



PRESS RELEASE

Reference: CMS' Fraud, Waste and Abuse (FWA) summit
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Press release 1 of 2019: The Council for Medical Schemes' Fraud, Waste and Abuse (FWA) Summit is set to focus on South Africa's multi-billion-rand healthcare challenge

13 February 2019: South Africa: "With increased fraud, waste and abuse in healthcare costing the industry more than R22 billion per year, the need for a partnership-driven approach to tackling this cancerous challenge has now become urgent," says Dr Siphon Kabane, Acting Chief Executive and Registrar of the Council for Medical Schemes (CMS).

From 28 February to 1 March 2019, the CMS will host its inaugural Fraud, Waste and Abuse (FWA) Summit at the Sandton Convention Centre in Johannesburg. The FWA Summit will bring together medical schemes, administrators, managed care organisations, policy makers and other stakeholders to discuss strategies for dealing with fraud, waste and abuse in the industry.

"The intended outcome of the FWA Summit is to get stakeholders to sign an industry charter as a pledge to combat fraud, waste and abuse in the private healthcare sector. Future outcomes include the establishment of standards for the industry to effectively deal with fraudulent activities, including fair sanctions for convicted fraudsters, as well as the establishment of a structure to continuously deal with the issue of fraud, waste and abuse in the industry," says Dr Kabane.

"In addition, the Summit will provide stakeholders with the opportunity to share best industry practices in reducing fraud, waste and abuse in order to close the loopholes and significantly bring down the cost of fraud, waste and abuse," Kabane points out.

“All healthcare stakeholders, including medical scheme members, healthcare providers and professionals, as well as the law enforcement authorities, have a significant role to play in combating this growing challenge,” he continues.

According to the Council for Medical Schemes, fraud refers to an intentional deception, false statements or false representation of material facts with the knowledge that the deception could result in unauthorised benefit or payment for which no entitlement would otherwise exist.

Abuse on the other hand is described as practices that are inconsistent with sound fiscal, business or medical practices and which result in an unnecessary cost to a medical scheme, or in reimbursement for services that are not medically necessary, for example “stocking up” on medication towards the end of the year to use up medical scheme benefits for the year. Waste refers to the extra costs incurred when healthcare services are overused, or when bills for services are presented incorrectly, and usually caused by a mistake rather than illegal or intentional wrongful actions.

According to Kabane, fraud, waste and abuse presents itself in various forms, and is carried out by different stakeholders within the industry, including some healthcare professionals (doctors, pharmacists, etc.), members, and medical schemes. “Fraud, waste and abuse also presents itself by way of over-billing for services or supplies, falsifying patient data to obtain payments from medical schemes, referring patients to specific specialists or hospitals in return for kickbacks, as well as misrepresenting diagnoses and miscoding of claims to obtain payments or more money than justified; all these are costing the industry more than R22 billion per year,” explains Kabane.

“Fraud has become a material obstacle to achieving universal access to quality and affordable healthcare and poses a real threat to efforts towards the National Health Insurance (NHI).

The negative effects of fraud, waste and abuse in the private healthcare sector are far-reaching and continue to seriously undermine the stability of the health industry, infringing on the values of democracy, justice and the rule of law. It is the ordinary members of medical schemes that bear the burden of high medical scheme contributions, because of fraud, waste and abuse in the private healthcare sector. “The current state of affairs is unsustainable. Collectively, all stakeholders need to come together in developing a workable solution to addressing the challenge,” says Dr Kabane.

He highlights that, “Our aim, as an entity mandated to protect the interest of members of medical schemes in terms of the Medical Schemes Act, No. 131 of 1998, is to ensure the stability and financial sustainability of the healthcare industry. Fraud, waste and abuse must be effectively and urgently addressed to stop the ripple effects these could pose to the NHI.”

Speakers during the summit will include the Acting Chief Executive & Registrar, Dr Sipho Kabane, Head of the Special Investigating Unit (SIU), Advocate Andy Mothibi, as well as key role players from the industry.

Ends

To RSVP to attend the Summit and for media queries and interview requests please contact:

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