



## MEDIA RELEASE

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### Healthcare funding industry welcomes proposed amendments to Regulation 8

**29 July 2015:** For the past decade, the funding industry has been objecting to the legal interpretation of Regulation 8 that requires that prescribed minimum benefits (PMBs) be paid in full at provider cost – regardless of that cost. The Department of Health is now reviewing Regulation 8 with a view to levelling the playing field so that providers no longer have a blank cheque, a move welcomed by the industry.

Speaking at the Board of Healthcare Funders' 16<sup>th</sup> annual conference earlier today, Dr Anban Pillay, Deputy Director-General – Health Regulation and Compliance Management, National Department of Health, explained the rationale behind this. "The current scenario's 'pay in full' requirement has seen a skewed increase in PMB diagnoses, which almost certainly reflects miscoding. Studies have shown, for example, that in 2012/2013 there was a dramatic increase in the diagnosis of bipolar disorder, a PMB condition, while diagnoses of major depression, which is not, declined. Similarly, when services are delivered for PMB services, the cost is often higher than when the same service is delivered for non-PMB conditions," he said. "This trend is evident across all specialist disciplines."

"We want funders and providers to negotiate a fair tariff structure that is affordable to scheme members and that does not require co-payments from patients. So I need to underscore that the changes are not being designed to introduce the latter. Neither are they intended to reduce PMB entitlements or impose set tariffs on providers. Rather this is about equal engagement between schemes and providers to find a mutually agreed way forward in the best interest of the patient."

The draft amendments are currently out for comment for a three-month period, further to which these will be reviewed by the regulators. Dr Pillay also raised the possibility of a workshop that will see funders, providers and patient groups come together to discuss the amendments and their implementation. "We're hoping for a positive response from all parties," he added. Dr Pillay concluded that "the practice of billing higher rates for PMBs is a practice amongst some providers; nevertheless, they make a significant negative impact on scheme funds."

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**Issued by:** Magna Carta **on behalf of:** Board of Healthcare Funders of Southern Africa

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