

BHF gets proactive on PMB revision

The Board of Healthcare Funders (BHF), with input from the Basic Benefit Package task team, has prepared a revised Prescribed Minimum Benefits (PMB) benefit proposal primarily to engage the Department of Health (DoH) and Council for Medical Schemes (CMS) on the PMB revision currently under consideration.

Making this announcement at the recent IIR Medical Schemes Summit in Johannesburg, BHF communications manager, Heidi Kruger, said the proposal formed the basis of an Essential Healthcare Package (EHP): "The PMB regulation, including the CDL," said Kruger, "is a laudable and strategic attempt to ensure that medical scheme beneficiaries have access to essential hospital and chronic care.

"Legislation, however, states that PMBs should be reviewed at least every two years by the DoH in collaboration with the CMS, stakeholders, provincial health departments and consumer representatives. These reviews," Kruger reminded delegates, "should provide recommendations for the revision on the basis of inconsistencies or flaws in the current regulation."

Such a review, she noted, was now four years overdue hence the motivation for the EHP to document essential healthcare services in the private sector "required to address healthcare needs in an equitable manner and pressing public health priorities identified from measuring the burden of disease".

"It is hoped that the recommendations proposed contribute meaningfully to the Health Charter discussions and Council for Medical Schemes deliberations, with a view to implement the EHP in the private sector by 2008," said Kruger.

Instituting medicines price controls unconstitutional

The underlying motivation of the Department of Health (DoH) in instituting price controls on medicines is probably based on a belief that the same quantity and quality of medication will be provided at lower cost under a price control regime as would be available to patients in an open, competitive market with no price controls.

"Such a belief has no economic foundation," Health Policy Unit director, Eustace Davie, wrote in a Free Market Foundation online editorial in mid-April.

He supported this with a direct quote from the book, *Free to Choose*, by well-known US economists, Milton and Rose Friedman: "Economists may not know much. But we know one thing very well: how to produce surpluses and shortages. Do you want a surplus? Have the government legislate a *minimum* price that is above the price that would otherwise prevail", they wrote. 'Do you want a *shortage*? Have the government legislate a *maximum* price that is below the price that would otherwise prevail."

The DoH's legislated *maximum* medicine prices will have the consequences predicted by the Friedmans, Davie noted: "They will create medicine *shortages* and deprive patients of services that would otherwise be available to them."

Patient welfare would be best served by a freely competing, innovative and entrepreneurial private healthcare industry functioning in a statutory environment characterised by respect for private property rights and the proper application of the rule of law which, Davie stressed, was a founding principle of the South African Constitution: "Section 33, which stipulates that 'everyone has the right to administration that is lawful, reasonable and procedurally fair', must also be applied. The DOH needs to bear in mind these constitutional principles of our democracy if it is to avoid regular challenges in the Constitutional Court."

Patients endorse own rights to policy decisions

One of the key tenets of the Department of Health's Patient Rights Charter is promoting South African patients' right "to participate in the development of health policies and the right to participate in decision making on matters affecting one's health".

To this end, the South African patient advocacy group, PHANGO (Patient Health Advocacy Non Gain Organisation) has welcomed the findings of the recent patient perception survey on the global state of healthcare and healthcare policy decisions. The study conducted in 12 European and African countries and entitled titled *A Survey of Organisation's Concerns: Perceptions of Healthcare* - found that more patients are supporting a new healthcare approach that better aligns national health systems with the needs and expectations of patients.

"Both the SA Patients Charter and the findings of the perception survey clearly attest to many shared concerns and beliefs from a wide range of organisations and countries that current healthcare systems need to adopt a new approach that involve patients as partners in shaping healthcare policy decisions", PHANGO chairperson Dr Vicki Pinkney-Atkinson said when commenting on the survey.

Some of the main implications of the report include:

- Unrestricted access to healthcare information in order to make informed decisions about treatments;
- Relieving doctors of bureaucratic procedures to allow the best treatment for each individual;
- More spending on prevention, early diagnosis and timely disease management.

"These findings support the ongoing need for action by PHANGO and other patient groups with government, healthcare decision makers and healthcare provider organisations to ensure the active involvement of patient representatives in policy decisions", said Pinkney-Atkinson.

Adcock buyer not likely to be local

News reports following holding company Tiger Brands announcing in April that it intended to sell its pharmaceutical and allied product subsidiary, Adcock Ingram, have indicated that the potential buyer was not likely to be a local company.

Some commentators believed that Adcock Ingram might be sold to an international company seeking to gain a foothold in the SA market. It was unlikely that a local company would be interested in buying the brand, albeit well-established, in order to gain critical mass as this, some felt, could leave it too exposed to variances in the healthcare regulatory environment.

Subsequence news reports suggested that Indian firms might be interested.