

# HMR Africa<sup>®</sup>

Health Management Review Africa

## CPC Qualicare Open Day

Exclusive Disease  
Management reports

Mediscor Review:  
marked increase  
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# **Prof Margaret Nair**

## **Why doctors need a Bill of Rights**



## Pathology developments relevant to schemes, trustees and members



Chris Adams\*

The ever growing disproportionate increase in pathology expenditure by medical schemes is one of the problems crying out for control and regularization in our funding environment.

Various interventions have been applied with success but then walls are rapidly thrown up by the pathology industry. Aspects to worry about are the increased utilisation of expensive tests, the absolute lack of knowledge

in respect of price that clinicians have when requesting pathology investigations, the ability of the laboratories to non transparently supplement their income by passive testing and the non application of informed consent by the same industry when applying reflex testing. In addition there is no recognized costing methodology to cater for Price decreases

either when economies of scale in testing apply (eg PCR tests) and or the advances that technology has brought to reduce prices of common tests.

So what should happen in this industry? If we examine the industry structure there are two national networks with complete national footprints – one private (Ampath) one public (NHLS), in addition there is a virtual network which could be contracted to provide a national footprint viz a combination of the Lancet and Pathcare groups – this would provide a second Private network – so we are limited for choice.

The request form issued by the laboratories and supplied to their supporters can not only be seen as a very informative document which promotes test ordering – it is equally a non informative document when you try and find out the costs of the tests ordered.



The laboratories employ hundreds of nursing sisters who draw blood at the request of the referring doctors yet they find it impossible in the vast majority of cases to provide the funders with that very same doctors ICD 10 code – a simple phone call to the rooms would extract that. even in a hospital environment the ICD 10 code is on the patients sticker – it could just as easily be copied onto the request form when the laboratory sister draws the bloods. Again a consistent lack of information from the pathologists.

So if these are the problems then where are the solutions?

Firstly we should examine why two of the largest laboratories in South Africa are geographically restricted to areas in which they do not compete with each other. The Competitions Commission should be invited to see why two of the big three private labs do not compete but restrict themselves to geographic separation - more national competition should decrease prices. The two laboratories practice in different provinces around the country – Lancet in KwaZulu Natal, Gauteng, Limpopo and Mpumalanga. Pathcare practice in Free State, Western Cape, North West province, Eastern Cape and Northern Cape.

Incidentally both regional laboratories have found it within their scope to extend across the continent of Africa and be-

yond so why they can't expand nationally is beyond me – it can't be market forces so it must be something else!

Examples of continental penetration include Pathcare in Nigeria Namibia and Kenya (but not in Johannesburg or Durban) and Lancet in Uganda Botswana Ghana Zambia and Mozambique (but not in Cape Town, Port Elizabeth or Bloemfontein).

Secondly – someone even if it is a regulatory authority should have the gumption to force the laboratories to include the reference price of all tests listed on their request form to be published on the request forms – this would go a long way to increasing awareness of prices amongst the users and the patients.

Lastly a way must be and will be found to draw upon the resources available in the NHLS laboratories to increase the services provided to the private sector. This could be done via a private public partnership that leverages the capacity of a network of service providers to draw blood for transport to the NHLS laboratories. This business model could would and will provide welcome price competition to the current dinosaur model available to the consumers. 🐞

\*Chris Adams is a director of Veripath

## Healthcare systems reforms: which way forward?



Irene Zambelis\*

There is much being said and hopefully more will be done to improve the functioning of the healthcare sector to achieve the goal of "Health for All". Being criticised as a country for having a worsening infant and child mortality rate despite the increasing health spend, indicates that increasing spend alone is not the answer. It is a well accepted fact that we need to spend more, and the money that we do spend needs to be spent well

so that it can translate into improved health outcomes, and to this end we need to hold the relevant people accountable for these deliverables. This applies to both the public and private healthcare sectors.

Our Health Minister, Dr. Aaron Motsoaledi has his hands full. As by his own admission, he has inherited a health system where no inroads have been made for a decade. In fact, not only were no inroads made, we back pedalled. For the first time in a long time we are being forced to take a critical look at the South African health system as a whole, and not just look at the private sector. Gone are the days when we can say that ALL is well with the private sector, and ALL is bad with the public sector. We know that this is not true. However, I am hopeful that some positive steps are being taken to improve our healthcare system.

The Institute of Health Risk Managers is going to be hosting a series of seminars that will be focusing on issues

that are relevant for the improvement of the South African healthcare system and beg for debate. The first topic that we want to focus on is that of public/private integration. How can our two separate systems complement one another and harness the capabilities of both. The main thrust of the topic will look at drug policy.

The second issue will focus on workforce related aspects that impact on both sectors of the healthcare system. This issue threatens the sustainability of our healthcare system and we need to find creative ways of ensuring that we have healthcare workers where they are needed.

The third issue will focus on technology assessment. In South Africa we have struggled to introduce an appropriate model to assess new technology. This debate will centre on what will be an appropriate interim solution, and what will be an appropriate final solution.

If we tie this together with medical scheme developments with regards to prescribed minimum benefit review and price setting we are not short of topics for debate. The important thing is that not only we debate these issues, but that we can also take the necessary action that will be positive for our healthcare system as a whole, and translate into health benefits for all.

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