and, whatever the National Development Plan says, it is very unlikely that economic growth will be above 3% every year until 2025.**

The DoH and the Treasury are miles away from each other in their vision of a reformed public health sector. The gulf in numbers reflects an ideological gulf and two kinds of politics. In short: **the Treasury does not want to confront the private insurance industry and the private health oligopoly.** Friends of public health, who neither want a mere parody of public sector health reform nor a public sector health turned into another Eldorado for tenders and corporate profiteering, must sound the alarm. Much of the financing discussions on the NHI have been kept out of the public domain."

Bonitas: Neighbourhood doctor the key to healthcare costs

"Based on our experience of running one of the biggest medical aids in the country, it seems there is one central way to attack these costs directly - improve the skills of doctors and practitioners," said Dr Bobby Ramasia, principal officer of Bonitas in an interview with *Business Times*. According to the CMS's latest report, payments to hospitals and specialists accounted for 60% of the total paid to providers; and the especially worrying part is that these costs are escalating at a rate of between 11% and 12% annually. **He said Bonitas' figures show that a large proportion of hospital costs result from overnight admissions, in particular for pneumonia and gastroenteritis. It could be avoided by educating general practitioners on clinical guidelines and giving them clear instructions on how to manage these conditions in outpatients, he said. If GPs were provided with greater skills, they would be equipped to perform relatively minor procedures in their rooms rather than referring them to specialists and hospitals.**

* Bonitas has established a programme designed to enhance the surgical and medical skills likely to be needed by GPs. The ultimate objective is to increase the GPs' ability to manage patients more appropriately at a primary care level to reduce the pressure on the already overburdened secondary care level. When the NHI scheme takes off in the next few years, this and similar schemes will be invaluable to keep a lid on costs, he said.

Ideological logjam robs the ill of SA

In an interview with Chris Barron of *Business Times* (24 Nov) **Netcare CEO Richard Friedland blamed government of being the biggest obstacle to universal healthcare in SA.** Public-private partnerships between groups such as Netcare and the state would be the quickest and most effective way to improve access, he said. Netcare embraced the concept of universal healthcare and stood willing to play an active role. The model for this has been tested in the UK, where Netcare is in partnership with the government to reduce waiting lists that its own National Health Service cannot handle, and in Lesotho, where Friedland claims Netcare has helped to transform the public health system. He said Netcare would happily submit to price regulation in the case of state-funded patients, but price regulation for private patients "would not be competitive". Friedland said the government's confrontational attitude was not going to help anyone. He said government and the private sector must start cooperating because SA citizens deserved better access.

1. NATIONAL HEALTH INSURANCE (NHI) & PUBLIC HEALTH

Government faces challenge to strike balance on drug patents
Business Day, 6 November 201
The government's policy on intellectual property will seek to balance the needs of public health and the interests of innovative pharmaceutical companies, said Trade and Industry (TDI) Minister Rob Davies when his department released a draft national policy on intellectual property for public comment on September 4th. Activists regarded this as an opportunity to lobby for measures they believe will lower the price of medicines. **Davies said the aim of the health-related provisions was to bring SA's laws in line with international agreements,** which have legal flexibilities effectively allowing countries to break medicine patents in a public health emergency by issuing compulsory licenses to local manufacturers of generic medicines.

* Similar provisions have been used by countries such as Brazil and Thailand to break patents on HIV medicines. The Doha declaration also allows parallel importation of medicines, which means a company or non-governmental agency, can import a patented drug from another country where the same product is sold at a lower price. Davies dismissed criticism that the draft policy was vague and confusing, saying it was unfinished and was intended to be a point of discussion.

Report shows SA infants' well-being follows colour lines
SAPA, 18 November 2013
Huge disparities in the living conditions of black and white infants were highlighted in a report *SA's Young Children: Their Parents and Home Environment 2012*. On access to health care for under five-year-olds, the report shows only 11.7% of white infants lived in households that used public hospitals or clinics. Black African (82.8%) and coloured (66%) population groups lived in households that used public hospitals or clinics, whereas 55.4% from the Indian/Asian and 65.2% white population groups mainly used private doctors. The report's authors called for more targeted policies to correct the country's racial disparities.

Minister to name health watchdog officials
Business Day, 25 November 2013
The DoH has received 93 applications for the soon to be appointed commissioners for the new healthcare watchdog, the Office of Health Standards Compliance (OHSC). According to Minister Motsoaledi, officials had made recommendations to him for the appointment of 12 commissioners for a five-year term. The OHSC is a statutory body established through the amendment of the National Health Act to regulate and monitor compliance with norms and standards for healthcare delivery. It is one of the initiatives Motsoaledi has been pushing as a mechanism to improve service delivery in public hospitals. It will also accredit institutions that want to provide service under NHI. **While industry players have welcomed the new body, they have raised concerns about its autonomy and said it may suffer from political interference since commissioners will be appointed by Motsoaledi.**

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

Earlier HIV treatment could save SA money
Health-e News Service, 7 November 2013
Starting HIV patients on ARVs earlier may save SA money in the short-term, but doctors cautioned such a move may put patients at risk. In 2011, the HPTN 052 study found that starting HIV-positive people on ARVs earlier and at higher CD4 counts of between 350 and 550 reduced their risks of transmitting the virus by about 96%. Research published in *The New England Journal of Medicine* found that earlier treatment in SA would save money primarily by preventing illnesses like TB in people living with HIV. **But in the long run, early treatment is likely to cost the country about as much as treatment under the country's current guidelines,** because patients will live much longer and take these effective medications for many years.

Wits HIV breakthrough

The Times, 21 November 2013

According to Wits researchers Maria Papathanasopoulos and Dr Penny Moore about 1 000 South Africans were still being infected with HIV every day in spite of male circumcision and the use of condoms. An effective vaccine against HIV has to provide people with the right kind of HIV protein that ''instructs'' the body how to make neutralising antibodies. Papathanasopoulos, a pathology professor, **injected a protein into rabbits that caused their bodies to produce the correct broadly neutralising antibodies needed to fight all strains of the virus.** The groundbreaking Wits research could be a major leap forward in the global fight to develop an HIV vaccine. Similar tests will be done on monkeys.

New weapon in war on TB

The Times, 7 November 2013

Thanks to the latest technology, the GeneXpert machine, **doctors now have access to a revolutionary new way of testing that may dramatically reduce the time it takes to get a diagnosis for multidrug-resistant TB.** The machine cuts diagnosis time from about 25 days to less than a day. Unfortunately it usually takes about 17 days before a patient could start treatment, according to Pren Naidoo, head of operational research at the TB centre. Naidoo said poor management of laboratory results in clinics, and difficulties in tracing patients who did not return for appointments, contributed to delays. 279 GeneXpert machines have been installed in National Health Laboratory Services laboratories and district hospitals. Though there were more than 15 000 cases of multi-drug-resistant TB in SA, only 7 000 people were on treatment.

Call for free cancer drugs for all; Help for cancer kids

The Times, 19, 20 November 2013

At the World Cancer Leaders' Summit Neil Kirby, chairman of Campaigning for Cancer and Werksmans lawyer, **called for a change in the law to allow patients with medical aids to apply for donated treatment while remaining with their own doctors in private practice**. Since 2002 the state's life-saving programmes have run on drugs donated by pharmaceutical companies to selected government patients. The law forbids pharmaceutical companies to donate medicine to the private sector or sell medicine to private companies at reduced prices. Kirby suggested the National Health Act include a clause to allow private and state patients to apply for expensive drugs donated by drug companies. (Over 50% of cancers occur in low- and middle-income countries and this will be over 70% by 2020.)

* Meanwhile the International Society of Paediatric Oncology and the Sanofi Espoir Foundation, called on African governments to put childhood cancer high on their national agendas, saying most childhood cancers were curable. Up to 80% of children in developed countries who have cancer are cured, but in Africa the figure drops to between 10% and 20%. Often cancer is detected too late and treatment is not available or affordable.

3. DOCTORS, NURSES, HOSPITALS & TRAINING

SA 'cannot afford' the medical specialists it trains; Top doctors a dying breed

Business Day, 30 October; The Times, 30 October 2013

The government is training enough medical specialists but does not have the budget to employ them all, health consultant Nicholas Crisp told delegates at the recent HASA Conference. Although there was sufficient production capacity, the problem was employment capacity. Crisp challenged the perception that SA's medical schools were not producing enough specialists. He argued that government's financial problems meant it could not increase the salary budget for healthcare workers, which currently stood at 72% of public health expenditure.

* **SA could experience a serious shortage of gynaecologists, anaesthetists and surgeons within the next 10 years.** The current shortage was causing massive backlogs, with experts warning that patients at state hospitals were not receiving adequate treatment. The worsening shortage of urologists, neurosurgeons, cardiologists, oncologists, radiologists and critical care specialists was also discussed at the HASA Conference.

Between 2002 and 2010, SA produced only 3 500 medical specialists, of whom more than 2 000 went into the private sector or emigrated. Experts called for better coordination between the departments of health and of education to bring the number of graduating specialists in line with the demand for their services.

* **Figures provided at the conference reveal that: SA has a ratio of 0.18 specialists to 1 000 people**. Developed countries have a ratio of about two or more; There are 815 vacancies for specialists in the public sector; 3 000 specialists are employed in this sector; the number of specialists in the Eastern Cape has fallen by 10% in the past few years; and by almost 20% in Limpopo; In 2009, research by Colleges of Medicine revealed that 30% of registrar positions at universities were vacant and unfunded; and **SA is the fourth-biggest supplier of specialists to the UK** after India, Pakistan and Ireland.

Limpopo: Hospitals are in shambles

The Star, 6 November 2013

They are not cooking the books. But the nurses at a Limpopo clinic are using a stove to store their patients' files. More files are kept in a kitchen sink. And, to do paperwork, nurses use a stretcher bed because they do not have enough tables. These are the conditions under which staff at Dr Hugo Nkabinde Clinic in Tzaneen work. The DA discovered this during an oversight visit to the clinic. Equipment shortages, patients sleeping on the floor and a lack of wheelchairs are some of the other problems.

Eastern Cape: Parliament's help sought in health crisis

Business Day, 7 October 2013

The Eastern Cape Health Crisis Action Coalition **urged parliament to intervene by helping to fix the province's collapsing health system.** The coalition, which represents more than 20 civil society and professional organisations, released a hard-hitting report in September, detailing the hardship facing many of the province's patients, and prompting swift intervention from Health Minister Motsoaledi. Activists said Motsoaledi's plans to tackle the problems did not go far enough and had not been adequately budgeted for. The chairman of parliament's health portfolio committee, Bevan Goqwana, undertook to broker a meeting between the coalition and the MEC.

Gauteng: New medical varsity to open in two years; Ambulance crisis; Gauteng Health sued for R3.7bn; Cancer groups threaten legal action

The Star, 12 Nov; The Times, 4 Nov; SAPA, 17 Nov; Health-e News Service, 21 November 2013

Gauteng's new medical university will start taking in students in 2015. The Department of Higher Education and Training said it was being set up as a health and allied services university and would go all the way from diplomas and certificate programmes through to PhDs. This follows the reorganisation of the University of Limpopo, set up in 2005 from the old University of the North (Turfloop) and the old Medical University of SA (Medunsa). Medunsa had about 3 500 students, who would move to the new Gauteng university, which would eventually have about 7 500 students. It would use the Medunsa campus at Ga-Rankuwa, northwest of Pretoria, where land was available for expansion. Clinical links to hospitals in Gauteng and North-West were being set up. An interim council would appoint interim management to work with the University of Limpopo in order to incorporate Medunsa into the Gauteng institution.

* **People in Tshwane are dying for a want of medical treatment as the city battles a "critical" ambulance shortage.** Tshwane has less than half the ambulances it needs - only 51 as opposed to 110. Financial problems in the provincial health department in the past five years had led to the collapse of the ambulance services. MEC Hope Papo said that, in the 2011-2012 financial year, the city bought 22 ambulances (R9.4m); and 20 more will be bought in the 2014-2015 financial year.

* **The Gauteng health department faces R3.7bn in legal claims**; up from R2.7bn in at March 31. DA MP Jack Bloom said R3.415bn was claimed in1 002 medico-legal cases. There were also 326 civil claims for R265m, and 159 emergency services claims at R9.7m.

* **Steve Biko and Charlotte Maxeke academic hospitals are struggling to cope with cancer patient loads**. Care is compromised due to regular equipment breakdowns, and shortages of drugs and staff, according to DA MP Jack Bloom. Patient groups like People Living with Cancer and Campaigning for Cancer are considering legal action against the provincial DoH in order to properly advance patients' constitutional rights of access to healthcare. At Steve Biko as many as 300 cancer patients are on a waiting list for treatment dating back to 2012, while cancer patients at Charlotte Maxeke wait up to two months for radiation treatment. According to Bloom, Steve Biko's cancer department has 164 vacant posts.

Western Cape: Fury over merger; Province gets healthcare rolling

Cape Argus, 1, 26 November 2013

* **Hundreds of young children from rural and poor schools in the Western Cape will have health services on their doorstep following the launch of a mobile clinic service** to check teeth, hearing and vision, among other health issues. Health MEC Theuns Botha said the R24m project would initially be run by the provincial government. The department was negotiating with partners like Nedbank and Eskom which already run similar services in other provinces.

* Staff at the Western Cape College of Nursing fears that the proposed merger between the college and Cape Peninsula University of Technology (CPUT), may lead to job losses and fewer nurses being trained. The provincial department is doing away with the college's nursing diploma in favour of CPUT's BTech programme. It is the only nursing college in the province and incorporates satellite campuses including those in the Boland, George and Stikland. The unions feared that under the CPUT programme only 200 nurses would be admitted, as opposed to the 350 to 400 the college admitted.

KZN health faces R990-m in legal claims

SAPA, 18 November; Sapa 26 November2013

The KZN health department faces legal claims relating to medical negligence of at least R990m. DA health spokesperson Makhosazana Mdlalose said almost R800m of the claims were related to maternal healthcare. Claims totalling R100m were made against Durban's Prince Mshiyeni Memorial Hospital; R60m was claimed against Durban's King Edward VIII, and R40m against Durban's Addington Hospital.

* Meanwhile it was announced that two of the KZN's officials, the department's chief financial officer, Mashaka Ravhura, and its head of supply chain management, Andile Zondo, have been suspended hanging an investigation. This is the second time in seven years that Zondo has been suspended.

New study praises healthcare staff

Cape Argus, 4 November 2013

An international study (published in *The Bulletin of the World Health Organisation* (WHO)) found that qualified health workers such as nurses, midwives, and surgical assistants can do as good a job as qualified doctors when treating some complex medical conditions including psychiatric disorders, premature births, performing of caesarean sections and HIV infection. The review analysed more than 50 studies from around the world over the 20 years. While researchers commended the use of health workers instead of medical doctors, they warned that - without adequate training - the quality of care could be poor. It suggested that it would be cheaper for countries to train and employ health workers rather than medical doctors as they were easier to retain in rural areas. Dr Giorgio Cometto, co-author from the Global Health Workforce Alliance, which funded the research, said **a shift from an expensive doctor-led provision of healthcare that focused on curative services was needed by many countries although universal health coverage was still a challenge.**

4. MEDICAL SCHEMES

You could pay less for medical scheme cover

Personal Finance, 2 November 2013

Medical scheme members could pay lower contributions, more low-income earners could afford to join schemes and much-needed funds could be freed up for use in the public healthcare sector if a few reforms were introduced, said Barry Childs, a healthcare actuary with Lighthouse Actuarial Consulting at the annual HASA Conference.

One of the earlier reforms recommended was **mandatory medical scheme membership for people in formal employment**. The average amount spent on medical scheme contributions could be reduced to R807 a month - a decrease of 15% for high-income earners, while low-income earners - whose contributions were cross-subsidised by high-income earners - could be decreased to R487 a month. This would encourage almost 13% of the population to join low-cost medical scheme options, leading to an increase from 17% to 30% of the population covered by schemes. **The number of people who relied on the state for healthcare will therefore be reduced and government will be able to increase the average amount it spent on users of public healthcare facilities by 19%.**

Medical schemes to pass on costs

Business Report, 15 November 2013

According to the medical schemes rating bulletin released by Global Credit Ratings (GCR), certain schemes have reported elevated claim ratios despite adopting strategies to manage their claims costs. These include forming doctor networks and naming designated service providers. GCR observed claim trends from 15 of the country's largest open schemes for last year. All schemes said their claims costs were largely driven by PMBs.

Doctors furious as health council spurns fee proposal

The Times, 15 November 2013

SA Medical Association (SAMA) chairman, Mzukisi Grootboom, said **the medical association would fight the Health Professions' Council "tooth and nail" for fair payment.** He accused them of being used by the DoH to regulate doctors' prices and push them as low as possible. **This follows advertisements being placed by the council in Sunday newspapers; asking for public comment by the third week of November on a new proposal for determining charges for medical services.** However, months ago, doctors and 60 interested partners had already submitted comments on doctors' remuneration, and were waiting for the council's response, Grootboom said. SAMA said it spent about R500 000 on actuaries, lawyers and economists to determine "reasonable tariffs". The SA Private Practitioners Forum (SAPPF) also spent hundreds of thousands on lawyers and research

5. PHARMACEUTICALS

Pharmacy deal will cut clinic queues

Cape Argus, 6 November 2013

Thanks to a possible agreement between Western Cape DoH and 120 pharmacies, state patients who need family planning and baby inoculation services no longer have to queue at clinics but can go to their local pharmacies. **Partnerships between the DoH and companies (including Clicks, Dischem, Medicross, Netcare and Pick n Pay) would improve delivery across the province and boost smaller pharmacies.** Free inoculation and contraception services will be provided at certain times. The department will provide vaccines and contraceptives to the private pharmacies, which will provide services at nominal fees of up to R50 for family planning and R75 for infant inoculations.

Super drugs: Pay up or die

The Times, 18 November 2013

Discovery projects that in 2016 the super drugs will cost it R3bn and account for 47.6% of its spending on drugs for only 10% of its patients. Dr David Eedes of Icon, an organisation that guides medical aid schemes on cancer treatment protocols, said the trend of increasing costs was unlikely to stop because there was a flood of new products entering the market. He said there were some that were useful and had a good cost-benefit ratio and some that were extremely pricey with tiny or questionable benefit.

State moves on 'miracle cure' drugs

Business Day, 22 November 2013

According to new regulations in terms of the Medicines and Related Substances Act a tightly defined category of complementary medicines are subject to the same regulatory oversight as conventional medicines. MRA Regulatory Consultants director, Henriette Vienings, said it meant that if a company was selling a complementary medicine that claimed to cure cancer, it would have to have the evidence to prove it. But the regulations were unclear about the status of products submitted to the MCC under a complementary medicine call-up notice in 2002 that fell outside the new definition. In terms of the regulations, **complementary medicines must carry a disclaimer stating, "This medicine has not been evaluated by the MCC (and) is not intended to diagnose, treat, cure or prevent any disease" until they are registered**. The MCC is planning to begin its scrutiny of complementary medicines with those categories considered to be the greatest health risk. A call-up notice was issued for complementary medicines for diabetes, heart disease, HIV/AIDS and cancer, giving firms six months to apply for product registrations.

Novartis chases Pfizer in new breast-cancer drug race; State opens way for CFR takeover of Adcock

Business Day, 26, November 2013;

Novartis is hot on the heels of Pfizer in developing a promising **new type of breast-cancer drug that represents a targeted approach to fighting the dread disease.** The Swiss drug maker revealed that its experimental pill LEE011 was set to enter final-stage Phase III clinical trials next month. Pfizer's rival drug Palbociclib - the first in the class - is already in Phase III testing, but Novartis's rapid progress means the US group could face competition sooner than expected. **Both drugs are pills and work by blocking two enzymes known as cyclin-dependent kinases (CDK) 4 and 6.** According to pharmaceutical information firm IMS Health, cancer drugs are expected to be the top-selling therapy area in the coming years, with sales in developed markets forecast to reach between $74bn and $84bn by 2017.

6. FINANCIAL NEWS

Adcock has key support for CFR deal; CFR will not sweeten deal; Warning on results

Business Day, 31October; 7, 11, 18, 28Nov; Business Times, 3, 10 Nov; Business Report, 1, 20, 28 Nov 2013

* On 15 November CFR announced a "firm" offer of R126bn for Adcock Ingram, of which between 51% and 64.3% will be cash, and the balance in shares. CFR is 73% controlled by the family of CEO Alejandro Weinstein, and is Chile's biggest pharmaceuticals company. Adcock said it has secured irrevocable support from institutions representing nearly 30% of shareholder votes. These included Visio Capital, Absa Asset Management, Stanlib Investment Management, Afena Capital, 36One Asset Management and Sanlam Asset Management. The Public Investment Corporation (PIC) still opposed the deal, (PIC holds 18.9% of Adcock Ingram's stock, making it the biggest and most influential shareholder) but CFR's CEO Alejandro Weinstein said he will continue to meet with them and believed the deal would get government support.

* Bidvest and Actis have not pulled out of the bidding process, but a number of analysts believe that CFR's deal is likely to succeed.

* **On 19 November the JSE and the Takeover Regulation Panel had been handed a complaint by Bidvest that Adcock had misled investors by overstating support for the deal.** Adcock and CFR said shareholders controlling 29.3% of Adcock had pledged "irrevocable support" for the deal, while 7.5% more had issued

letters of support, giving a total backing of 36.8%. But two weeks earlier they had said shareholders with a 45% stake supported the deal. Adcock denied having misled investors.

* On 28 November it was reported that **government has opened the door to a Chilean takeover, with the Department of Trade and Industry (DTI) saying any deal should ensure a 25.1% black shareholding and that substantial investment would have to be made in the local operations.** CFR confirmed its R12.6bn bid for Adcock despite PIC saying it would not support the deal, without giving reasons and sparking speculation. The current Adcock empowerment shareholders, Blue Falcon and Bophelo Trust, who hold 13% of the company, have elected to stay and are supporting the deal. CFR and Adcock have been engaging government departments, including the dti, Health and Economic Development, to clarify the queries that have been raised about the proposed deal. It is understood that Minister Motsoaledi wanted assurances that Adcock would continue supplying the state with affordable drugs. **Weinstein said his aim "is to grow Adcock's business in SA and Africa, transfer the majority of existing manufacturing capacity from South America to SA, and preserve and grow jobs in the local environment, with a strong commitment to advanced broad-based black economic empowerment".** The combined business will have a presence in more than 23 countries and employ more than 10 000 people.

* If accepted, the CFR offer will be paid in a mix of cash and shares with the precise mix only known in February, which is some six weeks after the Adcock shareholders' meeting on December 18. Adcock CEO Jonathan Louw said although he believed the company needed a "major tie-up", it "still has a good stand-alone strategy".
  "There is no doubt that Adcock shareholders would be better off if all the parties presumed to be interested in acquiring the company made their bids simultaneously. It would be rather like a beauty contest. There is also no doubt that CFR would be better off if all the interested parties were required to 'put up or shut up', as Alejandro Weinstein, its chief executive, suggests," he said.

Novartis to slash UK jobs

AFP, 7 November 2013

Swiss pharmaceuticals giant Novartis might slash more than 440 jobs in Britain, blaming industry-wide difficulties. Novartis was considering closing its manufacturing site in Horsham, West Sussex, which would lead to the loss of 371 jobs. The decision was still subject to consultations. Two years ago, Novartis announced plans to halt manufacturing at the site and cutting staff numbers from 950 to 450, but the group said it now also aimed to close a unit for respiratory research. Cuts at its UK pharmaceuticals division in Frimley, Surrey, could impact another 72 jobs. Novartis currently employs more than 3 000 people in Britain.

Red tape still holding up Litha's vaccine division plans

Business Day, 15 November 2013

Litha Healthcare is still awaiting regulatory approval for its vaccine manufacturing facility, and seems unlikely to start making its own hepatitis-B vaccines before the end of next year. The company sells medical devices and drugs, and imports vaccines under its Biovac joint venture with the government. CEO Selwyn Kahanowitz said the MCC had yet to grant a manufacturing licence for Biovac's Pinelands plant, which will provide locally manufactured vaccines to Litha.

* Litha's operating profit fell 14.2% to R10.69m, from R12.47m last year. Its medical division reported "record" revenue, driven by sales of forensic kits to the state, and the Da Vinci surgical robot to the Urology Hospital in Pretoria. Revenue rose 40% to R108.6m but margins were maintained at 14,8%.

Netcare up on 'strong trading performance'

Business Day, 19 November 2013

Private hospital group Netcare has reported a 25.4% rise in adjusted headline earnings per share for the year to end-September from continuing operations. Group revenue from continuing operations grew 10.4% to R27.8bn, and **Netcare's final dividend per share of 40.5c was 19.1% higher than last year**. The group is soon to begin construction of a new hospital near Johannesburg and another in Polokwane. It has also

started construction work to relocate the flagship Netcare Christiaan Barnard Memorial Hospital. From now until the end of the 2014 financial year, Netcare will add 98 new beds in its hospital network.

Health spending growth slows

Reuters, 21 November 2013

Total health spending fell in one in three OECD (Organisation for Economic Co-operation and Development) nations between 2009 and 2011, with poor people in countries hardest hit by the financial crisis at risk of longer-term problems due to reduced access to medicines and check-ups. Spending per capita fell in 11 of 33 OECD countries between 2009 and 2011, according to the 2013 *Health at a Glance* report. In Greece, which has been crippled by financial and economic crises in recent years, per capita spending plunged by 11,1%, while in Ireland it dropped by 6,6%. Growth also slowed significantly in other countries. The OECD said the market share of generic drugs has increased significantly over the past decade in many countries.

GSK moves to reduce stake in Aspen

Business Day, 21 November 2013

UK drug giant GlaxoSmithKline (GSK) intends to sell 28.2m ordinary shares, or about 6% of its stake in Aspen Pharmacares at R250 a share. This will reduce its stake in Aspen from 19% to 12.4%. GSK said the sale of the shares would not affect its relationship with Aspen. GSK will use the R7.059bn raised by the share sale for "general corporate purposes".

Medi-Clinic eyes state health

Business Day, 7 November, 2013

There are opportunities in the pending healthcare regulatory changes, private hospital group Medi-Clinic International said in its interim results for the six months ended September. The group operates in Southern Africa, Switzerland and the United Arab Emirates (UAE). **SA's and the UAE's plans to introduce mandatory healthcare insurance could imply more business for private providers as they stand to get work that public hospitals have no capacity to do.** But it also means they will have to contend with price capping.

* Medi-Clinic posted solid interim results, though below Verster's expectation if foreign currency exchange gains were removed. Normalised group revenue grew 21% to R14bn. Normalised earnings before interest, tax, depreciation and amortisation were 17% higher at R2.8bn.

Muted first day as Ascendis Health launches on JSE; Ascendis makes its first acquisition as listed entity

Business Report, 25 November: Business Day, 26 November 2013

After three months of anticipating its JSE debut, Ascendis Health had - what analysts considered - a muted first day of trade last Friday, with its stock closing at R11.10 after being placed at R11. **It became the eighth health sector company to be listed on the JSE's main board and is already looking at raising public equity for its acquisitive plans.** Consumer brands make up the biggest portion of its portfolio at 45%. Ascendis is looking to issue corporate bonds or issue more shares in future to pursue its aggressive acquisition plans.

* On its second day on the JSE, Ascendis bagged its first acquisition as a listed entity with a **R300m buyout of medical devices business Surgical Innovations**. Ascendis CEO, Karsten Wellner, said that Surgical Innovations - a surgical devices supplier to surgeons - was a "very strong" company in terms of profitability. The purchase price could be enhanced by R36m into three additional tranches depending on the achievement of profit warranties.

7. GENERAL NEWS

We can stop the haemorrhaging

Mail & Guardian, 8 November 2103

Although SA has a higher ratio of healthcare workers (4.84 for every 10 000 people) the country still lags behind its peers in the Brazil, Russia, India and China. According to the DoH, about **43.6% of the SA population lives in rural areas but is only served by 12% of the doctors and 19% of nurses**. The challenge is to make the healthcare environment attractive enough for healthcare workers to want to stay in the country. India, Nigeria and Pakistan experience critical healthcare staff shortages - even worse than SA - yet are among the top-25 countries whose doctors, nurses and pharmacists emigrate.

Diabetes battle 'being lost' as cases hit record 382 million

Reuters, 14 November 2013

The world is losing the battle against diabetes as the number of people estimated to be living with the disease soared to a new record of 382m this year. The vast majority of diabetes patients has type 2 diabetes - the kind linked to obesity and lack of exercise - and the epidemic is spreading as more people in the developing world adopt Western, urban lifestyles. The latest estimate from the International Diabetes Federation is equivalent to a global prevalence rate of 8.4% of the adult population. By 2035, the organisation predicts the number of cases will have soared by 55% to 59m. The federation calculates diabetes already accounts for annual healthcare spending of $548bn.The country with the most diabetics overall is China.

Hello Doctor will now be on call for MTN customers; Hello Doctor, there's a problem;

Business Day, 13 November; The Times, 21 November 2013

* **MTN Group will offer mobile health services across its markets after partnering with Hello Doctor, a subsidiary of Metropolitan Health.** Hello Doctor acts as an assistant to local general practitioners when consumers want a quick healthcare reference before consulting their doctor. MTN customers can download a Hello Doctor application, providing access to healthcare advice; answers to health-related questions in live group chat forums, confidential one-on-one text conversation with a doctor; and the ability to receive a call back from a doctor within 60 minutes. The app works off both smart- and selected-feature phones.

* **Meanwhile the Health Professions Council of South Africa (HPCSA) issued a public warning against accessing doctors' expertise telephonically and via a mobile application as it might be in breach of the council's ethical rules**. The Hello Doctor company has 600 000 registered users across all digital platforms where medical advice and health content are posted. Dr Michael Mol, executive director of Hello Doctor and presenter of the Hello Doctor TV show, said mobile phones offered an obvious and affordable way to share relevant and effective health information. **The council expressed concerns about patient record-keeping and confidentiality as well as informed patient consent. Doctors were cautioned not to participate**. **Mol said the service enabled consumers to make informed decisions about their health; no diagnosis or treatment decisions were made.** The company has a "service level agreement" with a doctor network that has more than 200 doctors working in emergency rooms around SA and it processed more than 20 000 digital "Q&As" from users with no comebacks.

8. IN A NUTSHELL:

Strokes affecting younger patients

According to the Heart and Stroke Foundation SA (HSF), 240 people suffer a stroke every day. HSF said strokes were SA's third biggest killer. More people in their 20s and 30s were now being affected. In children, common risk factors include disease of the arteries, cardiac disorders, infection, acute or chronic head and neck disorders, abnormal blood clotting and sickle-cell disease. However, the foundation cautioned that risk factors for adults such as hypertension, diabetes, obesity, as well as tobacco and alcohol abuse were increasingly affecting younger people.

UK doctors could face jail for patient neglect

Wilful neglect of patients is set to be made a criminal offence under reforms being introduced in the wake of the scandal at Stafford Hospital in central England, where up to 1 200 people died as a result of poor care between 2005 and 2009. A three-year public inquiry into the scandal heard horrifying examples of abuse and neglect. Prime Minister David Cameron said health workers who mistreated and abused patients would face "the full force of the law" in a package of reforms soon to be unveiled.

Put mental health top of mind

Large numbers of South Africans with mental and physical disabilities go undiagnosed or without the medical treatment they need. There are only 80 day treatment facilities for mentally disabled people in the country and half of these are run by non-governmental organisations reliant on "ever-decreasing" government funding, according to the SA Federation for Mental Health.

New hope for fibrosis sufferers

Cape Argus, 22 November 2013

UCT researchers believe they have found the gene that is responsible for life-threatening scar formation in humans otherwise known as fibrosis. The seven-year-old study (in partnership with the University of Manchester and the University of Nates) found that a little known gene, FAM111B, was responsible for the formation of fibrosis in some SA families from French descent. Fibrosis is the thickening and scarring of connective tissue, usually as a result of injury.