Generics use increasing steadily

The use of generic medicines is increasing steadily, a trend contributing to an 8% overall drop in the average cost of medicines in South Africa since 2004.

Mediscor's annual Medicines Review 2005, distributed among medical funders towards the en of June, revealed that the use of generic medication increased by 8,7% from 40,2% in 2004 to 43,7% in 2005. Also shown was a 21% decrease in the average item cost of generic equivalents.

Ironically, there were more items on the average prescription during the review period than before – a development which could be attributed to the reduced cost of medicines or, worryingly, to abuse.

Whatever the cause, the increase in utilization and the decrease in drug costs appear to have balanced each other out.

Antihypertensives still top the therapeutic groups of medicines dispensed at 11,6%, followed by lipid lowering agents at 5,8%. Anti-depressants, according to the 2005 review data, are next at 5% ahead of the gastro agents such as the proton pump inhibitors at 4,2%. Antibiotics were also at 4,2% of total medicine expenditure.

The review findings have indicated that measures such as the single exit price (SEP) and the dispensing fee have also been among the main reasons for the notable drop in costs and prices.

Charter to could add to public sector woes

The Department of Health's (DoH) Healthcare Charter, believed to be in the final stages of deliberations between the DoH and the private sector, appears to have failed to grasp the opportunity to empower the large number of employees in the public sector.

It actually runs the risk of creating an unwanted consequence in this regard, Free Market Foundation director, Temba Nolutshungu, has indicated in a recent editorial comment on the Foundation's website.

The Health Charter, as pointed out by Nolutshungu, requires private firms in the sector to "rapidly" increase the number of black employees and other and other staff members as a percentage of their total staff compliment.

"In order to fulfil these requirements, the private sector firms, in the next few years, will have to 'frantically' recruit additional black staff," he added.

"However, in the health services sector of the economy where there government employees with some or all of the necessary qualifications, private firms under pressure to fill their BEE quotas will hire people away from a public sector that is already short-staffed.

"Giving ownership rights to public health sector employees in the facilities in which they are employed will be one way of keeping them."

Concluding this point, Nolutshungu said that current state health employees, as owners, would have very different incentives to those they have as employees: "At the outset, every facility transferred to BEE owners would be transferred together with a reasonable long-terms government contract to supply services to existing patients."

Minister commits private sector *in absentia*

In the key address at the opening ceremony of one of the largest private sector conferences ever convened in South Africa*, Health Minister Dr Manto Tshabalala-Msimang, had intended to personally declare a commitment from her ministry and the Department of Health "to working with the private healthcare sector in delivering quality, affordable healthcare to all people".

The declaration was made to the more than 600 Board of Healthcare Funders (BHF) Southern African Conference delegates and guests during the opening ceremony on Sunday night, July 9, at Durban's International Convention Centre – but not by the minister, but by Free State MEC Sakhizo Belot. The minister, according to BHF CEO Dr Humphrey Zokufa, had called earlier to apologise because she was sick and would not be able to attend. Belot was then called upon to read the minister's speech on her behalf.

The Minister once again stressed the need in her speech for quality to be maintained for all sectors of the population. She urged the private healthcare sector to develop effective low-cost options which were affordable, accessible and of a quality equal to the higher-cost options available to the more affluent sectors of the population.

Quality, Tshabalala-Msimang wrote, was key to the National Health Act which authorized her to make regulations on quality on a wide range of issues. To this end the Department was planning to set up an Office of Standard Compliance which would have quality as its major focus.

In her conclusion she invited the funding industry to work together with her department to ensure that the national health system will remain financially sustainable in the long terms and that its products and services will provide value for money - being affordable and accessible to all: "We as the Department of Health are committed to working with the private healthcare in delivering quality, affordable healthcare to all people"

* More than 870 delegate registrations in all.

Doctors critical to low-cost equation

Accepting that that benefit design in the medical scheme environment was important and if properly utilised could provide adequate quality healthcare, much still depended on the choices of doctors and patients.

"Resource prioritisation even where scientifically, economically and ethically sound, still depends on the choices of doctors and patients," Dr Derrick Burns, general manager of the medical directorate at Solutio Health, said during the BHF Conference quality debate.

"It is driven by expectation and demand and by the doctor's attitude toward medical schemes and managed care. Until doctors are brought into the equation, there can be no effective, low-cost care in this country."

In similar vein, Burns noted that a consideration often disregarded in the quest for quality was buy-in from the practitioners themselves and doctor/patient relationships. "We can deliver good outcomes even with limited resources if there are tight clinical procedures, careful investigation based on good clinical medicine and efficiency, but above all close communication with patients and practitioners," he stressed. "We don't need high-tech and expensive medicines to achieve the quality goal."

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Funding biologicals not mission impossible, but...

Health economics, and particularly the determination of thresholds in this regard, will be key to accessibility to and the funding of the new class of high-tech biological medicines referred to as biologicals.

Many of these agents are already in South Africa for the treatment of cancer, diabetes, arthritis and hepatitis C.

And there are many more to come, Dr Jacqui Miot, head of the health economics unit at Discovery Health, told BHF Conference delegates in Durban. In 2004, she said, there were 108 on the market in the United States and 328 in the developmental stage. However, in 2005 manufacturers reported 800 in development: "So we can expect a tidal wave of these agents!" Miot warned.

Existing mechanisms in South Africa to manage costs associated with new expensive technologies were inadequate, she said, adding: "There is also a lack of legislative bodies to control price and quality of new health treatments."

Saying that these new agents could have a dramatic effect on medical fund premiums, Miot suggested the setting up of detailed clinical and economic modeling "to have a good chance of making the right healthcare funding decision for particular therapy to ensure equitable access". Health economics is not a simple 'yes' or 'no', she added. Threshold determines 'yes' or 'no'.

"We must be in a position to ask whether one threshold over-values some therapies and compromise others?"

Legislation needed for complimentary medicines

Current legislation must be amended to promote the allied health professions.

Reviewing recent healthcare legislation, Neil Kirby, director of healthcare and environmental law, told the BHF Conference that South Africa had elected not to regulate the Allied Health Professions within the parameters of the existing health profession.

Instead it has established a second set of legislation and this, Kirby said, could set trends for the rest of sub-Saharan Africa - as well as influence attitudes in third world countries such as Brazil and India.

"The allied health professions and the traditional formal medicine sector are underpinned by different ideologies: the latter based on diagnosis, prevention and treatment and the former on the promotion of health and relief of physical or mental defects of disease. Thus their means to attaining the objectives differ," Kirby added.

He continued by noting that alternative medicines are not defined in the Medicines Act whose only applies only to medicines registered in terms of that Act: "So as things stand, the ability of the allied health professions to perform the task of primary healthcare service with safe, registered medicines is frustrated. Consequently, a resolution is needed to bring complementary medicine regimes into line with medicine regulations."

Effectiveness of PMB process questioned

In her presentation, *Unravelling the Basics Benefits Package* (BBP), Solutio Health's drug policy medical adviser, Dr Bettina Taylor, defined a BBP as incorporating a minimum level of health services which should be available to all members of a population irrespective of their ability to pay and as mandated by government.

"At present the only mandated benefits in South Africa were the Prescribed Minimum Benefits (PMBs)," she explained.

"One of the aims was to avoid dumping on public facilities and this has been achieved. We have also been successful in more efficient use of medicines, but it is difficult to see what forces are driving prioritization," Taylor added:

"In addition prices have not come down in private hospital facilities which was the initial intention. This is one of the reasons that PMBs are problematic."

Almost half of the delegates (49%) not only shared the belief that PMBs were problematic, but went so far as to suggest in an electronic questionnaire that the PMBs be reviewed in their entirety.

However, 46% of delegates felt that the current PMB's were reasonable and if some primary care component was added, were likely to contribute in a significant way towards achieving the overall goals of health care reform in South Africa.

Only 5% believed that the PMBs were unproblematic in their current format and likely to contribute in a significant way towards achieving the overall goals of health care reform.

Kalafong hospital's Paediatric Oncology unit receives much needed equipment

Kalafong Hospital's paediatric oncology unit has received another boost from long standing benefactor Saab Grintek with the donation of a Propaq ECG Monitor. The equipment will be used by medical staff to monitor young patients' vital signs and provide essential data that will assist in faster diagnosis and treatment options.

The Kalafong Hospital's paediatric oncology unit cares for children of all ages up to the age of 17 years. The unit has gained an impressive reputation in paediatric oncology and its patients come from all over South Africa and neighbouring countries.

Most of the patients cannot afford medical aid and they rely heavily on the already stretched hospital resources. This has led to the need for fundraising activities and development of partnerships with the private sector, to ensure optimum levels of care. Saab Grintek began assisting the hospital with much needed donations in 2001 and has played an active role in supporting various initiatives aimed at improving the unit's provision of therapy options.

Dr David Reynders; Prof Marianna Kruger; Mr Makhup Nyama, CEO Saab Grintek with the Propaq ECG Monitor that they have donated; Matron Phina Sekwane and Sister Catherine Masha with the extra touch provided by Saab Grintek, whose employees used their time and financial resources to knit more than 80 teddy bears for the little children at the hospital.