



A COSTLY WAITING GAME

Doctors, pharmacists and hospitals are owed well in excess of R50 million by the Labour Department's Workman's Compensation Fund where inefficiency and skills shortages can mean waiting for years, pushing frustration to unprecedented levels.

Asked if there were any internal disciplinary hearings and/or external criminal investigations, Compensation Fund spokesman, Thami Mchunu, confirmed there were 'investigations, many of which are at a sensitive stage'.

'We'd prefer not to comment at this point. Once the processes are finalised internally, we'd have no difficulty in discussing this,' he added.

Izindaba knows of at least 24 doctors owed, on average, a quarter of a million rand each by the Department of Labour after treating patients for injuries on duty – with some bills unpaid for 5 years or more.

The situation has become so bad that general practitioners, specialists, retail pharmacies and private hospitals are avoiding Workman's Compensation cases.

This aggravates hardship for patients struggling with work-related illness or injury.

Izindaba has learnt that just one South African Medical Association (SAMA)-approved WCA consultant in Johannesburg has R7 million owing to the 24 doctors on his books. Another company, Alexander Forbes Compensation Technologies, has R33 million in outstanding claims (20 smaller private hospitals and 200 doctors), of which R20.8 million has been outstanding for more than 3 months. More than half of all its claims (R17.7 million) have been confirmed as accepted — but have yet to be paid out.

The current average delay from date of approval to date of payment stands at 199 days, with the longest outstanding claim at 2 years, according to CEO Jeff Makhetha.

SAMA efforts in vain?

In spite of a 14-month long collaborative effort between SAMA (on behalf of GPs) and the Department of Labour, which ended in March last year (and which proved briefly successful), the overall situation appears to have deteriorated.

A random *Izindaba* survey of WCA service providers reveals a consensus of opinion that matters 'have got a lot worse', with several citing examples.

An orthopaedic surgeon from Durbanville in the Cape Peninsula, who declined to be named (carrying R150 000 WCA debt older than 3 months and R50 000 for less than that period), said he was seeing more WCA cases than ever before. However, he was getting back less from the Commission than he did 3 years ago. 'It's a terrible irritation, especially with my injury-on-duty (IOD) claims getting approved for payment and then getting stuck for months or even years,' he added.

If service providers are not being compensated then it will jeopardise patient care, and that's our main concern.'

Johan Ferreira, a GP with a practice at Skukuza for the past 27 years, said his IOD payments were historically consistent — until recently. 'Now they're paying maybe one out of my 20 cases.'

'For years, if I had about one per cent of bad debt it was a lot — now suddenly I'm sitting on R320 000 owing on IOD cases alone, 80% of it older than 6 months and some of it going back to 1999.'

Pharmacies opt out

Clive Stanton, deputy president of the Pharmaceutical Society of South Africa, said he knew of one large pharmacy retail chain owed more than R10 million in WCA claims.

He confirmed that pharmacies countrywide were reluctant to dispense WCA-related prescriptions because of a 'deadly combination' of the State capping payments at 26% of retail drug prices and WCA pay-out delays.

'If you're not going to make any money, why take the risk and suffer the hassle? You have one of those expensive scripts going wrong and the wholesaler requires 30 days' payment, so effectively you're financing the sale and patient. The question is, how many and for how long?'

Dr Johan van Zyl, head of SAMA's private practice unit, said doctors were incurring costs in time and materials — and not being paid. He cautioned that while SAMA was trying to address the crisis 'at the highest level', doctors needed to make sure that they were following the correct claim procedures and, most importantly, reconcile their books properly.

Patients get 'worst deal'

'There is this perception of inefficiency at the labour department. We're getting four to six complaints per day from doctors. If service providers are not being compensated then it will jeopardise patient care, and that's our main concern,' he said.

Horror stories of patients at the cutting edge of the crisis emerged from both Stanton and Mrs Naomi Petersen, Assistant Director, Human Resource Management, Workman's Compensation, in the Western Cape provincial administration.

Petersen cited a nurse recently raped by a patient, now on psychiatric medication. 'I had to make eight calls before I could find a pharmacy that would dispense her medication,' she revealed.

Stanton cited a security worker on pain-killers after being left paraplegic in a hi-jacking 3 years ago, suddenly unable to find a pharmacy willing to risk



dispensing to him because of the 26% capping and risk of non-payment.

Nusreen Khan, national co-ordinator of Rights, Education and Activism for Consumer Health Care (REACH), described the nurse case as 'outrageous' and the security guard's struggle as 'very sad'.

'Mental health is a much touted top-line government priority, so this lack of access to first-line treatment for depression is outrageous – even with the systemic pitfalls.' She said it was 'sad' that the very legislation passed to make drug access easier for patients was now working against them. 'There's a direct conflict between government priorities and reality,' she observed.

Consumers were prone to complacency but also lacked human rights education while few lawyers were prepared to take on cases *pro bono*, she added.

Both Barry Steiler, a professional claims consultant endorsed by SAMA, and Van Zyl said that a new computer system was recently installed at the Labour Department's WCA unit and that it was experiencing 'teething problems'.

No continuity

However, doctors and reliable sources working with the WCA told *Izindaba* that 'nobody seems to stay at the WCA longer than 3 months – just when you've got something working and moving with someone, they're transferred or moved'.

Rumours of corruption, ranging from 'favours for payment' to an allegedly questionable computer tender award were rife, but *Izindaba* was unable to confirm them at the time of going to press.

Steiler said that when he visited the WCA in Pretoria on behalf of Ferreira, one of the advice desk staffers had openly suggested to him that in return for a holiday in the Kruger National Park, he could ensure Ferreira's claims were 'speeded up'. Steiler however also backed Van Zyl's warning that ignorance

of claims procedures and poor book-keeping by doctors played a role in payment delays. He questioned how many doctors knew that there were several WCA commissioners, including Federal Mutual Insurance (all industrial companies), the South African Police's IOD commissioner, Rand Mutual Insurance (for all mine workers) plus the various provincial departments of health and city councils.

Inconsistency in pay-outs by the Labour Department's Commission was another major problem, they said. 'In Ferreira's case malaria forms 80% of his IOD claims, yet the commissioner cannot give reasons why one National Parks Board tracker is paid out and the other not, when the circumstances are virtually identical,' Steiner said.

'There's a direct conflict between government priorities and reality.'

Higher rates little comfort

The commission pays up to 15% higher rates on consultations and nearly double the medical aid rates on procedures, but this is of little reassurance to service providers.

Insiders said doctors would probably gladly negotiate down to medical aid rates were they assured of quicker IOD payments.

Steiner said even doctors whose IOD claims were submitted as part of a private hospital group's 'package' claim (accounts collated and submitted by the hospital administration) suffered. This was because the system was only as fast as the slowest doctor submitting his IOD claim.

Len Farrel, a pharmacist at one of Cape Town's three largest pharmacies, said his business stopped taking WCA prescriptions 'several years ago, out of pure frustration'.

'We were owed more than R20 000 and our registered letters, calls, dealing with a different IOD staffer each time, produced nothing. The saga was endless

and we decided enough was enough – I think that's the experience of most pharmacies.'

Stanton said that in mid-April the Minister of Labour, Shepherd Madladlana, and several top WCA officials met with pharmacists in Port Elizabeth to try to thrash out the crisis. He said they had appointed a 'national task team' to sort out the practical problems.

Madladlana had 'acknowledged the difficulties in terms of admin procedures and capacity'. After ordering his WCA staff to stay an extra day to extend discussions, he reportedly told pharmacists, 'I don't want to hear from you unless my staff let me down'.

Replying eight working days after *Izindaba* e-mailed the Compensation Fund a list of detailed questions, Mchunu confirmed 'capacity problems in relation to enough skilled people' and poor business systems. A tender had been put out for a company to conduct a 'business processes re-engineering exercise', but delays were also caused by service providers not completing claim forms as prescribed or supplying incorrect information.

There had been a migration of data from a proprietary mainframe environment to an open, more flexible environment to 'facilitate integration with other systems', but he was unaware of any probe into the awarding of a new computer system tender.

Nobody had yet been suspended or relieved of their duties because of anything relating to payout delays.

The business re-engineering would probe processes, staff establishment, skills level and organisational performance indicators while 'specific projects' were being set up to streamline matters.

He said the probe was being tendered for 'in terms of appropriate government procurement mechanisms' and would be 'finalised shortly'.

Chris Bateman