



NEWS

GAUTENG HOSPITAL FEES UP

Gauteng Department of Health has increased its patient fees with effect from 1 April 2003 for subsidised patients. This is the first increase for subsidised patients since May 1993. The Public Finance Management Act stipulates that the Accounting Officer must review, at least annually when finalising the budget, all fees, charges or rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and relate to revenue accruing to a revenue fund.

The classification of patients is also being restructured. The social pensioners and formally unemployed patients will receive health services free from the beginning of April 2003. These patients used to pay for the health services at public institutions. The public is requested to help in classifying and charging them correctly by providing the following information as applicable at admission counter:

- valid ID book
- medical aid card
- proof of income, e.g. pay slip
- proof of disability
- proof of unemployment.

Without the relevant proof the State will have no alternative but to charge private patient fees. It should not be a problem to produce the required proof if the information provided is correct.

Ensuring that medical aid patients and non-medical aid employed individuals pay appropriately for services they receive from the public health institutions the Department will be able to continue to provide adequate health care to all the citizens of our province, especially the pensioners and unemployed patients.

MEDSCHEME CLAIMS SAVINGS BY USING MPL

Medscheme claims that for the period May to October 2002, schemes contracted to the Medicine Price List (MPL) programme have saved R22 average per month per member on medicines, while schemes which have not contracted to the programme experienced an increase of R12 per month per member on their medicine expenditure.

Contributing significantly to the double-digit annual premium increases experienced by members of medical schemes are the prices of out-of-hospital medicines, which account for approximately 30% of total health care expenditure. Medical scheme administrators, when managing the risk

associated with the medicine benefits of a scheme, focus on two areas:

- management of utilisation - the number and types of drugs used by members; and
- management of drug prices.

In May 2002, Medscheme introduced the MPL as a key tool in managing price within the medicine benefit of a scheme without compromising the well-being of the member. MPL is a system by which a ceiling price is allocated to a group of drugs. It is presently most often applied to drugs which have been registered on the basis of generic equivalence.

The MPL has the additional advantage of also reference pricing products that are so-called generically similar agents. The ingredients of the products are the same, but the formulation may differ slightly, e.g. a tablet v. a capsule, or the salts/esters of the active ingredients may differ. In these instances the reference price will only apply if such products are similar in safety and efficacy.

The new Medicines and Related Substances Control Act (Act 90) once promulgated, will make it mandatory for a pharmacist or dispensing doctor to inform all patients of the benefits of using generic alternatives where appropriate, and must by law dispense the generic drug given patient approval.

Laubie Walters, managing director of Medscheme's Integrated Care Division says, 'Encouraging results have been documented. Not only did pricing on the overwhelming majority (85%) of MPL-eligible products remain unchanged during the period May to September 2002, but by the last quarter of 2002, no less than 780 of such products (approximately 50%) had dropped their prices.'

According to Dr Walters, Medscheme's aim is to ensure that the most appropriate and cost-effective medicines are used. This requires 'optimising and stretching the available benefits and levies payable by the individual on prescriptions, as well as reducing total medicine expenditure, which translates into lower annual contribution increases'.

RED CROSS WAR MEMORIAL CHILDREN'S HOSPITAL GETS FINANCIAL BOOST

The Red Cross Children's Hospital will receive R6 million in donations thanks to the generosity of the Anglo American Chairman's Fund and Discovery Health who will donate R4 million and R2 million, respectively. The Children's Hospital Trust is aiming to raise R13.5 million by December; R8 million for a new trauma unit, and R5.5 million to buy trauma-related equipment.

Anna van Esch, the fund's director, said that the donations



would enable construction of the trauma unit to begin immediately. She said that the new unit, to be called the Discovery Health Trauma Unit in Partnership with the Anglo American Chairman's Fund, is expected to be completed by April 2004. Professor Heinz Rode said that the unit would expand the hospital's ability to research childhood injuries.

RESOLUTION'S REALITY PROGRAMME ARRIVES

In line with the aim to become one of the major players in the health care funding industry, Resolution Health Medical Scheme is announcing yet another value adding product: Reality, an innovative health and lifestyle programme, enables members to regard health and illness in a totally different way, says Jannie Kotzé, chairman of Resolution Health.

'Consumers are increasingly moving away from the traditional way of looking at a cure for illness and are focusing more on wellness and prevention. Medical schemes implement programmes to reward members for healthier lifestyles and encourage them to take responsibility for their own health.'

The Reality programme is aimed at providing guidance and advice to members on how to manage their health care themselves. Reality is a wellness programme for a new generation. It has been designed so that every member of Resolution Health has immediate access to health-related benefits and information at no extra cost. Reality Plus is the portion of the programme where the member upgrades his

membership by paying a nominal fee for health information, tools and rewards. Reality Plus rewards people for positive lifestyle changes, maintaining a healthy lifestyle and for regular health checks.

Reality also gives members access to special discounts and rewards through 'Health Partners' such as the Health Connection Gym, Weight Watchers, Body for Life and Computicket.

'With the launch of the Reality programme, Resolution Health is providing its members with the means to take personal responsibility for their health and well-being. Reality will also enable members to keep their medical expenses in check by providing an alternative way to look at health care,' says Kotzé.

MANAGED CARE

In this section:

- credentialing liability
- malpractice liability
- utilisation review liability.

From a medicolegal point of view there is very little by way of a legal precedent with regard to the legal questions that arise within the various relationships in a managed care environment. Liability has proved to be important in especially three areas in the United States managed health care environment, namely credentialing, malpractice and utilisation review.

CREDENTIALING LIABILITY

Credentialing refers to the process of selection of providers according to certain predetermined criteria to participate in a network of providers of a particular funder. Clinical competence, training and experience of practitioners who seek to provide care in the managed care setting are reviewed. It provides a means of quality control through the application of minimum standards to participate in a provider panel. Specific criteria and pre-requisites are applied in determining initial and ongoing participation in a health plan. Should an incompetent provider for instance be selected and included in a directory of providers to be circulated among patients, a funder could expose itself to legal action in the event of a patient being harmed because of the provider's incompetence. Credentialing criteria need to be carefully set with the participation of providers.

Where providers are employed by the managed care organisation, vicarious liability could arise for the organisation should the provider prove to be incompetent and the patients suffer harm.