

## Towards a Better Future

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*Conference Report on Private Practice in Southern Africa - Towards a Better Future in Health Care*

A very informative, educational and stimulating conference was recently held at Sun City between 25-27 February 1994. The Conference was organised by the recently formed National Association of Individual Practitioner Associations (NAIPA) in conjunction with National General Practitioner's Group (NGPG). About two hundred and fifty delegates and their spouses attended this conference. The five programme sessions covered all aspects of the main problem areas affecting private practice in South Africa. Throughout the conference the main theme was not about money and the practice of medicine but how Managed Health Care can help the underprivileged, the poor, the needy and the at-risk individuals who are presently using state facilities but who would like to benefit from private care and all its advantages of personalised, comprehensive, continuous, and community-based health care. The emphasis throughout the conference was on the importance and the value of preserving the future of private practice by reinstating the control of the delivery of cost effective and high quality health care with the providers of health care services to the advantage of the patients.

There was an urgent need for constructive planning and unity to keep all the private practice role players relevant, viable and competitive. There was a strong commitment by the delegates for private practice to deliver a health service that was of a superior standard to the entire practice population while at the same time ensuring that it is affordable, equal and easily available and of high quality. Several papers stressed the importance of protecting the providers of health care and patients against exploitation and that the gatekeeper function should shift from the provider to the patient who was the real funder of health care. The

provider has to increase his or her involvement as the manager, communicator and decision maker in health care delivery. There should be a commitment from all the role players to maintain the highest quality of care and to promote preventive measures through health education. The challenge was for everyone present to do everything possible to salvage private practice in a changed form which will be sensitive to the needs of the poor and disadvantaged yet still to our mutual advantage. The chairman, Dr E Snyman, in his opening address sounded a note of caution to the health authorities and government not to plan or decide on a future health delivery system without consulting the private providers of health care in South Africa.

### *Session One – A New Concept – Managed Health Care*

The first session addressed the reasons why Managed Health Care (MHC) was necessary and the main principles of MHC.

Dr Alet du Preez outlined the reasons why managed health care was necessary in South Africa. Some of the reasons were that medical costs were escalating beyond control, inflation was high, usage of modern technology had increased, price of medicines had increased, there was increasing socio-economic pressure to do something to make health care affordable, the current medical aid system was becoming increasingly expensive and last but not least, the Amendments to the Medical Schemes Act (1 January 1994) made it essential to protect the rights of both the providers of health care and the patients against exploitation. It was stressed that the concept of Managed Care in South Africa was new and distinctly different from that of America and therefore should not be compared with the

American system. There was widespread support for the IPA model. Other models such as the Staff Model and Preferred Provider Organisations (PPOs) Model were also presented by Dr J Snyman from Care Plan and Mr G Anderson from Clinic Holdings respectively.

The basic principles of managed care were outlined as the following:

1. The health care delivery system must be to the advantage of all the role players.
2. The patient must have the freedom of choice.
3. The patient must be protected against exploitation.
4. The provider should remain in private practice.
5. The provider should always be professionally accountable for his patients and be responsible for his deeds.
6. The rates charged must be affordable for the patient and the fund and also acceptable to the provider.
7. The method of payment must be acceptable to the providers.
8. The general practitioner must be accepted as the first contact provider and funders should only pay for referrals to specialists by general practitioners.
9. Available resources should be used efficiently and cost effectively.
10. The provider of health care should be in control of the system.

**Both private and public sectors need to share responsibilities for health needs**

Africa. International experience in many parts of the world supported this view. To be effective, however, both private and public sectors would have to share responsibilities for meeting the nation's health needs and will have to work together to address the gaps that have been created as a result of the apartheid policies of the past. The socio-economic realities of the South African society, as a result of these policies, were very eloquently illustrated by Prof A de Vries from the

Stellenbosch Business School. He stressed that as a result of the rampant inflation, mismanagement in addressing health priorities and meeting the basic needs of the majority of the people in South Africa, the future government will be faced with an explosion of expectations and demands. Resources will have to be redirected to Primary Health Care needs, education and training, housing, electricity, job creation, and food security to name a few of the priorities. Because these priorities were

mismatched, the new government would have to redirect resources to these areas especially in disadvantaged communities and in low income groups. In the circumstances, Prof de Vries predicted that the "potential market" for private practitioners will stagnate for the foreseeable future while priority issues were being addressed.

He poised the following question to the audience: What are you in this business for – to make money or to provide health care that is effective, and in keeping with the accepted ethos of the medical profession or with the mission statement of the Medical Association of South Africa or other private practitioner organisations such as the NAIPA, the Academy, the NGPG etc? He reminded the doctors present to re-examine their mission statements and become relevant in addressing the pressing health needs of our country. An opportunity existed to become involved and participate in uplifting the community and improving the quality of life of the practice population. Similar sentiments were expressed by Mr R Rapiti from Cape Town and Dr

### *Session Two – Economic Realities*

The NAIPA and other private practitioners organisations have an important responsibility to plan and assist the government of the day to plan an effective and acceptable private health care service. Convincing evidence was presented that supported the importance and value of a well planned, managed and funded private health sector in South

David Green from the Medical Association of South Africa (MASA). Both speakers stressed the fact that change was necessary and was inevitable. There was an urgent need to focus on the positive aspects of our health care system. The challenges for the private practitioner were:

1. to work multi-sectorally and in multidisciplinary teams.
2. to accept responsibility for preventive and promotive care.
3. to move beyond just concentrating on disease and illness and be proactive in addressing grassroots causative factors.
4. to contract with the public sector.
5. to manage care in limited financial circumstances.
6. to implement cost effective strategies to meet health care demands.
7. to participate or become active in the decision making process with regard to health care matters. Managed Health Care should be designed for quality, efficiency and access.

### *Session Three – Cost-Effective Health Care*

Dr N Naidoo stated that Individual Practitioner Association (IPPs) have been formed at the right time, at the right place and hopefully for the right reasons to provide high quality, cost-effective services through a defined network of health care providers to meet the needs of the enrolled population. IPAs have a major role to play if only they could redefine their role as the “patient’s and community’s advocates” on health issues and as an important link between the community and the health care system. A case was made that the IPAs could form an important component of community structure and as such could have the potential of being the nerve centre for a co-ordinated, integrated, multi-disciplinary and multisectoral local or district health authority. In this way they would have a vital role in implementing programmes that address health priorities through community involvement and participation. Useful guidelines on social responsibility towards the individuals, families and communities, towards the employees, towards the health authorities and the country were given. In addition, he stated that the challenges that all IPAs and the NAIPA will have to face, in South Africa were:

1. to make the best use of the limited resources.
2. to make the benefits of an effective service available.
3. to balance the conflicting demands for care from different interest groups in our society and
4. to resolve the tension between providing the best possible care to the individual patient on the one hand and meeting the more pressing needs of the community on the other.

IPAs have the potential through effective social responsibility programmes to make a meaningful contribution towards improving the quality of life of the practice population and the upliftment of the community by addressing the social, environmental and lifestyle issues as it affects them. Thus IPAs could evolve into effective support structures for health planning and health delivery at the district level.

The paper “Managed Care Packages to address the less privileged” was presented by Dr W de Villiers. A strong case was made for IPAs to become involved in caring for the indigent and under-privileged sections of our communities through the network of PHC clinics which were State funded, out-patients departments of Provincial Hospitals, privately funded Health Care Clinics and in our medical practices. This is a feasible proposition at present as the government is ready to invest in primary care, private practice patient bases are being eroded, the public sector is overloaded and the private general practitioner is willing and able to undertake such care in the community.

An example of an IPA health care model was presented which was made up of 26 doctors. The practitioners were paid R42,00 per patient per month. The average cost of the script was R62,00 and the pathology costs (17% of visits) were R114,00 and radiology requests (14% of visits) cost R134,00. The projected visits per year was 3,4. Regular peer review meetings were being held. The average cost to the patient was about R133,00 per month per member. This was one example of a cost effective Health Care Plan.

The implementation and implication of the medical schemes act was presented by Prof PG Rothberg from RAMS. It was pointed out that the funders, providers and patients need to be educated with

regard to cost effectiveness. There needs to be stricter control on hospital expenses and use of technology. Some providers needed appropriate training skills that will ensure cost effectiveness. At present the income and benefits just about balance out with administrative costs accounting for about 6% of the income.

#### *Session Four – The Health Care Team*

The importance of the role of the Pharmacist, Private Hospitals, Dentists, the Nurse and Physiotherapists were presented during this session. Others such as Occupational Therapists, Psychologists, Social Workers etc were also important members of the Health Care Team.

The Pharmacist's role was important with regard to problems associated with drug therapy especially with regard to patient compliance, patient understanding and iatrogenic diseases which in some countries accounted for up to 36% of hospital admissions.

Dr Ramesh Bhoola, a physician from Durban presented convincing evidence on the cost effectiveness of physician-owned private hospitals and how they could become more cost effective in the future.

Their cost effectiveness depended on the following factors:

1. knowing the cost of hospitalisation and procedures.
2. eliminating activity that adds to cost.
3. encouraging early discharge, day care ambulatory care (home nursing).
4. essential drug list. Prescribing correctly can achieve a 36% saving on medical costs.
5. using managed health care concepts.

Dental services were lacking in many areas and in 580 practices evaluated, none of them had any dental services. There has been a decrease in the number of dental practices and in some areas were down to about 31%. There appears to be a tendency to increased utilisation with the introduction of managed care systems and as education of the population improves. Usage is high between the age of 5 and 45 years when medical usage is usually low. There is therefore a need for individual plans or

models for different kinds of services in managed care systems.

Nurses have a valuable role with regard to screening new members, primary preventive care, educational function, home care, and an important role with regard to administrative and management function.

#### *Session Five – Medicine Cost Containment and Acquisition*

The multinationals were important to maintain a research and a technological base, to provide cost effective medicine, to provide a manufacturing base and to provide state-of-the-art medicines and vaccines.

Both original and generic medicines have important roles and were complimentary. Appropriate use of medicines especially the use of generic medication can save up to 60% of the cost of health care.

There was general agreement that appropriate generic medicines should be used but that the final decision should be that of the medical practitioner. Generic substitution was not generally favoured.

It was pointed out that drugs accounted for about 26% of the total cost of Health Care and had recently risen at twice the rate of inflation. There is an urgent need for quality assurance and cost effective prescribing. The IPAs will have to be the managers of resources rather than the "gatekeeper".

There are over 3,950 different drugs on the South African market. The substandard products should be discarded. Prices should be calculated on the cost of the drug. Rather than having drug formularies, it was suggested that a pharmacotherapeutic guide be available where specific, and symptomatic drugs were listed according to their prices.

In conclusion it was stated that proper peer review, utilisation review and outcome analysis processes were essential for managed Health Care to be effective and to succeed in South Africa.