

South Africa

Increases in medical aid rates worry CMS

The Council of Medical Schemes (CMS) says the envisaged 2012 medical schemes contribution increases were 'worrying' and appeared to be transferring inappropriate cost increases to beneficiaries. In its last circular last year, which evaluated contribution increase assumptions for 2012, the regulator maintained that the reasonable weighted contributions increase assumption should range between 4.3% and 5.3%, as the recently published November 2011 consumer price index (CPI) was 6.1%. The average increase that medical schemes announced for their 2012 contributions last year was 7.4%. The CMS said the average of contribution increases being 2.1 percentage points higher than the maximum recommended increase was 'a worrying observation'.



The regulator has argued that contribution increases in excess of the CPI created affordability challenges for beneficiaries and was the reason why some members opted out of their medical aids even when they needed it most. 'CMS has observed the positive correlation between contribution increases and downward migration of beneficiaries to cheaper benefit options or deregistration of dependents regardless of the member's health status,' it said.

The regulator said its recommended 4.3 - 5.3% increases had taken into account key economic and demographic indicators and had viewed any change in these to be

negligible if schemes managed utilisation by beneficiaries cost effectively.

Since 2010, the CMS has embarked on a process of strict interrogation of medical scheme contributions and cost increases. CMS chief executive and the registrar of medical schemes, Monwabisi Gantsho, said with this the regulator wanted to provide information to both medical schemes and their members for transparency in the decisions they make respectively in the medical aid environment. 'The transfer of inappropriate cost increases to beneficiaries (due to non-health costs, service providers, medicines and health facilities) will elevate the possibility for members to opt out, deregister or buy down from schemes. The consequence of that will lead to questioning whether the medical funds are viable in the long run. I am of the firm view that the recommended contribution increase for 2012, between 4.3% and 5.3% is in the best interest of members and long-term viability of schemes,' Gantsho said.

Gantsho said the CMS provided such guidance based on the very latest possible data annually in December, without fail, to allow industry stakeholders to make strategic and operational decisions. The regulator said the changes in demographic profile, the proposed 0% increase in single exit prices for medicine, the expected increase in administration expenditure together with utilisation changes, costs and contribution rates submitted by the schemes, were expected to fall within the recommended range.

According to the distribution of cost assumptions by 87 medical schemes used to determine their proposed increases for 2012, including scheme-specific weighting, the average increase in costs assumed for 2012 was 8.3%. This proved higher than the recommended range. 'It implies that there are market imperfections in the determination of provider and non-health costs. It is the view of the CMS that contributions could have increased by less

than the median increase observed,' the regulator said.

Medical aid fraud falls

The overall number of fraud cases in the medical aid industry has decreased, but among service providers it was increasing, a KPMG survey has found. The Medical Schemes' Anti-Fraud Survey, which covered the three years from 2007 to 2009, showed that the fraud-to-claims ratio had fallen by 0.15%, said national forensic director for healthcare, Camilla Singh. 'We can clearly see the ratio of investigated fraud to claims is dropping. This is an achievement for South Africa's medical aid administrators,' said Singh.

The survey was sent to 15 administrators and the eight respondents represented 84% of all principal members. Medical schemes which participated in the survey included Discovery, Medscheme, Metropolitan and Momentum, said Singh. She said the survey showed that the number of fraudulent claims by members was also at a low and amounted to R67.3 million out of a claim value of R145 billion over the 3-year period. The most common reason given for member fraud was non-disclosure of prior ailments. This amounted to about 92% of all cases.

However, service provider fraud was increasing. Code manipulation was the most common type investigated, followed by services not rendered. 'There has been a definite crackdown on fraud in this industry in the last decade,' Singh said. In KPMG's 2001 - 2003 survey, only 49% of medical aid administrators said they never kept quiet about fraud cases, said Singh. By 2009 this had risen to 100%.

Africa

Experts baffled by mysterious disease

Ugandan authorities have begun an investigation into a mysterious disease that has left about 3 000 victims, mainly children, nodding their heads continuously, the Health Ministry said last month. Medical and government authorities have so far failed to explain the cause and mode

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of transmission of the disease that has been attacking children between the ages of 5 and 15 in the districts of Pader and Kitgum, in the north. 'Over 3 000 people have been affected by this nodding disease. [The] government has launched an investigation into the disease and we are going to release a statement,' Rukia Nakamatte, a spokeswoman for the ministry said.

According to the local *Daily Monitor* newspaper, in the past 2 years 60 people have died from the disease. The illness causes the victims' hands to shake repeatedly. They also nod their heads continuously and later faint. The newspaper report said that it could be a result of toxic substances emitted from firearms during the 20-year rebellion launched by insurgents against government forces. The publication quoted local residents as saying they believed it could be the spirits of people killed by the rebels which were haunting the civilians.

The civil war waged by the Lord's Resistance Army in the region left tens of thousands of people dead, mutilated, raped or tortured by the rebels, while more than 2 million others across eastern Africa were displaced.

International

British doctor abducted in Pakistan

Gunmen kidnapped a British doctor working with the International Committee of the Red Cross (ICRC) in the southwestern Pakistan city of Quetta last month, police and the ICRC revealed.

No-one immediately claimed responsibility, but criminal gangs have often targeted foreign aid workers in the hope of securing large ransoms for their release. 'Health programme manager Khalil Rasjed Dale, a British national, was on his way home from work in a clearly marked ICRC vehicle when he was seized some 200 metres away from an ICRC residence,' the ICRC said. 'The ICRC currently has no indication as to the abductors' identities or motives... Despite



the incident, the ICRC will be continuing its humanitarian work in Pakistan.'

Quetta is the capital of southwestern Baluchistan, Pakistan's biggest but poorest province, where Baluch separatist militants are fighting a protracted insurgency for more autonomy and control over the area's natural resources. Pro-Taliban militants are also active in the province, which shares borders with Afghanistan and Iran.

Four health workers, including two doctors, were kidnapped by militants a week earlier from the Pishin area of Baluchistan, near Quetta. They were freed after a shootout between police and their kidnappers. The Pakistani Taliban said they had killed 15 soldiers kidnapped 2 months ago in revenge for military operations against them. Officials confirmed that 15 bodies, with signs of torture and gunshot wounds, had been found in the Thal area of the northwestern Hangu district, near the unruly northwestern tribal areas along the porous border with Afghanistan.

French firm 'ignored' breast implant concerns

There were concerns about the safety of breast implants manufactured by Poly Implant Prothese (PIP) at least 7 years ago. It was also revealed the French company was accused by their insurers in 2006 of deliberately concealing complaints from regulators. A report by a consultant plastic surgeon in Los Angeles in 2005 warned that PIP implants were three-and-a-half times more likely to rupture than a test group.

Dr Grant Stevens compared 500 PIP implants with 500 implants manufactured by Mentor Siltex. After 4 years, 15% of the PIP implants had ruptured compared with just 4% of those made by the other brand. Dr Stevens claims that at the time, PIP asked him not to report his studies.

Sky News has also obtained a copy of a letter PIP received from their insurers in 2006, accusing them of concealing complaints about the implants from surgeons and clinics. The letter claims PIP failed to notify them or French regulators of incidents which would necessitate

the implants' removal, despite it being compulsory to do so. 'We are observing there are over 4 000 claims. PIP received 466 claims before 1999 and 1 783 claims between 2000 and 2002. Until 2005 our company was notified of only four events,' the letter said. 'Your company has therefore systematically concealed for many years the claims received from surgeons or clinics in relation to incidents and removals of your prosthesis. We hold that PIP by a deliberate, wilful and financially-rewarding violation of the regulations, prevented the authorities conducting an enquiry to try and stop the incidents.' This was one of several warnings about PIP, dating over a decade.

In March 2000, US regulators found eleven deviations from 'good manufacturing practices' at the PIP factory in France. In February 2009, the UK regulatory authority was warned of a number of medical claims against the company. Sky News spoke to a lawyer who has fought PIP for 12 years. Paul Balen from solicitors Freeth Cartwright, said it was 'common knowledge' in the cosmetic surgery industry that PIP implants were inferior. 'Almost without exception, I've been told by expert after expert and professional after professional, that PIP are poor quality implants. They fail earlier; they're cheaper than other implants that could be used instead; it seems to have been common knowledge in the profession.'

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CORRECTION

In the Nov/Dec 2011 issue of *CME* an error appeared on page 472 in the article by Lawrenson, Pribut and Zühlke. In the box about adrenaline the doses are reflected as mg/kg. It should be ml/kg.