Press Release:

MEDICAL SCHEMES AND DOH TO WORK TOGETHER ON ESSENTIAL MEDICINE LIST

27 August 2014; The agreement by medical schemes to participate in the Department of Health's Essential Medicine List (EDL) programme and introduce these medicines into their own formularies have heralded in a new era in the relationship between government and private healthcare funders.

According to Gavin Steel, Chief Director: Sector-wide Procurement in the Department of Health, it is a development that is expected to not only reduce the cost of medicines and address issues around safety and efficiency, but also result in a seamless transition to the way medicines will be prescribed in an National Health Insurance (NHI) system.

Speaking at the 15th annual Board of Healthcare Funders' (BHF) Southern African Conference in Durban, Steel said it will contribute to the improvement of transparency in the creation of schemes' formularies and the management of conflicts of interest.

Explaining the rigorous process followed in selecting medicines for the EDL, he indicated that the involvement of medical schemes will refute the misconception that government 'puts cheap or ineffective' medicine onto this list.

Through this partnership, experts from medical schemes will be part of the technical sub-committees and the National EDL Committee responsible for evaluating and reviewing the safety and effectiveness of medicines, as well as the drafting of Standard Treatment Guidelines.

Medical schemes, however, will not be compelled to implement the list as part of their formularies but will be free to make their own decisions.

"Even if schemes choose not to include these medicines, it is important that we evaluate and review medicine from the same evidence base," Steel said.

He also stressed that cost is only considered once the effectiveness and the value of the medications have been determined.

Steel said cooperation between the two sectors is expected to reduce the influence of big pharmaceutical companies in the selection of drugs recommended in medical schemes' formularies.

"The decisions taken by the expert committees involved in the evaluation process are done on a holistic perspective based on extensive reviews of meta-analyses of large randomised, good quality clinical trial data, as opposed to only the latest trial," he said.

Cooperation between government and the private funding industry is expected to also address attempts by some pharmaceutical companies to create discord between the two sectors, as part of their marketing strategies.

Draft legislation aimed at outlawing inducements, such as data fees in the pharmaceutical industry, was published last week. Steel said evidence of these practices was seen throughout the value chain, involving the prescribers and dispensers of medicines, medical schemes and pharmaceutical logistic services – with pharmaceutical companies spending between R500m to R3.8bn on obtaining this information.

According to Steel, the proposed legislation is a policy step that is expected to neutralise the competitive advantage of some pharmaceutical companies in getting their products on medical schemes' formularies.

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Editor's Notes:

The Board of Healthcare Funders of Southern Africa (BHF) is the representative body for the majority of medical schemes throughout South Africa, Lesotho, Namibia, Botswana, Mozambique and Zimbabwe.

Issued by Epic Communications on behalf of The Board of Healthcare Funders of Southern Africa