

PORT ELIZABETH

33 7th Avenue
Newton Park
6055

Tel: (041) 395 7000
Fax: (041) 365 4425

e-MAIL

mail@compsol.co.za

WEB SITE

www.compsol.co.za

POSTAL

PO Box 28351
Sunridge Park
6008

18 February 2021

Portfolio Committee on Employment and Labour

Per email: zsakasa@parliament.gov.za
coidabill@parliament.gov.za

Dear Sirs / Madame,

PUBLIC COMMENTS IN RELATION TO COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES AMENDMENT BILL [B21-2020]

It is our pleasure to present the Portfolio Committee on Employment and Labour (“the Committee”) with the written representations of Compensation Solutions Proprietary Limited (“CompSol”) on the Compensation for Occupational Injuries and Diseases Amendment Bill [B21-2020] (“the Bill”).

VERBAL PRESENTATION

As noted in the Committee’s invitation to submit written comments, we would like the opportunity to make verbal presentations to the Committee.

1. INTRODUCTION

CompSol is an established provider of administration and factoring services to Medical Service Providers (“MSPs”), across medical disciplines and in all nine provinces of South Africa, as well as injury on duty (“IOD”) administration services to more than 2,000 employers across South Africa. For over 21 years CompSol has been an essential partner in fulfilling the constitutional right of access to healthcare of workers under the Compensation for Occupational Injuries and Diseases Act 130 of 1993 (“COIDA” or “the Act”).

These services entail administering and factoring approximately 405,000 medical accounts annually that are payable by the Compensation Fund (“the Fund”), which is established in terms of Section 15 of COIDA. These medical accounts are received from approximately 1,810 medical service provider practices, representing approximately 5,000 individual medical service providers.

CompSol takes cession of all right, title and interest in and to each one of all such accounts in terms of written agreements concluded between CompSol and each of the 1,810 MSPs to:

- a) pre-fund and pay MSPs within 10 working days after submitting their completed accounts; and
- b) ensure *locus standi* in case legal action needs to be taken in future to collect unpaid medical accounts.

It is important to understand the important role CompSol, as a valued partner, plays in the IOD value chain. Since August 2014, when the Fund introduced uMehluko, to date, some R5,9 billion of medical accounts were factored by CompSol originating from ±330,000 employers with more than 1,3 million individual treatments administered by our contracted MSPs to ± 900,000 injured workers.

Employer IOD incident administration spans across all employer sectors in South Africa assisting in the registration, reporting and refund processes.

The 2018/2019 Annual Report of the Fund reflects that CompSol currently submits more than one third of the value of all medical accounts administered by the Fund. This represents almost half of the volume of medical accounts received and paid by the Fund. CompSol is accordingly a very significant partner in the COIDA system.

To Note:

The 2019/2020 Annual Report of the Compensation Fund has not been published or made publicly available as at the date of this submission, approximately ten and a half months after year-end (31 March 2020).

We believe the lack of a 2020 Annual Report, albeit an 8th consecutive Disclaimer of Opinion Report, to be another flagrant disregard by the Fund of the principles of sound enterprise governance, accountability, and compliance with legislation.

The Department of Employment and Labour appears to have applied this same lack of due care and competence in certain of the legislative proposals, specifically related to Clause 43 to which this submission refers.

Despite the above, and for context, references to the Fund's Annual Report reflect the most recent publicly available information for the year ended 31 March 2019.

CompSol has invested over the years in extensive electronic and other infrastructure, acquired specialist expertise, and engaged a skilled and dedicated staff complement of more than 400 individuals, the majority of whom are employed in the Eastern Cape, the province with the highest unemployment rate in South Africa.

The Fund has benefited – free of charge – from CompSol's significant operational expertise and information technology infrastructure development by virtue of the fact that system errors, payment issues, incorrect rejection errors and discipline-specific

issues are notified and communicated on behalf of a large number of practices in a collective manner to the Fund to rectify.

In so doing, hundreds of MSPs experiencing the same problems / issues are consolidated into a single contact with the Fund as opposed to hundreds of MSPs individually and at different times, usually long after the issue first arose.

We have received communications from numerous of our MSP clients stating categorically that they will be left with no choice but to refuse to treat IOD patients (other than to stabilise them) if CompSol does not provide a debt-factoring service to their practice.

Many of the MSPs contracted to CompSol refrained from treating IOD patients prior to joining CompSol because the Fund neglected to either pay their accounts within a reasonable time, or in many cases, not at all.

Further to this, CompSol has gone to great lengths, in fact, to find MSPs in areas in South Africa where employers struggled to find MSPs who were willing to treat their injured workers. It is only because MSPs could factor their IOD debtors, for the purpose of cash flow, that MSPs were willing to treat the injured workers. CompSol is, therefore, instrumental in convincing new MSPs to treat IOD cases.

This has ensured that injured workers receive prompt medical treatment from MSPs who are now willing to treat them. Any delays in starting treatment can significantly increase the time it takes for an injured worker to return to work, which leads to further medical and compensation costs, which could have otherwise been prevented.

To ensure that the Compensation Fund complies with its constitutional and statutory obligations, CompSol has unfortunately been obliged to litigate against the Fund on multiple occasions to ensure payment of medical accounts.

Regrettably, CompSol is continuously required to enforce compliance by the Fund, despite ongoing engagements with the Fund officials in a desperate attempt to prevent such litigation. CompSol has on numerous occasions suspended legal action to afford the Fund the opportunity to deliver on undertakings given to pay the accounts timeously, but soon after the pressure of legal action is removed, the payments deteriorate again.

This despite the consensual settlement of previous litigation in which the Compensation Commissioner (“the Commissioner”), the Director-General of the Department of Labour and the Minister of Labour agreed to comply with payment obligations towards CompSol. Pursuant to an express agreement to that effect the settlement was made an order of court - the Fund has unfortunately sought at times to undermine it – albeit unsuccessfully.

It is worth noting that not a single medical account submitted by CompSol to the Compensation Fund has ever been found lacking in a court of law.

CompSol now regrets to note that the Fund has resorted to a new strategy intended to relieve it of the court order which still stands against it. It seeks to have inserted in an otherwise worthy and well-intended statutory amendment, a means of undoing not

only the court order itself, based on the Fund's formal consent, but also to unilaterally remove third-party funders from the COIDA system. This is by the device of Clause 43(4) of the Amendment Bill.

This is reinforced by the following, as noted in section 4.1 of the Portfolio Committee on Employment and Labour ("the Committee") report ATC200618 dated 10 June 2020 (<https://pmg.org.za/taled-committee-report/4210/>):

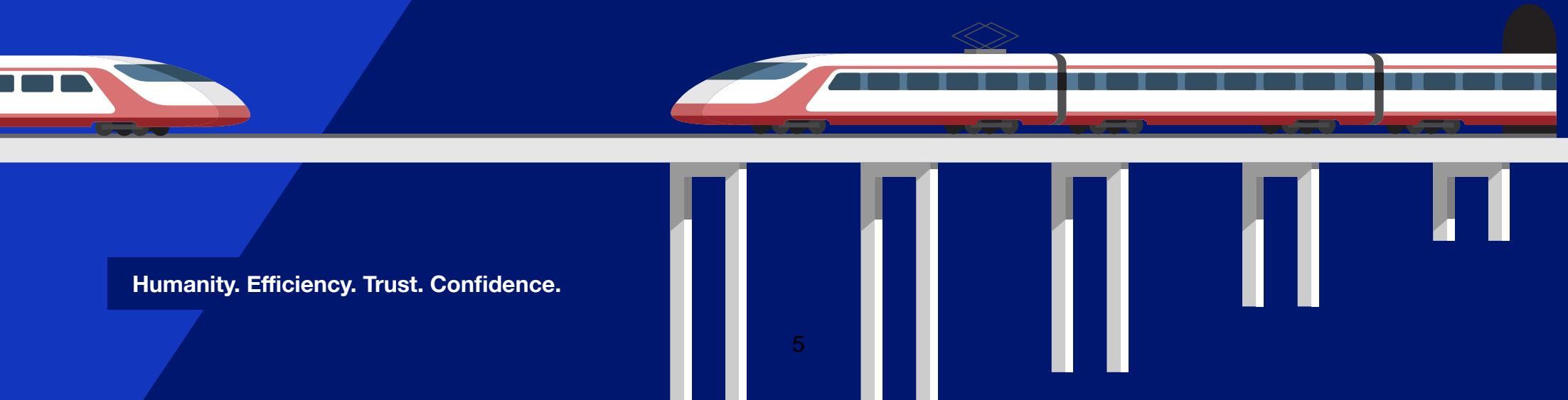
Third-parties have been involved in the claims process for a long time. The involvement of the third-parties resulted from the inefficiencies of the Fund. The third-parties employed the previous employees of the Fund who knew the inefficiencies of the Fund and exploited them to the benefit of the third parties. The CF realised that uMehluko system was not what it needed, hence the introduction of Comp-Easy. The transition from uMehluko to Comp-Easy started on 1 October 2019. The uMehluko system was switched off[f] but migration of data to the new system is ongoing. Therefore, there is currently one system that is operational. The DG explained that the current complaints from the third-parties are as a result of the leaks in the system being closed.

*The DG explained that **the purpose of introducing the Compensation for Occupational Injuries and Diseases (COID) Amendment Bill is to eliminate having to deal with third-parties in future.***

[Emphasis added]

If you saw a train smash about to happen, would you **stop it** if you could?

Section 43 of the proposed COID Amendment Bill seeks to ban cessions to Third-Party Administrators. This will have a catastrophic impact on medical service providers, employers, injured workers and the Compensation Fund



Humanity. Efficiency. Trust. Confidence.

The Compensation Fund's system is dysfunctional for employers and Medical Service Providers



- **Struggle** to register as user/or register new claims
- **no** system alerts/visibility of outstanding docs
 - **no** reasons for rejections
 - **delays** in claim adjudication
 - random system **errors**

DISCOURAGED FROM REPORTING



- **Struggle** to apply on-line for pre-auths
- **no** system alerts/visibility of reports outstanding
- some tariff codes are **absent**, resulting in **rejections**
- **no** system supported query management process
 - payments **delayed/often non-existent**

RELUCTANT TO TREAT PATIENTS

As a result of the Fund's dysfunction, IOD patients are not treated

Humanity. Efficiency. Trust. Confidence.

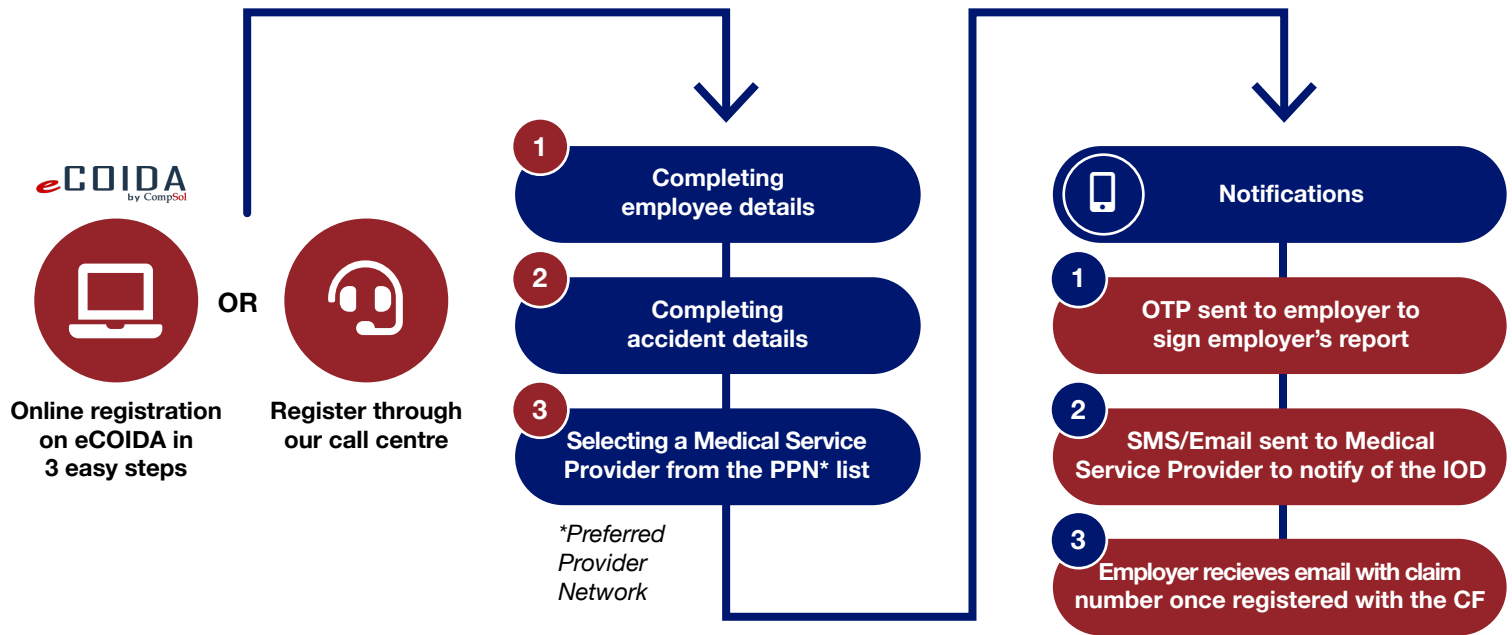
CompSol[™]
IOD CLAIMS SOLUTIONS

Third-Party Administrators play a crucial role in the Compensation Fund's value chain

- ✓ **Removes the administrative risk** and burden for Medical Service Providers
- ✓ Which allows them to **focus on their core function** of treating patients, ensuring employees are able to return to work faster
- ✓ **Early payment** of invoices to Medical Service Providers ensures the sustainability of their practices, which incentivises them to treat IOD patients
- ✓ Third-Party Administrators' governance and compliance checks **eliminate fraud**
- ✓ Ensures that injured workers receive the **quality care** and treatment they deserve

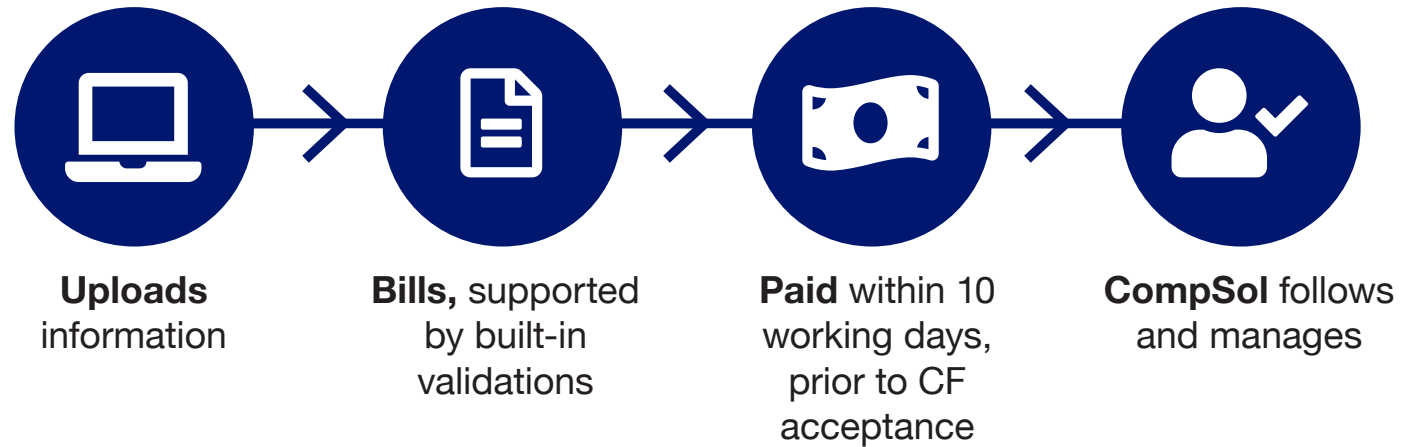
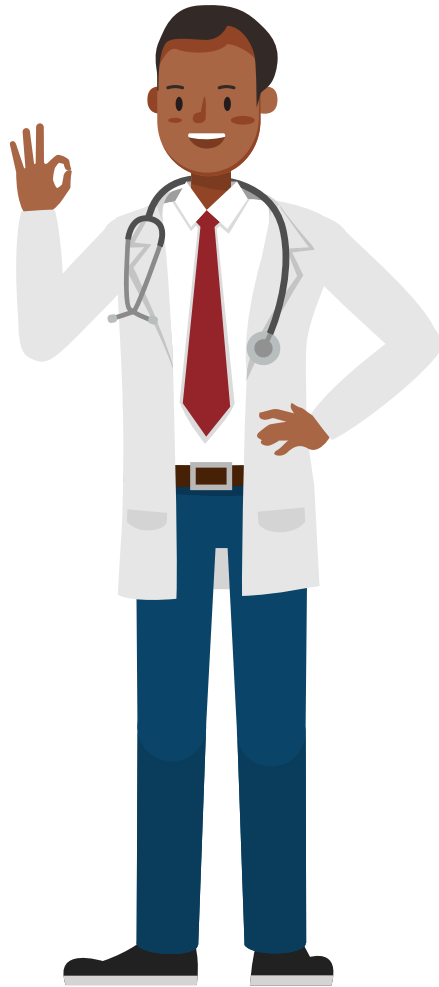
CompSol's 3 easy steps for employers

It only takes 3 minutes to register a claim on our system!



Humanity. Efficiency. Trust. Confidence.

Easy for Medical Service Providers to treat patients



Humanity. Efficiency. Trust. Confidence.

CompSol™
IOD CLAIMS SOLUTIONS

The win-win offered by Third-Party Administrators



STAKEHOLDER



COST



BENEFIT

| | | |
|--------------------------|---|--|
| Injured worker | None | Responsive, quality care as patient is treated by the most appropriate medical service provider, which prevents delays in returning to work. Humanity |
| Employer | None | Reduced admin. No uncertainty. Fast activation. Efficiency |
| Medical Service Provider | Willing participant, based on a normal cash flow cost: benefit analysis which illustrates value | Improved cash flow. Reduced admin. Trained by third-party experts. Empowered to serve. Trust |
| Compensation Fund | None | Claims received are 100% compliant. Fewer rejections, fewer delays, fewer costs and less reputational damage. Confidence |

WIN-WIN FOR ALL!

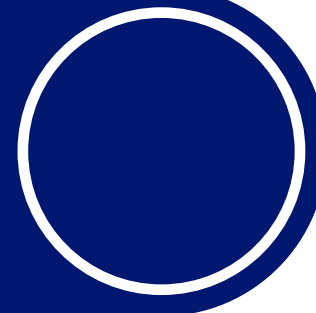
Humanity. Efficiency. Trust. Confidence.

CompSol[™]
IOD CLAIMS SOLUTIONS

Consequences of ignoring the value of **Third-Party Administrators**



Benefit of partnering with **Third-Party Administrators**



Find out more from info@compsol.co.za

Humanity. Efficiency. Trust. Confidence.

CompSol™
IOD CLAIMS SOLUTIONS

2. EXECUTIVE SUMMARY

Section 73 of the principal Act is amended by the addition of the following sub-section, which appears within clause 43 of the Amendment Bill:

“(4) Any provision of an agreement existing at the commencement of this Act, or concluded thereafter, in terms of which a service provider cedes or purports to cede, or relinquishes or purports to relinquish, any rights to medical claim in terms of this Act, shall be void.”

In essence, this proposed amendment to the Act prohibits the cession of medical invoices by MSPs to any third-party, which would include Registered Credit Providers (“RCP”), Co-operative Financial Institutions (“CFIs”), Registered Banks, factoring houses and other financial institutions.

Simply put, MSPs will be unable to utilise an asset, which their private practice has legally generated, to serve as security or collateral for any form of finance, working capital or financial transaction or arrangement within the Republic of South Africa.

This unilateral act by the Department and the Fund, is unconstitutional in terms of section 22 (Freedom of Trade, Occupation and Profession) and section 25 (Property) of the Constitution of the Republic.

Further to the above, at the outset we wish to draw the Committee’s attention to the fact that the Socio-Economic Impact Assessment (“SEIA”) was performed in May 2015 - more than five and half years ago - and that the assessment process, including a consultative workshop and final report writing was completed hastily in only two months, without a single private healthcare stakeholder or financial institution stakeholder being consulted.

It is also worth noting that at the time of compiling the SEIA (May 2015), the Fund was approximately 10 months into “go-live” of the previous RMA uMehluko System (1 August 2014 implementation date), which has since been replaced by the CompEasy Fund system. The SEIA is thus significantly outdated in relation to its operational and affected stakeholder engagement mechanisms and IT systems.

Unlike the private medical sector and RAF, the “reasonable costs”¹ of medical aid are legislatively regulated per medical discipline and per procedure code by the Fund through the COIDA Medical Tariff Gazettes, which are published and updated annually by the Fund.

¹ Section 73(1) of the Compensation for Occupational Injuries and Diseases Act (as amended) notes:

*“The Director-General or the employer individually liable or mutual association concerned, as the case may be, shall for a period of not more than two years from the date of an accident or the commencement of a disease referred to in section 65(1) pay the **reasonable cost** incurred by or on behalf of an employee in respect of medical aid necessitated by such accident or disease.” [Emphasis added]*

Considering the legislated and gazetted requirements, COIDA compliant medical accounts can only be submitted to the Fund for tariff code values, as per these Gazettes.

The Fund itself is not incurring any additional costs associated with cession of medical accounts and is legally protected from exploitation by the existing COID Act and Regulations.

For the avoidance of doubt, it is important to note that all fees payable by MSPs to third-party medical account cessionaries **do not increase the cost of medical treatment to the Fund** by even one cent, as all medical fees paid out by the Fund are paid out in terms of the normal gazetted tariffs and not over and above the gazetted tariffs.

The full cost of financing a practice's working capital requirements is borne 100% by the practice, whether in the form of interest on an overdraft to a commercial bank or a factoring fee to a factoring house.

Importantly, there are also no costs or fees levied against employers and or injured workers who are treated by MSPs who make use of third-party medical account cessionaries.

Critically, the relevant sub-section (4) in Clause 43 above has a significant impact on MSPs ability to sustain their practices, which will have the unintended consequence of disincentivising them from treating IOD patients, as without securing working capital, their IOD debtors' book will grow significantly due to incorrect rejections, as well as slow and delayed payments by the Compensation Fund.

It is clear that this amendment will, therefore, undermine the intention of the Act, which is ultimately to provide access to quality healthcare for injured workers, who are some of the most vulnerable citizens in society. Sometimes severely traumatised due to the loss of a limb, paralysis or disfigurement after sustaining third degree burn wounds.

The associated costs of not having access to MSPs willing to treat patients will be disastrous for the injured workers and their employers, who rely on their workers to receive prompt professional medical treatment to ensure they return to duty as soon as possible. The impact to the Fund will be significant as it will have to deal with these increased costs.

The Fund has, on numerous occasions, stated that the new information technology system (CompEasy), implemented by it on 1 October 2019, would prevent the need for third-party involvement as claims will be paid faster by the Fund. This is an all-to-familiar statement made by the Fund prior to the implementation of no less than five new systems over the past two decades.

The Fund's inability to adopt and implement a successful information technology platform - having implemented various technology platforms developed by technology companies such as Oracle and SAP, which have been regarded as "failed" by many – leads us to numerous questions and concerns and also to note that **it is inappropriate for the Fund to amend legislation on the basis of their aspirations and ideals for their operational and information technology platforms /**

structures, with no protection to affected stakeholders such as injured workers and MSPs.

This is the equivalent of the South African Revenue Services amending sections of the Income Tax Act (Act 58 of 1962) or the Tax Administration Act (Act 28 of 2011) on the basis of how SARS e-filing does, does not or should function.

The Committee is directed towards the judgment handed down in the Gauteng division of the High Court in the matter between *SIP Project Managers (Pty) Ltd v CSARS (11521-2020) [2020] ZAGPPHC (29 April 2020)* whereby judgement was ruled in favour of the taxpayer's rights despite the manner in which SARS perceived its platforms to operate and create liability for taxes.

Should the Fund continue to be unable to deliver on its expectations / objectives for whatsoever reason (whether due to the Fund or the system provider), the amendments as published, provide no protection to the MSPs in the case of non-timely payment or ceasing of payment altogether.

It should be noted that after the "Go Live" of the uMehluko system in August 2014, no medical account payments were received by MSPs for a three-month period from August 2014 to October 2014, per the Fund's reports to the Parliamentary Labour Committee. This period of non-payment does not appear to have been planned by the Fund nor was it communicated to MSPs prior to occurring.

Similarly, the "Go Live" date of the CompEasy system was on 1 October 2019, with a one screen web access with three buttons on it - none of which were active. Worse still, the previous system was switched off completely, with no external stakeholder access for any employer or MSP, nor was the new system run in parallel with the old for a period to ensure the new system complies.

The situation became so dire that a national multi-stakeholder alliance, the Injured Workers' Action Group ("IWAG"), was formed out of necessity in an attempt to secure benefit payments from the Fund.

Seven months into the "Go Live" period, in April 2020, matters became so dire that the Labour Workstream Chairman of B4SA (Business for South Africa), Mr Robert Legh, together with BUSA (Business Unity South Africa) Social Policy Manager, Ms Sino Moabalobelo had to intervene on the request of medical associations, MSPs (including National Hospital Groups and Networks) and medical account cessionaries.

This engagement with the Fund yielded some short-term benefit payments to MSPs and prevented certain financial catastrophe for many. Notably, however, these payments were accomplished from a stakeholder perspective through the submission of **Excel templates** to specific senior Fund officials, **not via the CompEasy client-facing system**.

In this regard the Committee's attention is brought to the fact that the published tender value for the CompEasy System amounted to R285,326,186, which is critical capital that could be deployed for social security benefits, however, it appears once again to have been squandered.

With this track-record, the Fund's statements that the system will rectify the issue cannot be relied upon and operational / technological solutions cannot be used as a rationale for a legislative amendment impacting an MSPs' constitutional right to trade in a manner permitted by their profession.

It is clear from our submission that the inclusion of subsection (4) in Clause 43 of the Bill (Section 73(4) of the principal Act) that:

- It is a unilateral and irrational act by the Department and the Fund;
- The Department did not consult all the relevant stakeholders as specifically required in the formulation of the Socio-Economic Impact Assessment back in 2015 when it was hastily done – most notably the private medical sector and financial sector (Registered Credit Providers, Co-operative Financial Institutions, Registered Banks and Other Financial Institutions);
- It is based on unfounded, untested and undocumented allegations of fraud and corruption by third parties;
- It is based on an incorrect perception of over billing, fraud and add-on costs, which the Fund is already protected against;
- It does not adequately consider or assess the multiple impacts and consequences associated with the proposed change; and
- It will ultimately undermine the mandate and objective of the COID Act.

Consequently, we are calling for its removal from the Amendment Bill.

3. EXTRACTS FROM THE AMENDMENT BILL AND SOCIO-ECONOMIC IMPACT ASSESSMENT

3.1. THE BILL [B21-2020]

Amendment of section 73 of Act 130 of 1993

43. Section 73 of the principal Act is hereby amended by the addition of the following subsections:

...

(4) Any provision of any agreement existing at the commencement of this Act or concluded thereafter in terms of which a service provider cedes or purports to cede or relinquishes or purports to relinquish any rights to medical claim in terms of this Act, shall be void.”.

NOTE TO READER:

Clause 43 of the Bill, as published, introduces two sub-sections into Section 73 of the principal Act.

The focus of this written submission relates only to the second subsection, as noted above.

To avoid confusion and for ease of reference, this submission shall refer only to the above clause as Clause 43(4) of the Bill calling for its exclusion from the Bill.

3.2. MEMORANDUM OF THE OBJECTS OF THE COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES AMENDMENT BILL

2. CLAUSE BY CLAUSE ANALYSIS

2.11 Clause 43

Clause 43 seeks to amend section 73 of the Act to expressly provide for the reopening of the claims after the expiry of two years from the date of accident and to provide that any provision of any agreement existing at the commencement of this Act or concluded thereafter in terms of which a service provider cedes or purports to cede or relinquishes or purports to relinquish any rights to medical claim in terms of this Act, shall be void.

3.3. SOCIO-ECONOMIC IMPACT ASSESSMENT PREPARATION AND SIGN-OFF

(Refer to **Annexure A**)

| Criteria | Extract | Annex A Page Ref. |
|--|---|-------------------|
| Socio-economic impact assessment and quality sign off date by Department of Planning, Monitoring and Evaluation: | 2 August 2019 | 1 |
| Version signed off: | May 2015 | 2 |
| How long did it take the department to complete the SEIA template? | Two months, including consultative workshop(s) and final report writing. | 17 |

4. THE CURRENT STATE OF THE COMPENSATION FUND

The Compensation Fund (“the Fund”) has assets to the value of R60 billion², and more than R26 billion in reserves, yet employers, injured workers and MSPs find it extremely difficult to access the Fund’s systems and claim their legislatively entitled benefits.

To exacerbate this, if employers are eventually successful in registering themselves on the CompEasy system and able to report an IOD incident, MSPs can wait up to 24 months for:

- claims to be registered by the Fund;
- claims to be adjudicated by the Fund;
- medical invoices to be assessed and paid by the Fund and
- Compensation benefits paid by the Fund to the injured worker or their designated dependants.

For many years, the Fund has been recognised as profoundly dysfunctional with a track record of at least seven consecutive years of audit Disclaimer of Opinion having been received from the Auditor General of South Africa.

The 2018/2019 audit report specifically notes that due to the sheer magnitude and materiality of the Fund’s inability to provide audit evidence to the office of the Auditor General of South Africa (“AGSA”) to perform its audit procedures, were it not a legal requirement for the AGSA to have to perform the audit of the Fund, the late Mr Thembekile Kimi Makwetu on behalf of the AGSA, would have withdrawn from the engagement:

Withdrawal from the audit engagement

*20. Due to the limitation imposed on the scope of the audit by management, I have disclaimed my opinion on the financial statements. **However, for the legislated requirement to perform the audit of the public entity, I would have withdrawn from the engagement in terms of the ISAs.***

[emphasis added]

In October 2019, the Fund replaced its Rand Mutual Assurance (“RMA”) Information Technology (“IT”) platform (uMehluko). This platform cost the Fund a combined total of R194.6 million in licence fees as per the annual reports from 2014/2015 to 2018/2019.

The new SAP-based IT platform, called CompEasy, is noted as having a cost of R285,326,186 as per the tender award notice published in the Tender Gazette (No. 2974 dated 21 July 2017) that was awarded to Britehouse (a division of Dimension Data Proprietary Limited).

As such, it can be concluded that the Fund has incurred R479.9 million in IT system development expenditure in the past two system implementations alone.

² Per the 2018/2019 Annual Report - most recent publicly available information

It is worth noting that prior to uMehluko, the Fund has, in recent history, also previously implemented and subsequently decommissioned the following systems:

- SAP ICM (implemented via an EOH network entity),
- eClaims and
- FYI

Despite the significant cost of the CompEasy system and the time since implementation (approximately 17 months), the new system is equally dysfunctional, continuing the delays in the reporting, registration and adjudication of claims, and medical invoice payments to MSPs with incorrect rejections due to wrong software coding and omissions are the order of the day.

The magnitude of the failure of the Fund's new system is such that in a recent Injured Workers' Action Group ("IWAG") survey of employers, only 31% were able to successfully report an IOD incident.

Most of the remainder could not be assisted by the Fund's officials, these employers then came to third-party administrators to assist them in complying with their obligations under the COIDA.

4.1. WORKPLACE-ACQUIRED COVID-19 CASES ARE ADDING PRESSURE ON THE FUND.

Even before the advent of Covid-19, the Fund was failing miserably to register and adjudicate claims, as well as to process and pay medical invoices.

The far-reaching devastation that the Fund's failure continues to cause to the lives and livelihoods of the injured, mostly blue-collar workers of this country and their families, cannot be underestimated.

While Government must be congratulated for including domestic workers as beneficiaries of the Fund, through section 1(h) of the Bill, we are deeply concerned that the dysfunctional state of the Fund will make it impossible for this most vulnerable segment of our society to receive equitable access to quality care.

For over 21 years, MSPs have used the services of medical account cessionaries and third-party administrators to help them navigate the Fund's dysfunctional systems and crucially secure payment for medical services rendered to injured workers.

5. FACT OR FICTION IN THE MEDIA

5.1. BUSINESS DAY ARTICLE: OBJECTIONS TO PROPOSAL TO BAN THE TRANSFER OF MEDICAL CLAIMS – 1 FEBRUARY 2021

[\(https://www.businesslive.co.za/bd/national/2021-02-01-objections-to-proposal-to-ban-the-transfer-of-medical-claims/\)](https://www.businesslive.co.za/bd/national/2021-02-01-objections-to-proposal-to-ban-the-transfer-of-medical-claims/)

Statement No 1 by Mr T Mkalipi – Chief Director – Labour Relations

*“However, the department of employment and labour has defended the proposal, saying it wants the Compensation Fund to work directly with clients **as all other insurance companies and medical aid schemes did.**”*

*“The department’s chief director of labour relations Thembinkosi Mkalipi said the Compensation Fund **dealing directly with its clients as other insurance companies and medical aid schemes do is in the best interests of workers, business and the fund.**”*

[Emphasis added]

Fact or Fiction: **FICTION**

Private sector cessionaries currently and have for many years operated in harmony with Medical Schemes, Medical Scheme Administrators, Insurers and the RAF.

Medical schemes, medical scheme administrators and insurers have, in fact, utilised the opportunity to gain efficiencies by dealing with centralised, experienced and specifically-skilled aggregators and key stakeholders, as opposed to individual MSPs, who are not as familiar with the intricacies of claims processing and maintenance. MSPs specialise in patient care and medical procedures, not administration and information technology.

Given the years of history and success that third-party medical account cessionaries have had with medical schemes, private medical scheme administrators and the likes of Discovery Health, Medscheme, Momentum Health Solutions, Metropolitan Health Corporate and the significant benefits associated with economies of scale in data and process aggregation (dealing with a single point of contact / key stakeholder as opposed to individuals), thus, creating a functional third-party eco-system subscribing to global best practices. We find the Department’s statement to be one of fiction and not of fact.

Examples of specialised medical account cessionaries who deal directly with medical schemes, medical scheme administrators and the RAF in the healthcare sector include:

- Partners4Life - <http://www.partner4life.co.za/>
- Mettle Medical Finance - <https://mettle.net/businesses/medical-finance>

- Accicare - <http://www.accicare.co.za/contact-accicare.html>

We respectfully submit that instead of eliminating what works (medical account cessionaries) for MSPs across the healthcare sector and has been effective in the delivery of much needed medical aid to patients throughout the country, the Department of Employment and Labour should focus on fixing what doesn't work i.e., the Fund's claims and administrative capabilities and its ability to pay claims efficiently, and on time.

5.2. BUSINESS DAY ARTICLE: OBJECTIONS TO PROPOSAL TO BAN THE TRANSFER OF MEDICAL CLAIMS – 1 FEBRUARY 2021

(<https://www.businesslive.co.za/bd/national/2021-02-01-objections-to-proposal-to-ban-the-transfer-of-medical-claims/>)

Statement No 2 by Mr T Mkalipi – Chief Director – Labour Relations

There is no need to incur additional costs by involving third-parties in the claims process, Mkalipi said, adding that the fund not [not] operating optimally is a separate issue.

Fact or Fiction: FICTION

Unlike the private medical sector and RAF, the “reasonable costs”³ of medical aid are legislatively regulated per medical discipline and per procedure code by the Fund through the COIDA Medical Tariff Gazettes, which are published and updated annually.

Considering the legislated and gazetted requirements, COIDA-compliant medical accounts can only be submitted to the Fund for tariff code values, as per these Gazettes.

The Fund itself is thus not incurring any additional costs associated with cession of medical accounts and is legally protected from exploitation by the existing COID Act and Regulations.

As mentioned earlier, no additional cost is levied against the Fund or Employers nor injured workers.

³ Section 73(1) of the Compensation for Occupational Injuries and Diseases Act (as amended) notes:

*“The Director-General or the employer individually liable or mutual association concerned, as the case may be, shall for a period of not more than two years from the date of an accident or the commencement of a disease referred to in section 65(1) pay the **reasonable cost** incurred by or on behalf of an employee in respect of medical aid necessitated by such accident or disease.” [Emphasis added]*

5.3. FINANCIAL MAIL ARTICLE: NEW COMPENSATION BILL: A CURE OR AN INJURY? – 18 FEBRUARY 2021

<https://www.businesslive.co.za/fm/fm-fox/2021-02-18-new-compensation-bill-a-cure-or-an-injury/>

Statement No 1 by Mr V Mafata – Compensation Commissioner

Mafata tells the FM the fund “does not have an issue with doctors using intermediaries to submit their claims and medical bills. [The reason] we won’t pay into the account of third parties is to eliminate fraud. We want to pay the person who is our client, because we use verification systems and sometimes these claims fail to satisfy our systems.”

Fact or Fiction: **FICTION**

While the Commissioner’s intent to eliminate fraud at the Fund is lauded, the context of his statements and linking between Fraud and Clause 43(4)’s prohibition of cession are severely misplaced and grossly incorrect.

All bank account information associated with an MSP can be verified and also be automated through BankservAfrica, using the approved documentation held on file by the Compensation Fund – as such any and all bank account Fraud can be eliminated.

Third-party medical account cessionaries make use of the country’s largest commercial banks, who are interoperably linked to BankservAfrica for verification purposes.

BankservAfrica is the largest automated payments clearing house in Africa. The business clears and processes bank card, ATM and EFT transactions between the country’s banks as part of the SA National Payment System. The company is a joint venture between the country’s largest banks — FirstRand, Standard Bank, Absa and Nedbank — each holding 23.125% of the equity. The balance of ownership is held by Bidvest, Capitec, Citibank SA, Investec, Mercantile Bank, Grobank, Sasfin and Ubank.

[Source: Business Day]

As such the Commissioner’s statements regarding verification are grossly incorrect and lack context.

Further to the above, the Fund has strict requirements for registering MSPs and updating bank account information.

The following represents the detailed procedures conducted by CompSol on signing on a new client and thus updating the MSP's banking details at the Fund:

- CompSol obtains all documentation from the MSP, checks it for validity, accuracy and completeness, compiles it and submits it to the relevant labour office, in accordance with the latest standard operating procedures of the Fund, depending on the MSP's location and address.
- The following documents are submitted to the Fund:
 - Cover letter from CompSol which includes:
 - Details of the MSP's whose information is required to be updated; and
 - List of documents compiled and submitted by CompSol to the Fund for details to be updated.
 - Completed and signed Prescribed Form (W.Ac.33)
 - Signed by an authorised representative of the MSP; and
 - **Stamped by relevant bank to verify bank details.**
 - **Bank confirmation letter issued and stamped** by relevant bank to verify and confirm the nominated account to be updated.
 - Power of attorney on the MSP letterhead which reflects:
 - MSP's instruction of cession of medical accounts to CompSol;
 - MSP's request to update bank details provided in the documentation pack; and
 - MSP request to update the remittance advice ("RA") and email correspondence addresses.
 - Credit Order instruction signed by MSP
 - Confirming the bank account details into which the Fund must make payment; and
 - Signed by an authorised representative of the MSP.
 - Certified identity document copies of the MSP
 - These copies are required to certified within the last 3 months per the latest Fund requirements; and
 - These documents are required for the authorised representative to act on behalf of the MSP.
 - Board of Healthcare Funders ("BHF") certificate of MSP with the unique MSP practice code number included.
 - Companies and Intellectual Property Commission ("CIPC") and Value-Added Tax (VAT) certificate (where applicable).

- Proof of address of MSP
 - Dated within the last 3 months.

As can be seen from the above, significant volumes of documentation and independently verifiable information are provided by CompSol to the Fund, in accordance with its operating requirements.

As such, we find the Commissioner's comments of fraud unjustified and belligerent.

We find that the Commissioner's statements that "sometimes" these "claims" fail to satisfy our system to be clearly worrisome and indicative of not a heightened risk of fraud, but rather instability within the Fund's information technology systems.

Statements such as the above do not warrant a change in legislation related to cession, but rather points towards:

- Inconsistent application of the Fund's verification system as there is not a consistent failure by the verification system, but only "sometimes";
- Poor system implementation and change management processes within the Fund's information technology stack, leading to inconsistent output;
- the prerequisite for stronger oversight and enterprise governance at the Fund, specifically in the area of information technology;
- the need to strengthen the monitoring of information technology internal controls (automated controls) both from the perspective of control effectiveness and over the output of operational and financial reporting; and
- the possible lack of internal audit expertise surrounding information technology application controls and / or IT governance and oversight from an independent audit committee.

Further to the above we draw the Committee's attention to **Annexure B** and section 6.2 below, which notes that it is, in fact, the Department and Fund's own officials who have been implicated in fraudulent activities not third-party medical account cessionaries.

In light of the above, the Commissioner's linking of Clause 43(4) - prohibition of cession - to the elimination of fraud should be completely disregarded.

5.4. FINANCIAL MAIL ARTICLE: NEW COMPENSATION BILL: A CURE OR AN INJURY? – 18 FEBRUARY 2021

<https://www.businesslive.co.za/fm/fm-fox/2021-02-18-new-compensation-bill-a-cure-or-an-injury/>

Statement No 2 by Mr V Mafata – Compensation Commissioner

Also, in terms of the Health Professions Act, medical practitioners are prohibited from sharing their fees with other parties, "so we are trying to improve issues of compliance as well", says Mafata.

Fact or Fiction: **FICTION**

This statement by the Commissioner is grossly incorrect and inconsistent with the South African healthcare industry.

The following are extracts from Medical and Dental Professions Board ("MDB") of the Health Professions Council of South Africa ("HPCSA"):

The Executive Committee of the Medical and Dental Professions Board resolved that –

*A practitioner would remain responsible for his or her own accounts in respect of professional services rendered by him or her, including the collection of monies from patients in settlement of such accounts, whether or not a cession of the whole or a portion of such practitioner's book debts had been affected. **The Board does not express a view on financial arrangements which practitioners make with financial institutions in respect of such accounts, save to record that the practitioner would remain personally and professionally responsible and accountable to the Board and to his or her patients in respect of these accounts.***

MDB, March 2000, Item 54

[Emphasis added]

Given the oversight responsibility of the MDB of the HPCSA in terms the Health Professions Act (Act 56 of 1974) read together with the "Ethical Guidelines for Good Practice in the Health Care Professions"⁴, were cession prohibited the MDB would have ruled as such.

⁴ https://www.hpcsa.co.za/Uploads/Professional_Practice/Ethics_Booklet.pdf

The Executive Committee of the Medical and Dental Professions Board –

*RESOLVED that the resolution of December 2002 by the Executive Committee be confirmed, namely that Dr R Williams be informed that it would **be permissible for book debts to be ceded to financial institutions other than banks**, subject thereto that such cession of book debts would fully comply with the ethical requirements of the Board as set out in the resolution marked MDB, March 2000, Item 54.*

MDB, March 2003, Item 54

[Emphasis added]

The above ruling, which stands to today notes clearly that cession of medical accounts is permissible by the MDB and thus the HPCSA.

It is patently clear from the above two rulings that:

- the HPCSA is not against the cession of book debts to financial institutions (including financial institutions other than banks);
- Practitioners always remain personally and professionally responsible and accountable to the HPCSA and their patients in respect of accounts.

Further to the above, in 5.1 in relation to a similar statement by Mr T Mkalipi – Chief Director – Labour Relations, it was also noted that the Fund and the Department's understanding of the norms and procedures in the South African healthcare sector are lacking and incorrect. This is reinforced by the lack of consultation or consideration of the private healthcare sector (e.g. MSPs or Healthcare Associations) when conducting the SEIA activities.

Private sector cessionaries currently and have for many years operated in harmony with Medical Schemes, Medical Scheme Administrators, Insurers and the RAF and is an accepted norm.

Medical schemes, medical scheme administrators and insurers have, in fact, utilised the opportunity to gain efficiencies by dealing with centralised, experienced and specifically-skilled aggregators and key stakeholders, as opposed to individual MSPs, who are not as familiar with the intricacies of claims processing and maintenance. MSPs specialise in patient care and medical procedures, not administration and information technology.

5.5. FINANCIAL MAIL ARTICLE: NEW COMPENSATION BILL: A CURE OR AN INJURY? – 18 FEBRUARY 2021

<https://www.businesslive.co.za/fm/fm-fox/2021-02-18-new-compensation-bill-a-cure-or-an-injury/>

Statement No 3 by Mr V Mafata – Compensation Commissioner

Mafata says the amendment would not prohibit the use of third parties to submit claims on behalf of clients and beneficiaries. "Our processes do allow for this, provided the third party or agent can prove that they have been authorised to act on clients' behalf."

But what it would do is "ban the ceding of the right to benefits. The person who is injured or the one who treated that person is the person the fund will pay. Not a third party." He stresses that should an employer or a medical practitioner elect to have a third party to submit claims on their behalf, "such claims are and will continue to be accepted [but] the fund will only pay into bank accounts of the client of the fund and not of a third party".

Fact or Fiction: **FICTION AND IRRELEVANT**

The Commissioner in effect argues against his own point noted in 5.3 above.

Third-party medical account cessionaries are required by the Fund to obtain, specific and exhaustive approvals from MSPs prior to registering and / or requesting the change of any and all MSP details at the Fund - this specifically includes bank account information and has been noted in detail above.

Changes are always conducted by the third-party medical cessionaries in terms of legally enforceable agreements / contracts / power of attorney documents signed by authorised representatives (e.g. owners, partners, directors) of the third-party and the MSP.

The authorisation to act on behalf of the Fund's "clients" is completely unrelated to the prohibition imposed by Clause 43(4) on MSPs to cede their medical accounts and should be disregarded.

The Commissioner once again notes his concern regarding payment into a specific bank account, however, as noted above, it is in fact the Fund's internal controls that regulate activities, prevent fraud and reinforce compliance, not prohibiting the cession of medical accounts.

As such, the Commissioner's statements do not support or in any manner adequately display the need for prohibition of cession as introduced by Clause 43(4) of Bill.

6. WHY CLAUSE 43(4) OF THE COID AMENDMENT BILL SHOULD BE REMOVED

6.1. NO REASONABLE RATIONALE FOR THE CLAUSE

If a government proposes changing a law, it requires a reasonable and justifiable rationale to do so.

Neither the Minister nor the Department of Employment and Labour, much less the Fund, have provided any reasonable rationale or justification, in any publicly available documentation for the inclusion of clause 43(4) (amendment to Section 73(4) of the Principal Act).

This is further compounded by the fact that when the Bill was introduced to the Committee on 4 November 2020, the Department did not present, nor did it make any reference to Clause 43(4) in its discussion or presentation to the Committee. The Committee has thus not received a complete briefing on the Bill from the Department, with no context, rationale or justification provided by the Department in relation to Clause 43(4).

Only the following three publicly available references could be located for the clause inclusion, two of which were not easily obtainable:

- **Memorandum of the Objects of the Compensation for Occupational Injuries and Diseases Amendment Bill, 2020**

The only reference to the clause 43(4) is noted as follows:

2. CLAUSE BY CLAUSE ANALYSIS

2.11 Clause 43

Clause 43 seeks to amend section 73 of the Act to expressly provide for the reopening of the claims after the expiry of two years from the date of accident and to provide that any provision of any agreement existing at the commencement of this Act or concluded thereafter in terms of which a service provider cedes or purports to cede or relinquishes or purports to relinquish any rights to medical claim in terms of this Act, shall be void.

- This does not provide the South African citizenry, less still impacted stakeholders, with any further information, rationality, justification, or “analysis” in relation to proposed amendment to the Act, but merely repeats the substance of the Clause using similar wording.

- **Socio-Economic Impact Assessment 2015 (“SEIA”) – Annexure A**

In South Africa, Cabinet decided on the need for a consistent assessment of the socio-economic impact of policy initiatives, legislation and regulations in February 2007. The approval followed a study commissioned by the Presidency and the National Treasury in response to concerns about the failure in some cases to understand the full costs of regulations and especially the impact on the economy.

To implement the Cabinet decision, from 1 October 2015 Cabinet Memoranda seeking approval for draft Policies, Bills or Regulations must include an impact assessment that has been signed off by Policy and Research Services in the Presidency. Cabinet Memoranda have been reviewed for departments to include information generated by the SEIAS in the recommendations. In addition, the Memoranda provide for a summary of the main findings of the final impact assessment as well as annexing a full report (refer to the Presidency Guide for the Drafting of the Cabinet Memoranda). Public Policies and Regulations that are internally signed by Ministers should also be subjected to SEIAS.

The Presidency is responsible for coordinating its implementation, do quality control and provide capacity to government. An Interdepartmental Steering Committee provides guidance, support and oversee the implementation of SEIAS.

Reference: <http://www.thepresidency.gov.za/SEIAS?page=13>

- The COID amendment bills’ SEIA was completed in **May 2015**, more than five and half years ago and only verified and signed off by the Department of Planning, Monitoring and Evaluation under the Presidency on **2 August 2019**. The SEIA is thus not based on current operational, economic, or strategic factors.
- Per point 5.3 of the SEIA Summary (Page 17 of **Annexure A**) the SEIA appears to have been hastily compiled with all major activities having been conducted within two months:

*5.3 How long did it take the department to complete this template?
Two Months, including consultative workshop and final report writing.*

- We could not locate this SEIA document on any Departmental, Compensation Fund or publicly facing resource / website and was only obtained by directly requesting it from the Acting Chief Director of Legal Services for the Department of Labour during October 2020
 - The document was subsequently received on 19 October 2020 from its author, Mr Tendani Ramulongo.

- It is unclear as to why, given the nature of a SEIA and its intended purpose, it was not made and advertised as being publicly available, together with the publication of the Bill. This appears to be in contravention with the spirit of the SEIA programme and the impact assessment activities performed. Given this significant deficiency in compiling and publicising the SEIA, in conducting its legislative, oversight and deliberative roles, the Committee may wish to question the constitutionality of the bill.
- The only reference in the SEIA to cession and Clause 43(4) of the Bill is as follows:

| Group | Implementation costs | Cost of changing behaviour | Costs/benefits from achieving desired outcome | Comments |
|---------------------------|---|--|---|--|
| Medical service providers | Prohibition of ceding their claims to third parties | Campaigns to encourage Medical service providers to submit claims directly. Cost of implementing technology that allows for speedy payment of claims. | Reduce fraud and corruption by third-parties who buy claims from Doctors. | This will assist the Fund by creating a direct business-to-business with our stakeholders and clients by eliminating third parties |

- From the above it is clear that the focus of the amendment is to “Reduce fraud and corruption *by third parties*”
 - However, there is no evidence or history of any such activity by any “third-parties” who factor medical accounts from MSPs – also known as medical account cessionaries.
 - In fact, third-party medical account cessionaries **assist** in eliminating fraud and corruption in the claims process, by adding a pre-Compensation Fund vetting layer, based on the principles of sound corporate governance and internal controls, which ensure only COID Act compliant accounts are factored and submitted to the Fund, thereby ensuring funds advanced to MSPs can be recovered from the Fund.

(Refer to 6.2 below)

- The factoring of a non-compliant account would generally result in financial losses and negative cash flow implications for the cession holder / lender, thus all cessionaries have a vested interest in ensuring fully compliant claims in a manner that is easiest and quickest for the Fund to adjudicate on claims and assess medical accounts.
 - Failure by medical account cessionaries to adequately vet IOD claims and medical accounts associated with such claims, would result in high rejection rates from the Fund, heightened business risk, loss of monies advanced to MSPs, dissatisfied MSP clients and ultimately, failure of these financial institutions.
 - While the Fund raises this as a concern, we believe this to be a red herring as we are not aware of any material cases whereby any “third party” cessionaries, (**not third-party billing houses - with no vested interest in the claims or medical accounts**) have been confirmed or convicted of fraudulent activity associated with claiming from the Fund.
 - We are aware of action taken by the Fund against Sinempilo Medical Billing, which performed administrative services for MSPs only and did not take cession of any medical IOD accounts. Sinempilo is thus **not regarded as a medical account cessionary**.

Administrative entities such as Sinempilo (who have no *locus standi*) are unaffected by the clause 43(4) amendment. This supports the contention that the true agenda behind this irrational insertion i.e., to prevent legal action from cessionaries who have *locus standi*.

- Medical account cessionaries, however, have a vested interest in ensuring fully compliant claims and medical accounts are submitted to the Fund as quickly and efficiently as possible to limit the risk on monies advanced.
- The concern by the Department of “third-parties” and cession is not mentioned once in any of the following sections of the SEIA, which, given the nature of the items described in the table above (“reduce fraud and corruption”), would most definitely have been expected to have been further considered and documented:
 - Summary of the proposal
 - **Problem and root causes**
 - Intended outcomes of the proposal
 - Groups that will benefit from the proposal, and the **groups that will face the cost**. These groups could be described by their role in the economy or in society
 - **Behaviour that must be changed**, and the main mechanisms to achieve the necessary changes

- **Groups inside and outside of government whose behaviour will have to change**
 - Report on consultations on the proposal with the **affected government agencies, business, and other groupings**
 - **Possible disputes arising out of the proposal**, and the system for settling and appealing them
- Further to the above, there appears to have been no consultation or consideration of the private healthcare sector (e.g. MSPs or Healthcare Associations) when conducting the SEIA activities. It appears as if the Department or the Fund do not necessarily view the private healthcare sector as stakeholders to their operations, despite the fact that the Fund is completely reliant on the private sector to provide “medical aid” as noted in the COID Act.
 - MSPs are not listed as “Groups that will benefit” or “Groups that will bear the cost” under section 3 of the “Problem statement/Theory of change” of the SEIA, nor are they included under sections 4 and 5 relating to behaviour changes and mechanisms required to implement the change.
 - Further to this, it appears that only the Department of Health was consulted (under section 6), with specific reference to the “amendment as assisting with advancing the implementation of NHI”.
 - Similarly, no mention is made in relation to the impact on Registered Credit Providers, Co-operative Financial Institutions, Registered Banks, Factoring Houses or other financial intuitions.
 - The above is reinforced by the CF representative panel (Irish Lepphoto (presenter), Vusi Zwane, Thembinkosi Mkalipi, and Hlonitshwa Mpaka (facilitator)) in the Public Hearing conducted in Port Elizabeth on 10 December 2018, who acknowledged that the drafters of the Amendment Bill had not considered the impact of section 43(4) on financial institutions (including banks and presumably registered credit providers and CFI’s) and *“the intention of the section was intended only to remove third-party administrators”*;
 - Considering the above, the very foundation of the need, rationale, and justification for clause 43(4) is materially incorrect and on this basis alone should require the clause to be deleted from the Bill.

- **Report of the Portfolio Committee on Employment and Labour on an Oversight Visit to the Compensation Fund Head-Quarters, Dated 10 June 2020**

(<https://pmg.org.za/taled-committee-report/4210/>)

- The following was noted in section 4.1 of the Committee report ATC200618 stated by the DG, Mr Thobile Lamati:

Third-parties have been involved in the claims process for a long time. The involvement of the third-parties resulted from the inefficiencies of the Fund. The third-parties employed the previous employees of the Fund who knew the inefficiencies of the Fund and exploited them to the benefit of the third parties. The CF realised that uMehluko system was not what it needed, hence the introduction of Comp-Easy. The transition from uMehluko to Comp-Easy started on 1 October 2019. The uMehluko system was switched off but migration of data to the new system is ongoing. Therefore, there is currently one system that is operational. The DG explained that the current complaints from the third-parties are as a result of the leaks in the system being closed.

*The DG explained that **the purpose of introducing the Compensation for Occupational Injuries and Diseases (COID) Amendment Bill is to eliminate having to deal with third-parties in future.***

[Emphasis added]

- From the above it is clear that the inclusion of clause 43(4) as part of the Bill is a unilateral act, by the Department and the Fund to “*eliminate having to deal with third parties*”.

- Unlike the private medical sector and RAF, the “reasonable costs” of medical aid are regulated per medical discipline and per procedure code by the Fund through the COIDA Medical Tariff Gazettes, which are published and updated annually by the Fund.

- There is a glaring contradiction in the DG’s stated rationale. If one considers that Mr Lamati is referring to the lack of payments to MSPs when he states:

“the current complaints from the third-parties are as a result of the leaks in the system being closed.”

One needs to consider that it is the same group of dedicated MSPs that has for more than two decades delivered medical treatment via cessionaries to injured workers without a single legal action taken against any one of the MSPs or the cessionaries.

- It is glaringly obvious that a system that prevents its users access to report IOD’s, incorrect rejections, painfully cumbersome and slow processes with unacceptable long delays will result in less payments to MSP, but not as a result of “*plugging the leaks*”.

This blatant fiction by the DG is a smoke screen to try and hide the “not fit for purpose” CompEasy system procured by the Department and its unprofessional implementation.

Consequently, we are calling for Clause 43(4)’s removal from the Amendment Bill.

6.2. A BLUNT INSTRUMENT AIMED AT DESTROYING AN ELEMENT OF THE COMPENSATION FUND THAT WORKS

“Third-parties”, intermediaries or middlemen, as they have been referred to in Committee meetings, are seen to exist because of the inefficiency and dysfunctionality of the Fund in carrying out its mandate, but, in fact, are a generally accepted and widely applied service in the private healthcare sector as a whole in South Africa.

This widely accepted and utilised practice is taken-up by many MSPs across medical disciplines, across provinces and physical locations; as well as varying sizes of private practice.

Working capital financing, using debtors as collateral (thus requiring cession), the factoring of medical invoices and administrative outsourcing (e.g., medical billing, claims processing and claims debt aggregation) is not unique to COID or the IOD environment and exists effectively and efficiently within the following sub-sectors of the economy:

- the medical scheme industry;
- private insurance (demarcation products);
- retail and commercial banking;
- Road Accident Fund (“RAF”) and
- private healthcare.

Private sector cessionaries currently and have for many years, operated in harmony with Medical Schemes, Medical Scheme Administrators, Insurers and the RAF. These entities have, in fact, utilised the opportunity to gain efficiencies by dealing with centralised, experienced and specifically-skilled aggregators and key stakeholders, as opposed to individual MSPs, who are not as familiar with the complexities of claims processing and maintenance – MSPs specialise in patient care and medical procedures, not administration and information technology.

Given the years of history, and success that third-party medical account cessionaries have had with medical schemes, private medical scheme administrators and the likes of Discovery Health, Medscheme, Momentum Health Solutions, Metropolitan Health Corporate and the significant benefits associated with economies of scale in data and process aggregation (dealing with a single point of contact / key stakeholder as opposed to individuals), we find it contradictory that the inclusion of Clause 43(4) will result in improved administration and service delivery by the Fund – it will not.

Examples of specialised medical account cessionaries who deal directly with medical schemes, medical scheme administrators and the RAF in the healthcare sector:

- Partners4Life - <http://www.partner4life.co.za/>
- Mettle Medical Finance - <https://mettle.net/businesses/medical-finance>
- Accicare - <http://www.accicare.co.za/contact-accicare.html>
- Medsol - <http://medsol.co.za/>

Given our understanding of the sector, we believe that the implementation of such an amendment will in fact disincentivise MSPs from treating COID patients and thus harm the individuals the COID Act is implemented to protect – the injured worker and ultimately the economy.

Medical account cessionaries, in fact, play a valuable role in streamlining the process for the Fund by:

- **Adding a layer of governance and internal controls through the pre-vetting of claims and medical accounts;**
 - Medical account cessionaries ensure compliance with the COID Act prior to factoring / purchasing / taking cession of the Medical Account to prevent the purchase or lending against a non-compliant account;
 - Factoring cessionaries are committed to the legal process for their sustainable survival, while administration entities are merely involved in the process without any financial commitment.
 - Failure by medical account cessionaries to adequately vet IOD claims and medical accounts would also result in high rejection rates from the Fund, heightened business risk, dissatisfied MSP clients and ultimately failure of these financial institutions.
 - Indeed, the reverse has happened, with third-party cession and factoring growing annually as more and more MSPs realise and understand the benefit of financial leverage, factored outsourcing, and cession of medical IOD accounts.
- **Medical account cessionaries have systems and processes in place to identify and detect irregularities in IOD claims and medical accounts, either within a specific claim or at a specific MSP practice, prior to the information getting to the Fund, thus preventing patently incorrect or fraudulent claim-related data and information from entering the Fund's systems;**
 - The absence of cessionaries will result in significantly higher instances of fraud and non-compliant submissions – placing further strain on the Fund's system and officials:
 - The following are examples of fraudulent circumstances identified by CompSol, which provide evidence of the value add of the pre-vetting of claims by medical account cessionaries:

(Examples have been anonymised to ensure compliance with legal requirements, specifically those of the Protection of Personal Information Act)

- Mrs M (Physiotherapist) stole the referral notepad of Dr H (Emergency Physician) and wrote patient referrals to herself. The CompSol internal system of controls and staff investigated the change in billing pattern and uncovered the fraudulent transactions and “manufactured” invoices before the Fund was even aware of such activity;

The MSP was successfully prosecuted by CompSol (not the Fund) via the Specialised Commercial Crime Unit (a division of the National Prosecuting Authority) and the Fund alerted, as no irregularities were identified by the Fund;

We terminated our factoring agreement with Mrs M immediately.

- Mr C and Mr K (both physiotherapists) serviced patients up to two weeks after the date of the patient’s death as disclosed on the death certificate. CompSol’s systems identified the risk before the invoices were submitted to the Fund, alerted the Fund accordingly and terminated the factoring agreement with both;
- Mr S (Orthotist Prosthetist) had been submitting false and overcharged invoices to the Fund prior to signing up as a CompSol client. CompSol stopped this practise and prevented further falsified invoices for patients who had never received their prosthetics, from being submitted to the Fund;
- A leading national group of General Practitioner’s (“GPs”) signed up as CompSol clients. CompSol re-processed the unpaid COID medical invoices at the time of signing-up and noted that more than two thirds of the accounts had errors whereby the values charged were in excess of the legally-gazetted tariff value.

The practice had been submitting to the Fund on this basis for many years with the Fund’s systems not alerting the officials to the error. CompSol ceased this over-billing, ensuring all accounts submitted by the practice were based on the regulated tariff amounts.

In addition to this, CompSol corrected (reduced) all previously submitted billing under its control and within its contractual mandate. The MSP was given an ultimatum to accept the correct billing (reduced) or the contract would be terminated.

- While the Fund’s SEIA notes that third-parties are the cause of fraud and corruption, it is our understanding, per prior Fund presentations, press releases, Committee minutes and official Fund documentation such as the Fund’s annual report, that confirmed fraud cases mainly relate to individual MSPs, Fund officials and **non-cession billing houses**;

A quick Google search reveals seven past media exposures in relation to fraudulent activities by the Fund's officials and nothing relating to third-party cessionaries, below, which have also been included as

Annexure B:

- DOL employee in Court
<https://www.goexpress.co.za/2019/09/12/two-former-dol-employees-appear-in-court-on-fraud-charges/>
- Fund employee fraudster
<https://www.sanews.gov.za/south-africa/sentencing-compensation-fund-fraudster-trio-october>
- Non-cession billing house
<https://www.sanews.gov.za/south-africa/compensation-fund-takes-major-decision-sinempilo>

Sinempilo Medical Billing performed administrative services for MSPs only and did not take cession of any medical IOD accounts, thus is not regarded as a medical account cessionary. Entities such as Sinempilo will still be permitted to operate unaffected by clause 43(4).

- Compensation fund frustrate HAWKS
<https://www.news24.com/news24/SouthAfrica/News/compensation-fund-frustrates-hawks-investigation-20180113>
 - Dozens of Compensation Fund employees arrested
<https://www.sowetanlive.co.za/news/2017-05-10-dozens-of-employees-face-arrests-for-fraud-worth-millions-as-scandal-rocks-compensation-fund/>
 - Former Fund employees accused
<https://www.gov.za/two-former-employees-accused-department-labour-fraud-matter-%E2%80%98stage-no-show%E2%80%99-court>
 - Internal Fund fraud case postponed
<https://www.georgeherald.com/News/Article/National/compensation-fund-fraud-case-postponed-20170711>
- In addition to the above, various allegations and concerns have also been verbalised and / or communicated to CompSol by Fund officials and MSPs in the course of its 21-year operations.

These matters include:

- Cash received by Fund officials for priority processing and payment;
- a Compensation Fund in-house doctor submitting claims for “on the side” operation,
- officials profit-sharing on the importation and over-charging on prosthetic devices.

Regrettably, the Annual Report of Fund and publicly available information of the Fund does not provide further information, however, the following troubling statement was specifically noted in the most recent (2018 / 2019) annual report:

The following HR challenges were faced during the 2018/2019 financial year:

...

16 fraud cases were not finalised as at 31 March 2019 due to non-appointment of presiding officers.

- The reduction in external preventative controls brought about as a by-product of clause 43(4), will result in more incorrect / inappropriate claim and account information and documentation entering the Fund's system and place additional strain on the Fund's internal audit division to identify irregular claim activity.
- **Alleviate and reduce the number of different stakeholders with which the Fund and its staff need to interact with on a day-to-day operational basis**
 - Medical account cessionaries represent a significant share of the MSP clients of the Fund and thus provide consistency and single points-of-contact, with the appropriate authority and legal representation, for the Fund to engage a wide range and number of stakeholders in a single meeting or communication;
 - This allows for global best practice standards between the Fund and medical account cessionaries to be established at a single meeting;
 - One or a few medical account cessionaries can be engaged with, and information easily disseminated to and understood by its experts / specialists in that specific administrative field / process and be applied to all its practices country-wide; and
 - This contrasts significantly to what would be required if every practice had to interact with the Fund individually.
- **Being specialists in their field, uniquely trained and educated on COID-specific requirements and administrative procedures and processes, medical account cessionaries enhance the reach and effectiveness of the communication of the Fund and ensure the most recent and current Fund requirements are understood quickly and implemented timeously to take into account any internal or legislative changes.**
 - This ensures that the benchmark is always the COID Act and the most up-to-date gazetted regulations.

- **Eliminating duplicate or non-compliant claims at the source of claim documentation and assist in speedily resolving outstanding documentation / information requests. This ensures effective and efficient provision of social security services - MSPs are paid timeously and valid claims are accepted swiftly to allow the injured employee (or dependants) to receive much-needed compensation (where applicable).**
 - This prevents the Fund's own contact centre from being bombarded or overwhelmed with e.g., multiple rounds of queries on the same claim or medical account over a protracted period of time, due to the time limitations of the nature of MSPs occupations. The focus should be on treating patients, with more efficient administration, not creating more administrative overhead.
 - The inclusion of clause 43(4) will result in the Fund's own officials having to deal with far more claim rejections and requests for additional information, with a higher staff member engagement to claim contact ratio resulting in fewer claims processed and paid.
- **Legal action to recoup payments from the Fund is currently limited to a few parties who take action against the Fund, as opposed to the thousands of individual actions / applications, which may be instituted against the Fund by individual medical practitioners (medical cessionary clients), in order to recover monies:**
 - Legal actions against the Fund by cessionaries can be managed by the Fund communicating with the aggregator / cessionary / third-party, who has the appropriate authority (*locus standi*) to engage with the Fund. This is in contrast to a situation where hundreds or even thousands of individual MSPs are required to be engaged by the Fund's legal services team, where payments are not timeously forthcoming;
 - The Fund will face a significant increase in the number of legal actions and increase in the frequency thereof. Given the fact that single parties (in medical account cessionaries) would not have *locus standi* in respect of the cession / ownership of the medical accounts – this will be an arduous burden on the Commissioner, senior staff, their legal team to defend / deal with these actions and the South African court systems, not to mention the exponential explosion of legal cost.

Given the above, we believe the service provided by third-parties, specifically those which factor medical accounts and require cession for their services to be performed effectively, is not only one of the only elements of the Fund's process that works efficiently, but is also a critical element to enable the Fund to process and pay the volume of benefits that it does each financial year.

As such, to prohibit such cession of claims is unconscionable and will have a detrimental impact on the entire value chain, including IOD patients, MSP's, financial institutions, and the Fund itself.

6.3. CLAUSE 43(4) UNDERMINES SUSTAINABILITY OF MSP'S

Third-party medical account cessionaries help to alleviate the burden on MSPs of the extremely cumbersome and time intensive administration claims process. It is not simply a matter of submitting an invoice. The Fund requires a plethora of supporting documentation to establish the legitimacy of a claim. By taking over this process and debt burden, third-party medical account cessionaries ensure MSPs have more time to focus on their core mandate of saving lives and providing access to quality healthcare to IOD patients.

- **Reduction in Patient Treating Capacity of the Medical Sector**

- Every minute spent by a treating MSP on administration or attempting to secure cash flow from the Fund for services already rendered:
 - Reduces the amount of time available to be spent on treating patients in general (IOD, RAF, Medical Aid, Private and COVID-19), in a time where healthcare is very strained and needed;
 - Further increases the load on the other practitioners / public sector facilities, which are already over stretched in the SA healthcare sector;
 - Increases the risk of stress of operating in private practice;
 - Increases the time needed by medical practitioners to manage and oversee practice administration staff to ensure IOD medical account administration is valid, accurate and complete (fraud and error prevention), and
 - Reduces the focus of healthcare practitioners on patients.
- Removing cession of medical accounts increases the risk that those newly introduced “employees” in terms of the Act e.g. domestic workers may still not get treated because of capacity constraints within the healthcare sector.

This is because practitioners are cumulatively spending too much time focused on IOD claim administration and medical account compliance activities as well as attempting to secure cash flows from the Fund, themselves, as opposed to being allowed to outsource to specialist providers / third-parties to process, administer and secure funding associated with their medical accounts.

- Third-party medical account cessionaries administrators and financiers thus ensure that healthcare capacity within SA is focussed towards the patients and frees-up the MSP to spend more time doing what they are qualified and uniquely trained to do – treat and consult with patients and less time worrying about the specialist and unique administration requirements of the Fund and the timing and amount of cash flows to be received from the Fund.

- **Increase in burn-out and stress of healthcare practitioner**

- MSP's are suffering heightened stress levels and burnout is on the rise, which is currently being exacerbated by:
 - COVID-19;
 - Increased compliance and regulatory requirements across the healthcare sector and economy e.g. Protection of Personal Information Act (POPIA); and
 - Increased threat and risk of medico-legal action being taken against them
- Increasing the administrative responsibility on the practices and MSPs themselves to secure cash flows from the Fund will increase the risk of burnout and further heighten stress levels.
- The Fund has a history of changing systems, processes, and protocols, which would require the MSP and their staff to attain and maintain the most up to date processes and information.

This would require additional time and effort by medical practices and their staff to gain an understanding of the new systems and processes, and / or take time away from their practices to attend any public facing information sessions held by the Fund.

Failure to comply 100% with the Fund's ever-changing requirements would result in queries from the Fund or worse, rejected claims and accounts, which would require further administration processes, time away from patients and stress (further increased risk of burnout) for MSPs.

- As noted earlier, in October 2019, the Fund replaced its previous IT system with a new SAP-based IT system called CompEasy, at a cost of R285 million. This is the fifth IT system that the Fund has invested hundreds of millions in over the past 20 years. The new system is equally dysfunctional, however, continuing the delays in the reporting, registration and adjudication of claims, and payments to MSP's.
- The Fund has been historically and is currently unable to provide regular and consistent cash flows to all MSPs throughout SA, despite its numerous operational and system changes;
- The Fund does not comply with the requirements of the Public Finance Management Act or National Treasury recommendations in terms of paying vendors within 30 days and thus timing of payment is unpredictable, and enforcement is required through legal actions;
- Further to the above, the Fund consistently does not meet the requirements of its approved Annual Performance Plan ("APP"), in respect of working days taken to adjudicate claims or days within, which payments of medical invoices will be paid to practitioners.

- The following are extracts from the Annual Performance Plan of the Compensation Fund, signed by the Officials of the Fund and presented to Parliament's Employment and Labour Committee on 20 May 2020 (approximately seven months post the "Go-Live" of the CompEasy System), which are based on the CompEasy System, yet are consistently not achieved.

OFFICIAL SIGN-OFF

Annual Performance Plan:

- Was developed by the management of the Compensation Fund under the guidance of the Honourable Minister of Employment and Labour, T.W. Nxesi, MP.
 - Takes into account all the relevant policies, legislation and other mandates for which the Compensation Fund is responsible.
 -
- to achieve over the period 2020/21.


N. Qamata
Signature: 
Chief Director: Corporate Services

F. Fakir
Signature: 
Chief Director: Orthotics and Rehabilitation

M. Ruiters
Signature: 
Chief Director: Medical Services

N. Sihlangu
Signature: 
Acting Chief Director: COID Services

L. Kotta
Signature: 
Acting Chief Director: Financial Management

J. Modiba
Signature: 

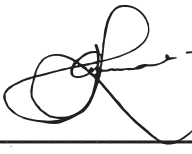
OFFICIAL SIGN-OFF (continues)

V. Mafata

Signature: 

Compensation Commissioner

T. Lamati

Signature: 

Accounting Authority

B.E. Moloi, MP

Signature: 

Deputy Minister of Employment and Labour

Approved by:

T.W. Nxesi, MP

Signature: 

Minister of Employment and Labour

PART C: MEASURING OUR PERFORMANCE

1.2 PROGRAMME 2: COID SERVICES

1.2.1 Purpose: To administer compensation claims, medical adjudication and accounts and customer care.

1.2.2 Sub Programmes

Purpose: T

Sub Programme: Employer services

Purpose: To provide registration and assessment services of employers within the Fund.

Sub Programme: Treasury, Investment and Actuarial services

Purpose: To provide strategic management of the Funds treasury, investment and actuarial services

PART C: MEASURING OUR PERFORMANCE

1.2.3 Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output Indicator | Audited Performance | Estimated Performance | Annual Target | | | | |
|------------------------------|--|--|--|---|---|---|---|---|--|
| | | | | | MTEF Period | | | | |
| | | | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| Revenue generation increased | Assessment of the Return of Earning received | Percentage of received return of earnings assessed annually. | n/a | 55% (219 050/401 536) of active registered employers assessed | 80% | 85% | 87.5% | 90% | 95% |
| Access to compensation | Claims adjudicated | Percentage of claims adjudicated within 20 working days of receipt | 94% of claims adjudicated within 40 working days of receipt. | 90% of claims adjudicated within 30 working days of receipt | 85% of claims adjudicated within 20 working days of receipt | 90% of claims received adjudicated within 15 working days | 90% of claims received adjudicated within 10 working days | 90% of claims received adjudicated within 10 working days | 90% of claims received adjudicated within 5 working days |
| | | Percentage of approved within 5 working days | 98% | 100% | 100% | 100% | 100% | 100% | 100% |

1.2.4 Indicators, Annual and Quarterly Targets

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--|---------------|------|------|------|------|
| Percentage of received return of earnings assessed annually. | 80% | - | - | - | 80% |
| Percentage of claims adjudicated within 20 working days of receipt | 85% | 85% | 85% | 85% | 85% |
| | 100% | 100% | 100% | 100% | 100% |

PART C: MEASURING OUR PERFORMANCE

1.3 PROGRAMME 3: MEDICAL BENEFITS

1.3.1 Purpose: To provide strategic support and medical expertise to claims processing.

1.3.2 Sub Programmes

Sub Programme: Medical Services

Purpose: To provide best practice standards regarding occupational diseases and injuries to support the Fund's claims process

Sub Programme: Medical Claims

Purpose: T

PART C: MEASURING OUR PERFORMANCE

1.3.3 Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output Indicator | Audited Performance | Estimated Performance | Annual Target | | | | |
|--------------------------------------|--|---|---|---|--|---|---|---|---|
| | | | | | MTEF Period | | | | |
| | | | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| Access to medical services increased | Specialised Medical Interventions pre-authorised | Percentage of requests for pre-authorisation of Specialised Medical Interventions 10 working days of receipt | 93% of pre-authorisations responded to within 10 working days on previously | 85% of pre-authorisations responded to within 10 working days on previously | 90% of requests for pre-authorisation of Specialised Medical Interventions 10 working days of receipt | 90% of requests for pre-authorisation of Specialised Medical Interventions working days of receipt | 90% of requests for pre-authorisation of Specialised Medical Interventions working days of receipt | 95% of requests for pre-authorisation of Specialised Medical Interventions working days of receipt | 95% of requests for pre-authorisation of Specialised Medical Interventions working days of receipt |
| | High value Complex Medical Cases enrolled into Case Management | Percentage High Value and Complex Medical Cases enrolled into Case Management Programme within 7 working days. | n/a | 60 % of referred for case management within 10 working days | High Value and Complex Medical Cases enrolled into Case Management Programme within 7 working days | High Value and Complex Medical Cases enrolled into Case Management Programme within 7 working days | High Value and Complex Medical Cases enrolled into Case Management Programme within 7 working days | High Value and Complex Medical Cases enrolled into Case Management Programme within 7 working days | High Value and Complex Medical Cases enrolled into Case Management Programme within 7 working days |
| | Medical invoices | Percentage of accepted medical invoices within 30 working days of receipt | 93% of medical invoices within 60 working days of receipt. | 85% of medical invoices 40 working days of receipt | 85% of accepted medical invoices within 30 working days of receipt | 85% of accepted medical invoices working days of receipt | 90% of accepted medical invoices working days of receipt | 90% of accepted medical invoices working days of receipt | 90% of accepted medical invoices working days of receipt |

PART D: TECHNICAL INDICATOR DESCRIPTION (TID)

TECHNICAL INDICATOR DESCRIPTION

PROGRAMME 2: COID SERVICES

| Indicator Title | Percentage of claims adjudicated within 20 working days of receipt |
|---|--|
| | <p>This indicator measures the implementation of COIDA and the percentage of</p> <p>Claims and WCL 4) and registered on the system. A claim which does not have complete information is regarded as being invalid and will not be registered.</p> <p>Adjudication refers to a process of making a decision on a registered claim to either accept or repudiated liability.</p> <p>20 days of receipt refers to a date a claim is acknowledged online or date captured in</p> <p>The turn-around time is measured from the date of receipt of a claim electronically or manually until the date it is adjudicated. For manual documents, date of receipt is date stamped and registered on a manual register. It excludes compensation claims</p> |
| Source of data | <p>System (CompEasy) Claims adjudication report</p> |
| Method of Calculation / Assessment | <p>Numerator: Number of claims adjudicated within 20 working days Denominator: Calculation: Percentage of claims adjudicated within 20 working days of receipt= Numerator divided by Denominator multiplied by 100</p> <p>* The quarterly performance is measured as cumulative e.g. The quarter 3 output is calculated by adding Q1+Q2+Q3 outputs together</p> |
| | System Generated report |
| Assumptions | Claims registered with complete documentation and information |
| applicable) | <p>Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A</p> |
| Spatial Transformation (where applicable) | N/A |
| Calculation Type | Cumulative |
| Reporting Cycle | Quarterly |
| Desired performance | T |
| Indicator Responsibility | Chief Director: COID Services |

PART D: TECHNICAL INDICATOR DESCRIPTION (TID)

TECHNICAL INDICATOR DESCRIPTION

PROGRAMME 3: MEDICAL SERVICES

| | |
|--|---|
| Indicator Title | <p>receipt.</p> <ul style="list-style-type: none"> working days. <p>Medical invoices refer to all invoices received from Medical Service Providers standards)] which should be accompanied by all relevant medical documents.</p> <p>Finalised refers to invoices approved, authorised, rejected, paid, execute payment and, reconciled within the turnaround time.</p> <p>30 working days of receipt refers to a medical invoice from an accepted claim (where</p> <p>The turnaround time is measured from the date of receipt of the medical invoice</p> |
| Source of data | CompEasy |
| Method of Calculation / Assessment | <p>Numerator:</p> <p>Denominator:</p> <p>Calculation:</p> <p>divided by Denominator, multiplied by 100</p> <p>*The quarterly performance is measured as cumulative e.g. The quarter 3 output is calculated by adding Q1+Q2+Q3 outputs together.</p> |
| | System generated medical invoices reports ascertaining the total number of medical |
| Assumptions | Factors that are accepted as true and certain to happen without proof |
| applicable) | <p>Target for Women: N/A</p> <p>Target for Youth: N/A</p> <p>Target for People with Disabilities: N/A</p> |
| Spatial Transformation (where applicable) | |
| Calculation Type | Cumulative (Year-end) |
| Reporting Cycle | Quarterly reporting |
| Desired performance | The desired performance is to increase access and accelerate provision of medical |
| Indicator Responsibility | |

- The Fund has received disclaimers of audit opinion in the most recent seven annual financial statement audits (based on publicly available information) and also in respect of its audits of performance information by the Auditor General of South Africa, resulting in benchmarking of the Fund being impossible.

As mentioned earlier, the most recent annual report (2018/2019) specifically notes that the AGSA would have withdrawn from this audit had it not been legislated.

- Third-party medical account cessionaries can provide practitioners with peace of mind that:
 - MSPs will receive regular cash flows, provided they meet specific, and MSP agreed (practice specific) contractual requirements and are COIDA tariff compliant, thus allowing the stress of their practice to be easily and conveniently managed in a manner to which they have agreed – not a unilateral and blanket approach as taken by the Department in the introduction of clause 43(4):
 - MSPs do not need to follow up with each party in the claim value chain as third-party medical account cessionaries use economies of scale to ensure all compliance documents associated with an IOD claim and medical account are obtained timeously and submitted to the Fund, based on the latest Fund requirements;
 - MSP's are not personally required to recover funds from the Fund or institute any legal actions / claims against the Fund, where monies are not forthcoming, as third-party medical account cessionaries have *locus standi*:
 - MSPs are consequently saved from highly stressful legal situations and additional time can be used to:
 - Treat patients; and
 - Ensure they maintain adequate wellness / well-being;
 - South Africa has been lauded globally for its legal system and specifically, the processes and requirements in order to recoup monies from a creditor;
 - To maintain these standards, the legal requirements for instituting action in order to recover monies from a creditor are onerous, time consuming and often require in person attestation of documentation and statements;

- Personal involvement from individual practices / practitioners and thereby forcing MSPs into circumstances which are legal in nature, highly stressful and results in additional time away from treating patients in their practice and is avoided through the use of third-party medical account cessionaries;
- **Trade-off between well-being, family-life and administration**
 - Ultimately, the removal of third-party cessions will result in MSPs being unfairly required to choose between:
 - Additional administration required due to third-party cession amendment;
 - Treating patients (refer above)
 - Well-being and family life
 - The forced requirements due to clause 43(4), of a choice between personal sacrifice, well-being, and family time or to perform the administrative requirements of the Fund, in order to secure monies for services already provided to patients in need, is grossly unjust.
 - Thousands of MSPs in South Africa, as evidenced by the client lists of the third-party medical account cessionaries, trust third-parties to provide them with the services they need to effectively run their private practices.
 - As noted above, third-party cession and outsourcing is not unique to COID and exists effectively and efficiently within the medical scheme, private insurance (demarcation products), Road Accident Fund and private healthcare sub-sectors.
 - As a crucial profession in our society, MSPs cannot be restricted from the opportunity to continue to outsource the services that they see that are required, to practice ethically, sustainably, and effectively. Consistency should be retained across the entire healthcare industry.

Access to early finance (through cession of medical accounts) and resolution of claims by third-party medical account cessionaries supports MSPs' financial sustainability, and their ability to continue to provide treatment to injured workers. MSPs need invoices to be paid timeously to secure the cash flow needed to run their practices, pay staff and service other overhead costs associated with their practices.

The dysfunctionality of the Fund means that claimants often need to resort to legal action to resolve payments. By ceding their claims to third-party medical account cessionaries, MSPs are also relieved of the time consuming, resource intensive and expensive legal process often required to secure payment from the Fund. All engagements, follow up interventions, and legal processes are managed by the third-party medical account cessionaries once the claim is ceded to them or factored by them.

The amendments would result in the MSPs' practices being unable to raise capital (e.g. practice loans or overdraft facilities) on the strength of the growing outstanding COID debtor book, despite an ongoing requirement for working capital to fund operational or other requirements ultimately leading to IOD patients not getting the correct medical treatment.

6.4. CONSTITUTIONALITY AND LEGALITY

We believe that clause 43(4) violates at least the following legal rights enshrined in Chapter Two of the SA Constitution:

- Right to property (section 25)
- Freedom of trade, occupation, and profession (section 22)
- Right of access to courts (section 34)

Right to property

The removal of the right to cede medical accounts infringes on MSPs rights to property. In many instances, the IOD medical services rendered by an MSP comprises a material portion of its practice turn-over.

For instance, hospitals, doctors and all other MSPs, including, for example, financially fragile start-up practices and practitioners, are categorically prevented from applying their medical accounts as collateral for business, practice, or personal financing with any financial institution.

This same prohibition would in absolute terms affect all providers of IOD healthcare services – irrespective of the personal, professional, or other circumstances of the individual or entity involved. The prohibition altogether disregards the circumstances of the workforce behind the medical practice or practitioner concerned.

Simultaneously, the prohibition of cession of medical accounts also operates in vague terms. The concept “relinquish” (as per wording of Clause 43(4)) is, as noted, not defined, and bears no recognised legal meaning. This renders the prohibition impermissibly indeterminate, overbroad, and vague. It, therefore, appears to violate the rule of law.

Furthermore, the proposed clause 43(4) purports to even abolish the cession of medical service providers' claims against the Compensation Fund with **retrospective** effect. Thus, claims which would have been ceded to a third-party – after medical services were extended to workers in good faith, and which third-party would accordingly have been obliged to pay to medical service providers – become unenforceable against the Compensation Fund in the hands of the third-party immediately upon the amendment's operation.

The removal of the right to cede medical accounts therefore also infringes third parties' rights as the claims ceded to them would be considered as property as defined in section 25 of the Constitution. Clause 43(4) of the Bill purports to deprive CompSol of its property despite no sufficient rationality for enacting it.

Freedom of trade, occupation, and profession

For over two decades a workforce of approximately 400 employees has been recruited by CompSol, with a wide range of skills that have been trained and equipped to administer and manage the unique intricacies associated with COVID IOD claims and medical accounts, with many of these staff progressing to mid- and senior management levels.

The proposed clause 43(4) infringes on section 22 of the Constitution, which notes:

Every citizen has the right to choose their trade, occupation or profession freely. The practice of a trade, occupation or profession may be regulated by law.

While the Constitution notes that a trade, occupation, or profession may be regulated by law, this regulation may only be done in a manner which is consistent with section 36 of the Constitution as noted below:

Limitation of rights

36. (1) *The rights in the Bill of Rights may be limited only in terms of law of general application to the extent that the limitation is reasonable and justifiable in an open and democratic society based on human dignity, equality and freedom, taking into account all relevant factors, including—*

- (a) the nature of the right;*
- (b) the importance of the purpose of the limitation;*
- (c) the nature and extent of the limitation;*
- (d) the relation between the limitation and its purpose; and*
- (e) less restrictive means to achieve the purpose.*

(2) Except as provided in subsection (1) or in any other provision of the Constitution, no law may limit any right entrenched in the Bill of Rights.

The purpose of the proposed amendment, through Clause 43(4) of the Bill, is not clear at all when considering the position of an MSP or medical account cessionaries.

The limitation imposed by Clause 43(4) has been shown throughout this submission to be one which is neither reasonable nor justifiable, and no comparative example in a free, open and democratic society has been identified in support of clause 43(4) of the Bill.

It is not reasonable to limit the normal economic rights that an MSP can choose and practice his or her profession in the manner contemplated by the proposed Clause 43(4).

It is our view that the proposed amendment will not survive scrutiny under section 36 of the Constitution of the Republic of South Africa for at least the following reasons:

- Many MSPs (established and start-up practices) obtain finance for their practices or for personal use through cession of their debtors' books as security to institutions such as banks, registered credit providers and other financial institutions;

It must be born in mind that a debtor in the books of a medical practice is an asset and may be used by such MSP for commercial or personal purposes (in the case of sole proprietorships and partnerships);

This proposed amendment will disempower MSPs and take away their ability to use its assets (debtors) to cede the debtor's book to obtain finance or an improved cash flow.

In the event of a sequestration / liquidation, the finalisation of the estate would be delayed inordinately to the prejudice of creditors if trustees/liquidators are compelled to await payment by the Compensation Fund as opposed to being able to convert the assets of the estate (accounts) to cash by selling the accounts to third parties.

There is no need or justification for the COID Act to dictate the commercial rights of an MSP in respect to COID medical accounts. The purpose of the legislation should not go so far as to determine what an MSP can do with the accounts for services already rendered and that form part of his or her assets.

The proposed amendment amounts to over legislation. It seeks to govern the economic rights of a medical practitioner and there is no justification for doing so in the Bill or in the COID Act.

- The true purpose of Clause 43(4) is a mystery, or hidden, and we are not aware of any plausible reason why the interests of MSPs should be limited in the manner that is intended by the proposed legislation.

As noted above, it is our understanding that during the public consultation process in 2018, in respect of the Bill and during public participation meetings, the public was led to believe that the purpose of this amendment was to “**eliminate having to deal with third-parties in future**”.

If this is, in fact, the purpose of the proposed amendment, we believe it to be unconstitutional and unlawful to outlaw a party's right to access to the court (refer to “Right of Access to Courts” below).

Since the purpose of the proposed amendment is unclear, speculative and in our view baseless, there is no relation between the limitation and its purpose.

- The nature and extent of the proposed amendment goes far beyond what is necessary to expand the operation of the COID Act and to make the COID Act and its benefits more accessible.

Rather, the opposite will be achieved. It will result in countless MSPs having to review existing finance arrangements and will exclude MSPs from using COID

accounts (which are substantial in many cases) to obtain any further finance or improved cash flow.

Economically, the effect of this amendment will be catastrophic for many MSPs and will have the opposite effect from what the Bill purports to do. It will limit the rights of ordinary South Africans to access medical care, because the impact of the proposed amendment will be that many MSPs will either not be able to survive in the current economic environment, or they will not be able to treat COID patients as the administration and accounts process will make it impossible for the MSP to administer its own medical accounts.

Notably, substantial delays in payment of COID accounts have already led to many MSPs choosing not to treat COID patients. This is contrary to what the COID Act intends to achieve and consequently there can be no objective justification for the proposed amendment.

- There are other much less restrictive measures that could be put in place if the true purpose of the legislation is known and communicated.

There is, for example, clearly no balance between means and end; and less restrictive means clearly exist to accomplish any legitimate Departmental objective.

Examples of such less restrictive measures are as follows:

- If the Department's objective is to eliminate or reduce the volumes of legal action taken against the Fund for unpaid medical accounts, a less restrictive measure would be to implement procedures and systems to comply with the Fund's statutory and constitutional mandate, while also ensuring that compensation claims and medical aid benefits are effectively and timeously disbursed, thereby simply avoiding litigation.
- If the objective is to eliminate fraud and corruption (as noted in the SEIA), over-servicing and / duplicate claim submission, a less restrictive and more directly responsive measure would be to implement systems (automated and manual) that include preventative and detective internal controls to provide reasonable assurance that fraud, corruption and error are prevented and / or detected timeously.
- As previously noted, the Fund launched the CompEasy system in October 2019 at a cost of R285,326,186 as per the tender award notice published in the Tender Gazette (No. 2974 dated 21 July 2017). The expectation should be for such a costly and sophisticated SAP system to allow for preventative, detective and automated internal controls to reinforce the control environment of the Fund and thus adequately respond to the Fund's perceived risks.
- Moreover, the drastic measure to remove cessions does not necessarily resolve such a problem, as MSPs and non-vested third-parties (administrative billing houses e.g. Sinempilo Medical Billing) as removal of cession of medical accounts in no way directly or indirectly regulates

pure administration of medical accounts or prevents over-servicing of patients.

It is, in fact, more probable that fraudulent transactions would occur in the case where medical account cessionaries are not involved, as medical account cessionaries have specialist systems in place to prevent fraudulent and duplicate submissions that pose a substantial business and commercial risk to these financial institutions and leakage consequences for the Fund.

As noted above, the purchase of non-compliant accounts would generally result in financial losses and negative cash flow implications for the cession holder / lender, thus all cessionaries have a vested interest in ensuring fully compliant claims in a manner that is easiest and quickest for the Fund to adjudicate claims and assess medical accounts.

- Failure by medical account cessionaries to adequately vet IOD claims and medical accounts would result in high rejection rates from the Fund, heightened business risk, loss of monies advanced to MSPs, dissatisfied MSP clients and ultimately, failure of these financial institutions.
- We also draw the Committee's attention once again to **Annexure B**, which notes that it is, in fact, the Department and Fund's own officials who have been implicated in fraudulent activities.
- Medical account cessionaries have a vested interest in ensuring fully compliant claims and medical accounts are submitted to the Fund as quickly and efficiently as possible to recover monies advanced to MSPs.

Adopting these proposed alternatives and deleting Clause 43(4) will avoid the regressive impact on workers' constitutional right to healthcare and simultaneously comply with the State's constitutional duty to respect, protect, promote, and fulfil those and the other human rights.

Clause 43(4) also goes beyond what is permitted as a rational exercise of regulating a trade, occupation, and profession, as there is no legitimate connection between the purposes identified in the Bill (or anywhere else) and the prohibition of cession of medical accounts.

Indeed, the prohibition of cession is altogether irrational.

By excluding claim cession from the COIDA system, no money is being saved by the Fund and no additional medical services are being generated (or existing services preserved) for workers.

Instead, additional administration and costs are necessitated; additional dysfunction is risked; MSPs are being disincentivised from treating IOD patients; and the availability of medical treatment to workers is diluted and legal cost will skyrocket.

By abolishing the current system through the prohibition of cession, the Bill fails to provide a reasonable legislative measure to achieve the progressive realisation of the access to healthcare by injured workers. Therefore, the Bill simultaneously violates section 27(1) and section 27(2) of the Constitution.

Right of access to courts

Clause 43(4) of the Bill purports to undermine the right of medical account cessionaries to access the courts.

Clause 43(4) as mentioned above does not prohibit non-vested third-parties (administrative billing houses) from operating under the proposed amended COIDA, but only regulates the cession of medical accounts.

It is reasonable to conclude, therefore, that the real motivation for the relevant amendment is to prevent medical account cessionaries to enforce MSPs medical account claims against the Commissioner in a consolidated manner in court.

The Commissioner has a long-standing practice of non-compliance with his statutory obligations and the prohibition of the cession of medical accounts would prevent the third-party medical account cessionaries and financial institutions from being able to enforce the Commissioners' obligations in an aggregated and judicial manner. This is discussed further under paragraph 6.8 below.

No defensible rationale exists to justify the potential rights that will be violated by the inclusion of the clause 43(4). With all new law and amendments of law, consideration must be given to the interested parties that will be affected, and although the rights per the Constitution are not absolute, it must be able to defend the reason for the violation. This is also reinforced by the below Constitutional Court decision:

Law Society of South Africa v Minister for Transport 2011 (1) SA 400 (CC).

“the requirement of rationality is not directed at testing whether legislation is fair or reasonable or appropriate. Nor is it aimed at deciding whether there are other or even better means that could have been used. Its use is restricted to the threshold question whether the measure the lawgiver has chosen is properly related to the public good it seeks to realise. If the measure fails on this count, that is indeed the end of the enquiry. The measure falls to be struck down as constitutionally bad.”

Nowhere is it proven or provided that the proposed amendment per clause 43(4) is in the public good and therefore no rationale exists for the potential violation of the Constitutional rights of medical account cessionaries or medical service providers as set out above

As such, Clause 43(4) should be removed from the Bill.

6.5. CESSION DOES NOT RESULT IN THE COMPENSATION FUND PAYING OUT MORE THAN THE GAZETTED TARIFF

As mentioned earlier, unlike the private medical sector and RAF, the “reasonable costs” of medical aid are regulated per medical discipline and per procedure code by the Fund through the COIDA Medical Tariff Gazettes, which are published and updated annually by the Fund.

For the avoidance of doubt, it is important to note that all fees payable by MSPs to third-party medical account cessionaries **do not increase the cost of medical treatment to the Fund** by even one cent, as all medical fees paid out by the Fund are paid out in terms of the normal gazetted tariffs and not over and above the Gazetted tariffs.

MSPs fund 100% of the cost (interest or factoring fees) of obtaining this working capital out of their own funds.

There are also no additional costs or fees to employers nor for the injured workers who are treated by MSPs who makes use of third-party medical account cessionaries.

6.6. AMENDMENT WILL UNDERMINE ABILITY OF IOD PATIENTS TO ACCESS QUALITY HEALTHCARE AND TREATMENT

The transfer of the administrative and financial risk back to MSPs will discourage many MSPs from treating IOD patients, thereby significantly reducing the pool of care, and placing additional pressure on an already strained public healthcare system, which is and has been struggling with the additional burden of the COVID-19 pandemic.

We have many letters from employers and our MSPs alike expressing their gratitude for our services rendered and working capital supplied without which they would not consider servicing injured workers. (other than to stabilise them). Refer to **Annexure C**.

Ultimately, cessionaries are there to protect vulnerable employees' ability and their right to treatment for injuries sustained at work. Clause 43(4) will remove third parties' cessions, pass the burden of risk from the Fund to MSP's, and therefore ultimately to vulnerable workers themselves. This will impact the care that IOD patients receive, and effectively undermine the purpose and objective of the COIDA Act i.e. “rehabilitation, re-integration and return to work of occupationally injured and diseased employees”.

It is particularly concerning to note that nothing in the Bill, SEIA or any other instrument or communication reflects any appreciation or concern regarding the effect on workers if cessions are indeed prohibited. The effect is, in short, that workers' right of access to healthcare will be considerably impaired.

This is not only a violation of their rights, but also renders the amendment Bill irrational for failing to achieve its intended effect, as the Act is intended to provide the fullest possible protection to workers.

Many workers (particularly those at risk of workplace injuries: manual and industrial labourers) are economically marginalised wage-earners. Accordingly, they are personally unable to afford medical treatment. If they are to forego treatment, their rehabilitation and future employment opportunities may be compromised or even destroyed.

This would render otherwise trained and employable individuals an unemployment burden on the public social security system, which is already overburdened. This consequence would be contrary to the laudable intention of the Bill, namely, to broaden access to COIDA and rehabilitation back to work re-integration for injured workers.

This unconstitutional, undesirable, and unnecessary outcome would all be as a consequence of the adverse impact of Clause 43(4) of the Bill.

6.7. DOMESTIC WORKERS

The belated, but important, inclusion of an estimated one million⁵ domestic workers as beneficiaries of the Fund is welcome, but it is unclear as to how the levy payment, assessment and payments processes will work.

The current processes and procedures of the Fund are not suitable to manage the domestic sector and employers need the correct information and representation.

However, the inclusion of domestic workers will considerably increase the pool of IOD patients needing medical care from MSP's.

If the amendment is promulgated, this means MSPs who will now have a greater number of IOD patients to treat, will have less time to do so, as their administrative burden will also increase through the prohibition of cessions.

Moreover, given the dysfunctionality of the Fund's administrative, management and technical systems, MSPs treating these patients will inevitably wait many months, if not years, for payment from the Fund. This results in significant financial pressure on MSP's, placing their practices at risk and reinforcing the negative cycles noted above.

It also has the unintended consequence of disincentivising MSPs from treating these patients / vulnerable members of society, as the burden of risk increases. Injured workers cannot wait for a claim to be approved before going for medical treatment, nor can the MSPs wait months and years before their invoices are paid.

Domestic workers injured on duty will thus, in all likelihood, have no choice but to continue to use public health services, which are under capacitated, over-utilised and prone to healthcare treatment which does not promote the most efficient and effective "rehabilitation, reintegration and return to work" – one of the pillars of the Compensation's Funds strategic objectives and preamble to the Bill.

⁵ As per the "Quarterly Labour Force Survey (QLFS), 3rd Quarter 2020" published by StatsSA on 12 November 2020 per Table C: Employment by occupation

6.8. IS IT POSSIBLE THAT THE REAL REASON FOR SECTION 43(4) IS TO ELIMINATE PARTIES THAT HOLD THE FUND TO ACCOUNT?

Over the last decade, third-party medical account cessionaries have been forced to take the Fund to court to settle outstanding claims, which the Fund consistently and regularly loses to the extent that several Judges from the North Gauteng high court have ruled that the Fund's legal behaviour: *"is a textbook example of the abuse of the court process"*. This has contributed to a difficult relationship between the parties.

The above "difficult relationship" is reinforced in the extract of report ATC200618 as noted earlier.

Legal challenges are important as they create pressure on all parties in the value chain to fulfil their mandate – either contractual in the case of medical account cessionaries, or constitutional mandate and legal obligations in the case of the Fund.

In the same manner, the Fund takes legal action against employers, for example, who do not report an incident or pay their annual levies.

Without this legal pressure, there is the prospect that the Fund could become even more dysfunctional, depriving MSPs of funds for services rendered in good faith and undermining IOD patient's legal right to care.

6.9. CONSIDERATION IN RELATION TO THE FINANCIAL SERVICES SECTOR - REGISTERED CREDIT PROVIDERS, CO-OPERATIVE FINANCIAL INSTITUTIONS ("CFIS") AND REGISTERED BANKS

Registered credit providers, co-operative financial institutions and registered banks regularly, and in the ordinary course of business, grant funding lines and / or loan facilities of various types (and terms) to MSPs throughout the Republic of South Africa.

These funding lines serve a variety of purposes crucial to the day-to-day running of a medical practice, including but not limited to:

- funding operational expenditure, for example, salaries and wages, rental expense, telecommunications expenditure, consumables etc.;
- funding of capital expenditure of a non-medical nature e.g. practice assets such as buildings, furniture, computer equipment, and
- funding of capital expenditure of a medical nature e.g. emergency medical equipment, rapid response vehicles, ambulances, radiology equipment etc.

For many MSP practices, the **only practice asset** which is recognised by financial institutions as viable collateral and / or security against and for which credit lines will be considered is the practice's medical account debtors, for services rendered to patients (including COVID debts).

It is worth noting that the vast majority of credit providers place absolutely no value on internally generated intangible assets such as goodwill, patient lists etc. despite the financial reports of certain practices recognising it.

Thus, to reiterate, the single most significant fundable asset, which exists in a medical practice, is its debtor's book, which would include debts owed to the practice by the Fund in accordance with the COID Act.

As such, should the Fund proceed with the above amendment, at a minimum the following would result:

- **Borrowers (MSPs) could be in breach of their existing lending agreements / loan covenants and will be subject to re-called facilities (facilities withdrawn), penalties and / or additional interest;**

- In accordance with credit policies, lenders may be forced to:

- Withdraw their facilities / lending arrangements with practices - which may, in turn, result in the closure of various medical practices / facilities, leaving fewer practices available to treat IOD patients; and
- Repossession of essential medical equipment – reducing the availability of essential medical services and increasing the likelihood of the injured employee not receiving the medical care to which they are entitled and which the COID Act serves to provide.
- CompSol's 20 largest practices are funded by CompSol to the extent of approximately R220 million for fully compliant medical accounts factored, but not yet paid by the Fund.

Should session be prohibited, these advances immediately become due and payable back to CompSol.

- **Inability of MSPs to raise capital (including bridging finance) in times of non-payment by the Fund**

- As indicated earlier, the Fund is on record that the drafters of the Bill had not considered the impact of the proposed addition to Section 73(4) of the Principal Act (then clause 36 of the 2018 Bill) on financial institutions (including banks and presumably registered credit providers and CFI's) and the intention of the section was intended only to remove third-party administrators;

- This was reinforced by the Director General (“DG”) of Employment and Labour in section 4.1 of the Committee report ATC200618, whereby the following was noted:

*The DG explained that **the purpose of introducing the Compensation for Occupational Injuries and Diseases (COID) Amendment Bill is to eliminate having to deal with third-parties in future.***

[Emphasis added]

- **At the same public hearing as noted above, the Fund / Departmental officials alluded that the new information technology system (CompEasy), implemented by the Fund, would prevent the need for third-party involvement as claims will be paid faster by the Fund.**
- **Should the Fund continue to be unable to deliver on its expectations / objectives for whatsoever reason (whether due to the Fund or the system provider), the amendments as published, provide no protection to the MSPs in the case of non-timely payment or ceasing of payment altogether.**
- **The amendments would result in the MSP practice being unable to raise capital on the strength of the growing outstanding COID debtors’ book, despite a requirement for cash for operational or other purposes.**
- Further to the above, the risk or lack of timeous payment by the Fund to MSPs further increases the risk of default / credit risk to entities such as retail banks.

The impact of the proposed amendment Bill would result in MSPs not being unable to raise short-term bridging finance from specialist lenders or financial institutions to meet other personal or practice-based lending arrangements / commitments on the strength of their full debtor’s book, including COID claims.

- **All types of funding agreements with COID debtors serving as security would have reduced debtor’s cover / security (headroom) for the financial institution as at the date of promulgation due to retrospective enactment of the amendments;**
- MSPs may have no reasonable option but to violate the terms of their lending facilities or approach credit providers for amended facilities, which may have costly financial and operational effects (refer above) – medical accounts ceded to financial institutions in good faith after medical services were provided to IOD patients would become unenforceable;

- This could extend as far as facilities such as home loans whereby a service provider has provided personal surety and operates as a sole proprietor medical practitioner or partnership. COVID debts would currently serve as security of personal assets, however, this would be prohibited, post the promulgation of the Act, and could negatively affect practitioners in their personal capacity as well as their professional capacities;
- This will once again increase the stress (risk of burnout) associated with private practice and further draw MSPs attention and valuable time away from treating vulnerable patients and towards matters of administration and financing;
- **Heightened credit exposure for South African financial institutions / credit providers due to reduced assets available to secure amounts owing;**
 - The above amendment negatively affects MSPs common law property rights and their ability to cede such property in the furtherance of an enterprise or in their personal capacities;
 - Financial institutions in South Africa are under significant operating and financial pressure and thus may choose to foreclose lending facilities (negatively affecting medical operations – refer above) or, significantly increase the cost of financing to MSPs due to heightened risk of default / credit risk (lower collateral availability);
 - Further to the above, in cases whereby an MSP renders services mainly to IOD patients (so called IOD-centres), lending to such practices, could be regarded as being non-compliant with the National Credit Act or even as the granting of reckless credit – thus irrecoverable from the perspective of the financial institution, resulting in immediate financial loss to the financial institution;
 - The above situation is exacerbated by the retrospective nature of the amendment provision, which provides in no manner for financial institutions to mitigate their risks.

6.10. OTHER MSP MATTERS

The following are additional reinforcing factors associated with the need for the removal of Clause 43(4) from the Bill:

- **Shift by MSPs towards treating private and / or private medical aid as opposed to IOD patients**
 - Prohibiting the cession of accounts will increase the frequency in regard to MSPs turning away IOD patients (refer below to increased burden on the public healthcare infrastructure) or requiring patients to be treated as “cash” or private cases and not acknowledging the circumstances of the IOD in terms of the COVID Act.

Many employers are unaware of the benefits provided by COID and will discharge the medical aid invoices thereby circumventing the COID Act. As the Fund is reliant on the employer to report the incident, circumstances such as the above will likely result in the Fund never being aware of the accident or injury on duty case.

- **Increased burden on the public healthcare system due to MSPs being unwilling to render services to COID patients given the potential risks associated with doing business with the fund and lack of “fundable” assets on its balance sheet.**
- **Inability of practices operating as sole proprietorships / partnerships to sell their operations and assets as a going concern - freedom of trade, occupation, and profession**
 - The amendment to the COID Act would have the unintended consequences that a sole practitioner or partnership would be unable to sell the operations and operating assets (COID Debtors) of the medical practice as a going concern, thus lowering the value of medical practices throughout the country.
 - The sale of a practice generally includes the sale of assets as at the date of disposal, which would include the COID debtors' book. This would no longer be possible given the wording of the amendment and will lead to sale transactions becoming unnecessarily complicated for a single group of debtors – reinforcing the concern surrounding servicing IOD patients.
 - Further complications will arise in the case of the seller and deposit-taking institution (bank or CFI) as the Fund will continue to settle debts owed into the practice bank account, however, as the COID debtors could not be sold, these monies should have been paid to previous owner / partner(s).
 - The amendment would also create an additional administrative burden in respect of a retiring partner as he / she would need to administer and follow up on COID debtors post the date of sale / retirement and would generally not have access to the practice application and financial systems – this is grossly impractical for retiring MSPs.

CONCLUSION

If passed into law by Parliament, Clause 43(4) of the Compensation for Occupational Injuries and Diseases Amendment Bill [B21-2020] (“the Bill”) will have a broad-ranging and negative impact on workers, MSPs, employers, the Compensation Fund and indeed the economy. The Clause is unconstitutional, irrational, ill-conceived, misleading and contrary to the entire spirit, ethos and purpose of the COIDA.

It is a grave concern for us that the Department of Labour and the Compensation Fund would consider such a legislative change of this nature without specific and targeted consultation of all affected stakeholders, specifically in the private health and financial services sectors in order to understand its multitude of impacts.

We believe the amendments to be unconstitutional, undesirable and an unnecessary outcome of ill-functioning relationships with third-party medical account cessionaries, who have held the Fund to account effectively on behalf of MSPs, workers and employers for poor performance.

The Department wrongly believes that third-party medical account cessionaries are the source of additional costs, overbilling, corruption and fraud, when, in fact, the Fund’s own employees are committing the fraud and the Fund is already protected against such exploitation by the provisions of the existing COID Act. Moreover, third-party medical account cessionaries have a vested interest in delivering legally compliant IOD claims and medical accounts to the Fund.

The private medical scheme sector has an effective and functional administrative, claims-handling and payment ecosystem, which includes global best practice and a variety of stakeholders including: medical schemes, medical scheme administrators, third-party medical account cessionaries and MSPs operating in harmony.

It is our respectful submission that the addition of Section 73(4) of the Act by Clause 43(4) as proposed in the Bill, is poorly considered and has the potential to considerably limit or even nullify an injured worker’s ability to obtain medical treatment, rehabilitation, including those of domestic workers now falling under the Act.

The inclusion of Clause 43(4) would negate the very rights of domestic workers intended to be created and enhanced by the COID Act and its amendments, given the far reaching and negative consequences that will result from its implementation, in both the medical services and financial services sectors.

In the light of all the above matters we humbly request that Clause 43(4) of the proposed Bill be deleted.

As noted at the beginning of this submission we respectfully request to be allowed to participate in the verbal presentation process of the Committee.

Sincerely,



Fritz Lüttich
Managing Director

ANNEXURE A



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

SOCIO-ECONOMIC IMPACT ASSESSMENT AND QUALITY ASSURANCE SIGN- OFF FORM

This is to confirm that:

1. The Department of Planning, Monitoring and Evaluation (DPME) has assessed the Socio-Economic Impact Assessment (SEIAS) Report as per the following:
 - * Initiating Department : Employment and Labour
 - * Name : Compensation for Occupational Injuries and Disease Amendment Bill
 - * Type of Assessment : Final Impact Assessment
2. The initiating department has been given feedback and incorporated all inputs as contained in the Final Socio-Economic Impact Assessment report.
3. Permission is granted to the Department to proceed with submission of the Compensation for Injuries and Disease Amendment Bill and the SEIAS Final Impact Assessment report to Cabinet.
4. Verified and signed off by SEIAS Unit:

Official Stamp and Date





THE PRESIDENCY

REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF PLANNING, MONITORING AND EVALUATION

SOCIO-ECONOMIC IMPACT ASSESSMENT SYSTEM (SEIAS)

**FINAL IMPACT ASSESSMENT FOR COMPENSATION FOR INJURIES AND
DISEASES ACT (COIDA)**

Final impact assessment

The final impact assessment provides a more detailed assessment of the ultimately legislative proposal. In addition, it identifies (a) mechanisms for monitoring, evaluation and modification as required; and (b) a system for managing appeals that could emerge around the implementation process.

Problem statement/Theory of change

1. Summarize the proposal, identifying the problem to be addressed and the roots (causes) of the problem that will be addressed by the new rule.

Summary of the proposal:

The process to amend the Compensation of Occupational Injuries and Diseases (COIDA) Amendment Bill started in 2013 after the Compensation Fund Advisory Board identified shortcomings and policy gaps that expose the Compensation Fund to abuse.

The Minister also wanted to contribute to job creation and protection of vulnerable workers by introducing the following:

- Extension of Compensation benefits coverage to domestic workers;
- Rehabilitation, reintegration and return to work programmes; and
- Improving administration efficiencies in the management of Revenue.

The Compensation for Occupational Injuries and Diseases (COIDA) Amendment Act is therefore aimed on providing for rehabilitation, re-integration and early return to work of occupationally injured and diseased employees, to include coverage of domestic workers by COIDA, to regulate dispute resolution; and also to enhance compliance and enforcement of COIDA. The Amendment Bill is completed but the Department is still planning to have public hearing after Cabinet approval is granted to do so.

Problem and root causes:

| Problem | Root Causes |
|---|---|
| <ul style="list-style-type: none"> • High payments from the CF's budget to employees involved in occupational injuries and diseases. | <ul style="list-style-type: none"> ▪ Employees staying out of employment for a long time (and sometimes permanently) after being involved in occupational injuries or contracting diseases that led them being unable to work. This results in employees being dependent on the Compensation Fund of the Department of Labour's (DoL) payout of occupational disability. |

| Problem | Root Causes |
|---|---|
| | <ul style="list-style-type: none"> ▪ Long term payments to employees with occupational injuries and diseases who qualify for compensation. The long term payments are necessitated by the lack of programmes that will enable these employees to work again after occupational injuries. CF pays a lot of money to compensate the employees even though some of them can be reintegrated to the labour market if rehabilitated. |
| <ul style="list-style-type: none"> • Discriminatory and unfair exclusion of domestic workers involved in occupational injuries and diseases. | <ul style="list-style-type: none"> • Domestic workers were not included in the definition of employees by the COIDA and that left them out of coverage by the security of the fund. |
| <ul style="list-style-type: none"> • Some employees not being compensated for occupational injuries and diseases. | <ul style="list-style-type: none"> ▪ Some employers not complying with COIDA to an extent that they do not register their businesses, some do not report occupational incidents to the relevant authority, others dismiss the employees when they become disabled due to occupational injuries and still others shift the cost for occupational injuries and diseases to employees. ▪ Low level of inspection and enforcement on COIDA results in some employers circumventing labour laws, thereby increasing workplace accidents and leaving vulnerable employees without social protection coverage. This result in employees being out of employment after being unable to work due to occupational injuries or diseases. Over and above that employees are unable to benefit from Compensation fund in terms of medical bills coverage and other securities offered by the Fund because their employers were not registered. |

2. Describe the intended outcomes of the proposal.

The main intended outcome of the COIDA Amendment Bill is to reduce the cost of compensation for occupational diseases and injuries once the incidents happen, by facilitating the rehabilitation and reintegration of employees back to work. Most importantly the expected outcomes include:

- Introduction of rehabilitation and reintegration of injured and diseased employees back to work;
- Creating a culture of self-reliance for employees so that they do not depend too much on government support after being involved in workplace injuries or diseases;
- Enhancing COIDA enforcement through inspection and enforcement services of the labour inspectors; and
- Including the domestic workers in the definition of “employee” so that they get coverage by the COIDA, currently they are not covered due to the definition.

3. Describe the groups that will benefit from the proposal, and the groups that will face the cost. These groups could be described by their role in the economy or in society. As a minimum, consider if there will be specific benefits or costs for the poorest households (earning R7000 a month or less); for black people, youth or women; for small and emerging enterprise; and/or for rural development. Add more lines if necessary.

| Groups that will benefit | How will they benefit? |
|---------------------------|--|
| Employees | <ul style="list-style-type: none"> • They will be able to engage in their work post rehabilitation and reintegration, therefore their income generation capabilities will not be lost. • Employees will continue to have an income as they get reintegrated back to their employment. • Increased enforcement capacity will result in increased employment security due to the Bill's proposal to: <ul style="list-style-type: none"> ✓ impose fine for employers who dismiss employees on the basis of occupational disablement, ✓ imposed fine against employers who deduct money related to occupational injuries and diseases from employees' wages, and ✓ other related fines aimed at enforcing COIDA. • The involvement of DoL in ensuring employee reasonable accommodated post injuries will also benefit employees as increased levels of reintegration will be ensured because the cost is not entirely on employers. |
| Domestic workers | <ul style="list-style-type: none"> • They will enjoy the benefits of COIDA in case of occupational injuries and diseases. |
| Families of the employees | <ul style="list-style-type: none"> • Secured households income and well-being of family members because once household income stop or gets reduced there are many problems that families start to experience due to financial pressures. |
| Country | <ul style="list-style-type: none"> • Economic growth will be positive as the reintegrated employees will be contributing in production and their earning will be injected back in the economy due to their sustained buying power from their wages. They will pay tax as well. |
| DoL - Compensation Fund | <ul style="list-style-type: none"> • Due to reintegration of employees back to employment, the Department's Compensation Fund will save money that was |

| Groups that will benefit | How will they benefit? |
|-------------------------------|---|
| | supposed to be paid to employees as a continuous compensation for injuries because the employees will be working and earning their wages once they are reintegrated. |
| Employers | <ul style="list-style-type: none"> Employers will get assistance from DoL regarding the rearrangements for 'Reasonable accommodation' that will involve modification or adjustment to a job or to the working environment that will enable an employee to have access to or participate or advance in employment when reintegrated. |
| Employers of domestic workers | <ul style="list-style-type: none"> They will benefit in having their employees being assisted by the Compensation Fund in getting compensation, medical assistance and related benefits. |
| Citizens | <ul style="list-style-type: none"> Citizens will benefit from other government revenue funded projects that will be made possible by the contribution of the reintegrated workers to the economy. For example, government might increase subsidies to education, water, electricity because the tax base is retained as occupationally injured workers continue to work. |

| Groups that will bear the cost | How will they bear the cost or lose? |
|--------------------------------|--|
| DoL | <ul style="list-style-type: none"> In ensuring reintegration, DoL will require infrastructure to enable reasonable accommodation of rehabilitated workers. Specifically, DoL (Compensation Fund) will bear the cost in assisting employers to ensure that the rehabilitated/reintegrated employee is able to work without hindrance of the disability. In cases where employees cannot be easily accommodated in their old work spaces and there is a need to effect changes to the space of employment, Compensation Fund will take the responsibility to have that done. <u>"Subject to the provisions of this Act, the Compensation Fund, as the case may be, shall provide facilities, services and benefits aimed at rehabilitating employees suffering from occupational injuries or diseases to return to their work and to reduce any disability resulting from their injuries or diseases"</u> Section 70. A. 1. Increased Resource required e.g. Human Resource skills |

| | |
|-----------|--|
| | development, tools of trade needed to implement the proposed changes such as additional inspectors, inspector training and other requirements for them to work. |
| Employers | <ul style="list-style-type: none"> • The employer cost will be incurred through redeployment of the reintegrated employee and recruitment for the vacated positions after rearranging work to cater for the reintegrated employees who cannot perform their previous jobs. • The employer cost will be incurred in ensuring compliance with COIDA, pay fines and penalties for non-compliance. |

4. Describe the behaviour that must be changed, and the main mechanisms to achieve the necessary changes. These mechanisms may include modifications in decision-making systems; changes in procedures; educational work; sanctions; and/or incentives.
5. Identify the groups inside and outside of government whose behaviour will have to change to implement the proposal (add more lines if required).

This table below covers Number 4 and 5

| Groups inside and outside government whose behaviour will have to change | Behaviour that must be changed | Main mechanisms to achieve the necessary changes |
|--|---|---|
| Groups inside government | | |
| DoL | <ul style="list-style-type: none"> • Current enforcement mechanisms are limited in enforcing COIDA compliance so the enhancement of enforcement services will increase compliance. | <ul style="list-style-type: none"> • The Amendment Bill will enhance current inspection and enforcement services of the labour inspector by defining clearly their roles and authority which the Bill augment by providing the High Court intervention in order to gain access to a work place, making provision of an interpreter and SAPS to support the role of a labour inspector. |
| Groups outside government | | |
| Employees | <ul style="list-style-type: none"> • Resistance by some employees from being subjected to rehabilitation and reintegration. | <ul style="list-style-type: none"> • The amendments are providing an environment that will encourage employees to avail themselves for assessments and placement to rehabilitation and reintegration. This is facilitated in the Bill by |

| Groups inside and outside government whose behaviour will have to change | Behaviour that must be changed | Main mechanisms to achieve the necessary changes |
|--|---|---|
| | | <p>imposing penalty to employers who shift costs related to COIDA on employees, by introducing penalties to employers who dismiss employees on the ground of occupational disablement. Employees are also going to be assisted in the programme by case managers who are skilled to do that over and above the support on removing the burden of rehabilitation and reintegration from them.</p> |
| Employers | <ul style="list-style-type: none"> • Some employers not welcoming employees whose working capability was changed/affected as a result of occupational injury or disease. • Noncompliance by employers which include Employers not reporting incidents, employers dismissing occupationally disable employees for example. | <ul style="list-style-type: none"> • This will be achieved through employers' support by DoL on ensuring employees' working environment is reasonable to accommodate their occupational disabilities. • Introduction of penalties in the amendment Bill also provide mechanism to ensure that employees are not dismissed due to occupational disabilities. • The Bill is introducing a fine for employers who do not comply with the amendments, for example, Section 70 H, imposes fine for employers who will dismiss their employees due to occupational disablement. Furthermore there will be Advocacy that will help employers to comply. |

6. Report on consultations on the proposal with the affected government agencies, business and other groupings. What do they see as the main benefits, costs and risks? Do they support or oppose the proposal? What amendments do they propose, and have these amendments been incorporated in your proposal?

NB: The Compensation Fund is planning to get Cabinet approval on the COIDA Amendment Bill in order to conduct public hearings and consultation with other stakeholders through NEDLAC.

| Affected stakeholders | What do they see as main <u>benefits, costs and risks</u> | Do they <u>support or oppose</u> the proposal | What <u>amendments</u> do they propose | Have these amendments been <u>incorporated</u> in your proposal |
|--|---|---|--|---|
| Government Agencies (name them): Department of Health | <ul style="list-style-type: none"> Department of Health saw the proposed amendment as assisting with advancing the implementation of NHI. | <ul style="list-style-type: none"> They support amendments | <ul style="list-style-type: none"> None | None |
| Business (name them): <ul style="list-style-type: none"> BUSA Representatives on Advisory Board Mutual Associations | Organized business supported the Bill and the improvements in benefits that are being introduced to incentivize employer participating in rehabilitation programme. | They support the bill. | Proposed the expansion of the role of the board and other oversight structures | All proposals have been incorporated except the change on the role of the board (from advisory board to executive board) |
| Other groupings (name them): <ul style="list-style-type: none"> COSATU representatives on the board FEDUSA representatives on the board NACTU Representatives on the board | Organised labour supported the Bill and the improvements in benefits that are being introduced to protect vulnerable workers. | They support the bill. | Proposed the expansion of the role of the board and other oversight structures and the removal of limit on the number of terms board members may serve on the board. | All proposals have been incorporated except the change on the role of the board (from advisory board to executive board) and the removal of limit on the term of the board members. |
| Other groupings (name them) | | | | |

7. Describe possible disputes arising out of the proposal, and the system for settling and appealing them. How onerous will it likely be for members of the public to lodge a complaint and how burdensome and expeditious is the proposed dispute-settlement procedure?

Dispute can arise between the parties (Department of Labour, Employer and Employee). The disputes can be caused by dissatisfaction of either the employer or employee against the decision of the Director-General in relation to the matters of the Bill.

The Compensation Fund has increased its capacity in the Legal Directorate to speedily deal with objections and hearings. In addition, additional capacity has been contracted to assist in providing professional expertise in the provinces.

| Group | Possible Dispute | Mechanism to resolve the Dispute |
|----------------------|---|---|
| Employers/ Employees | Employer or employee affected by the decision of the Director-General of the Department regarding compensation of occupational injuries and diseases not satisfied by the decision. | The amendment Bill stipulates an appeal mechanism which specifies timeframe for lodging an objection. The Bill also specify the representation of the hearing of the lodged objection by any party, the Bill specify where the objection should be lodged. Section 91 in particular specifies the appeal process. |

Impact assessment

1. Describe the costs and benefits of implementing the proposal to the groups identified in point 6 above, using the following chart. Add more lines if required.

| Group | Implementation costs | Cost of changing behaviour | Costs/benefits from achieving desired outcome | Comments |
|-------|--|----------------------------|--|----------|
| DoL | <ul style="list-style-type: none"> • Financing infrastructure for rehabilitation & reintegration, • Assisting in the re-designing of the workplace to suite the injured or diseased employees. | Enforcement cost | High number of workers being reintegrated would increase saving by DoL on funds that were supposed to pay for compensation of injuries and diseases. | |

| Group | Implementation costs | Cost of changing behaviour | Costs/benefits from achieving desired outcome | Comments |
|---|--|---|---|--|
| | Enhancing Inspection and enforcement capacity through personnel recruitment, and equipping them with tools of trade etc. | Training and capacitating inspection and enforcement | High compliance with COIDA, Reduced claims for compensation and Increased contribution to tax revenue. | |
| | | Awareness campaigns. Instilling the culture of understanding rehabilitation and reintegration to both employees and employers. | Increased number of reintegrated employees to work after injury or disease and less number of long-term COIDA payments. | |
| Employers, including employers of domestic workers. | Providing support such as Employee Assistant Programmes | Awareness campaigns and training of employees to adapt to new workplace changes, including new work in cases where the employee is partially or fully relieved of old work. | Reduced loss of working days and increased productivity of the firm as rehabilitated and reintegrated workers still contribute to the workplace and share their skills and experience with other workers. | The employers cost/ contribution might not be financially quantified |
| Medical service providers | Prohibition of ceding their claims to third parties | Campaigns to encourage Medical service providers to submit claims directly. Cost of implementing technology that allows for speedy | Reduce fraud and corruption by third parties who buy claims from Doctors. | This will assist the Fund by creating a direct business-to-business with our stakeholders and clients by eliminating third parties |

| Group | Implementation costs | Cost of changing behaviour | Costs/benefits from achieving desired outcome | Comments |
|-------|----------------------|----------------------------|---|----------|
| | | payment of claims. | | |

2. Describe the changes required in budgets and staffing in government in order to implement the proposal. Identify where additional resources would be required for implementation. It is assumed that existing staff are fully employed and cannot simply absorb extra work without relinquishing other tasks.

| Area | Change | Resources |
|----------------|---|-------------------------------|
| Organizational | <ul style="list-style-type: none"> • Inspection capacity increase. • Additional capacity in terms of human resource for Case Managers and Inspectors. | Human and financial Resources |
| Financial | <ul style="list-style-type: none"> • Implement the communication strategy • Training of inspectors • Tools of trade • Extension of domestic workers increasing the scope of CF- need more finance. | Financial Resources |
| Infrastructure | <ul style="list-style-type: none"> • Rehabilitation infrastructure for employees who are occupationally disabled • CF fund will ensure reasonable accommodation through improving the workplaces to cater for disability and other changes in the health condition as a result of occupational injuries and diseases. | Financial Resources |

3. Describe how the proposal minimizes implementation and compliance costs.

- Through advocacy, inspection and auditing as well as enforcement, there will be a minimized compliance cost,
- Use of internal staff for trainings and awareness campaigns,
- Use of other departments that engage with related matters such Department of Social Development, government pension administration, DTI, DPW, EDD, GCIS, Small Business Development and etc.

4. Describe the main risks to the achievement of the desired ends of the legislation and/or to national aims that could arise from adoption of the proposal. Add more lines if required.

- Resistance by employers to reintegration of employees who were injured or diseased, especially those who will have some challenges in doing the work they did before the incidents;
- Corruption could deter compliance to this legislation, for example when rehabilitations is found not to be possible through medical assessments due to corruption with medical service providers;
- Inadequate enforcement; and
- Skills availability / skills shortage e.g. for rehabilitation case management

Managing risk

1. Describe the measures taken to manage the identified risks. Add more rows if necessary.

| Identified risk | Mitigation measures |
|-----------------|---------------------|
|-----------------|---------------------|

| Identified risk | Mitigation measures |
|---|--|
| Resistance by employers to reintegration of employees who were injured or diseased. | <ul style="list-style-type: none"> DoL providing infrastructure and support for rehabilitation and reintegration |
| Resistance to reintegration by employers of domestic workers | <ul style="list-style-type: none"> DoL providing workplace assistance to employers and employees to facilitate rehabilitation and reintegration. |
| Inadequate enforcement and rehabilitation case management. | <ul style="list-style-type: none"> Recruitment and training of inspectors on COIDA, Recruitment and training of Case Managers <p>The above have been budgeted though DoL's budget and we contribute with a percentage split between Compensation Fund and the main DoL</p> |
| Skills availability / skills shortage e.g. for case managers to do rehabilitation | <ul style="list-style-type: none"> Allocation of funds in terms of Skills Development and Skills Levy Act. Collaborating/ Partnering with Sector Education and Training Authorities and other organisations for skills training and transfer. |

2. Describe the mechanisms included in the proposal for monitoring implementation, evaluating the outcomes, and modifying the implementation process if required. Estimate the minimum amount of time it would take from the start of the implementation process to identify a major problem and remedy it.

- Using the systems to Monitor the number of claims reported and reduction of medical costs;
- System data analysis to monitor the reduction of number of incidents; conducting research evaluating outcome and impact analysis.

Summary

1. Summarize the impact of the proposal on the main national priorities.

| Priority | Impact |
|---|--|
| Social cohesion | Protection of employees and enabling them to continue engaging in economic activities, this will enable them to remain or continue to be part of their society and through earning they will be prevented from poverty. |
| Security (Safety, food, energy, financial) | Reduction of workers' vulnerability in communities because when employees are unemployed they may resort to crime and a cycle of poverty may push their children to crime and becoming poor adults because their parents did not have income and failed to educate them. The proposed Bill will have an impact on employee's financial security as they will be earning sustainable wages, they will be able to meet their primary needs which include maintaining their households in terms of buying food and safety. |
| Economic growth and investment | <p>Increased economic growth and return on investment. This will also increase infrastructure spending for government when DoL, through Compensation Fund use money to develop infrastructure for rehabilitation and reintegration.</p> <p>The employees will also contribute back to their employers' revenue when reintegrated and the skills they accumulated will remain within the firm, these will lead to increased income, employer may save from training new employees as rehabilitated employees can still transfer skills to others workers.</p> |
| Economic inclusion (employment creation and equity) | <p>Employment opportunities for rehabilitated employees as well as new employees who will replace them in work that they can no longer undertake contribute in the sense that:</p> <ul style="list-style-type: none"> • the reintegrated employee is not excluded from the labour market and • in some cases the incident may lead to rehabilitated employees being shifted to do jobs compatible with their health conditions, this may result in vacant position that if filled provided an opportunity for someone was not in the labour market before. |
| Environmental sustainability | N/A |

2. Identify the social and economic groups that would benefit most and that would bear the most cost. Add more rows if required.

| Main beneficiaries | Main cost bearers |
|--|-------------------------|
| Employees | DOL (Compensation Fund) |
| Employees' families | Employers |
| Government through CF/DoL- paying less on compensation of employees as they will still have the opportunity to work if reintegrated. | |
| Employers | |
| Employers of domestic workers | |

3. In conclusion, summarize what should be done to reduce the costs, maximize the benefits, and mitigate the risks associated with the legislation. Note supplementary measures (such as educational campaigns or provision of financing) as well as amendments to the draft itself, if appropriate. Add more lines if required.

- a. The costs can be reduced by ensuring that well designed rehabilitation programmes are implemented and best rehabilitation infrastructure is ensured in order to achieve the objectives of the bill.
- b. Best monitoring tools should be sourced upfront.
- c. Cost can also be reduced by securing buy-in from social partners so that all parties will be doing their part without too much policing that cost money. This can be achieved partly through educational campaigns by government and by employers and employees' unions.
- d. Collaboration by government departments and agencies where shared objectives exists will also minimize implementation and monitoring costs.
- e. Collaboration with stakeholders will have a major impact on preventing corruption if they all support the programmes and interventions.

4. Please identify areas where additional research would improve understanding of the costs, benefits and/or risks of the legislation.

- Benchmark research will be needed and thereafter,
- Continuous research will be needed to assess implementation and impact thereof.

5. For the purpose of building a SEIAS body of knowledge please complete the following:

Name of the Official: Tendani Ramulongo

Designation: Director

Unit: Research Policy and planning

Contact Details: 012 309 4231

Email address: tendani.ramulongo@labour.gov.za

5.3 How long did it take the department to complete this template?

Two Months, including consultative workshop and final report writing.

ANNEXURE B



Home □ News □ Two former DoL employees appear in court on fraud charges

News

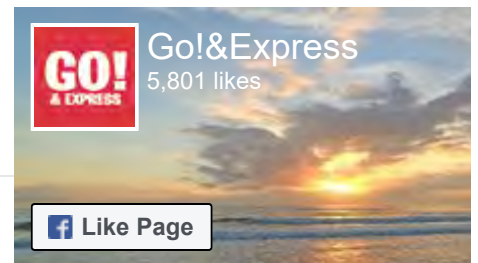
Two former DoL employees appear in court on fraud charges

By GO Reporter - September 12, 2019



Yop Polls

Facebook



Two former employees of the Department of Employment and Labour appeared in East London Court on September 11 for allegedly submitting fraudulent claims to the Compensation Fund (CF).

The suspects were arrested and charged after an intensive investigation in conjunction with investigators from risk, anti-corruption and integrity management unit at Head Office and East London office after a whistle-blower reported possible fraudulent activities to the Public Service Commission.

The officials recruited an intermediary to source identity numbers and bank details for them and used those details to create profiles of claimants to prepare, capture and approve the fraudulent claims. The "so called claimants" were traced and interviewed and all of them denied ever working for those

Twitter

Follow

employers mentioned in the applications and also denied being injured.

Claims amounting to R 230,928 were paid by the Compensation Fund Commissioner as a result of fictitious claims created by these officials.



Deputy director for risk, anti-corruption and integrity management Simiselo Nduli said the department has enhanced its systems to detect and flag suspected fraudulent claims and his unit is continuously capacitating officials through awareness campaigns in the Province.

Nduli further explained that such cases are disturbing and concerning as the consequences affect the vulnerable workers and citizens of our society however he is optimistic that the province is ready and prepared to fight the scourge of corruption as it continues to show its ugly face.

The case against the two officials is remanded for October 03 at East London Regional Court.

There are many cases relating to fraud involving former employees who defrauded the department by processing of fraudulent claims and overriding the system, inflating payments made to medical practitioners and physiotherapists, beyond rates prescribed in the Government Gazette. These perpetrators have been convicted.

“The responsibility for the mitigation of exposures to fraud and

corruption lies with every employee. All managers have the responsibility to ensure that employees are made aware of and receive appropriate training and education with regard to the policy", said chief director for provincial operations Nomfundo Douw-Jack.

The DoL urges everyone who knows about any fraudulent activities involving its services to report such cases by calling/ email using the details below to minimize fraudulent cases.

| | |
|---------------------------------|--|
| FRAUD HOTLINE: | 086-002-2194 |
| UIF FRAUD HOTLINE: | 080-060-1148 |
| FRAUD E-mail: | fraud@uif.gov.za / fraud@labour.gov.za |
| Office of the Public Protector: | 080-011-2040 |
| Auditor General: | 012-426-8401 |
| Public Service Commission: | 080-070-1701 |
| Compensation Fund Hotline: | 080-023-4432 |

Related



Business calls for urgent intervention after UIF-Ters benefits suspended August 26, 2020

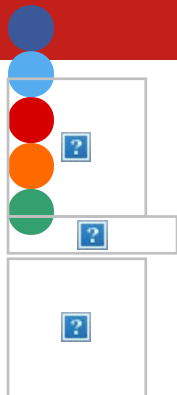


Domestic workers win right for workplace injury compensation November 19, 2020



Ex-mayor Faku misses hearing March 22, 2017 In "News"

GET THE OFFICIAL SA GOVERNMENT MOBILE APP

 Play Store
  App Store


MENU



Sentencing of Compensation Fund fraudster trio in October

Wednesday, August 29, 2018

Three former Department of Labour Compensation Fund employees, found guilty of defrauding the entity of R470 000, will be sentenced in October following their convictions in May.

Their sentencing has been delayed by the outstanding Correctional and Social Services reports which, the court heard today, will be ready in September.

The Pretoria Magistrate's Court on 30 May found Maxwell Ramaphosa, Samuel Mfeleng and Kgabo Johanna Methi guilty for defrauding the department's Compensation Fund of R476 150 58.

Ramaphosa and Mfeleng were found guilty on 10 counts of fraud and money laundering, while Methi was successfully convicted on three counts of fraud.

In a statement on Wednesday, department spokesperson Teboho Thejane said the court today heard that the Correctional and Social Services reports of Ramaphosa and Mfeleng were outstanding. Methi's reports have been completed, he said.

The three accused have been remanded in custody since the guilty verdict.

The three former officials were found guilty of colluding with a physiotherapist Dr Jones Mothemola Modau by siphoning the Compensation Fund using fictitious claims and channelling the money into Modau's account and a friend's driving school account which would later be shared.

Dr Modau pleaded guilty in the Pretoria Specialised Commercial Crime Court and his fellow accused's matter was transferred to the Pretoria Magistrate's Court in a separation of trial.

“Modau was handed multiple suspended sentences by the Pretoria Specialised Commercial Crimes Court for defrauding the Department of Labour’s Compensation Fund,” Thejane said.

He was sentenced to three years of correctional supervision or house arrest, but is allowed to go to work and church.

“On the same charge of fraud, he was also handed a further three years - suspended for five years - on condition that he does not commit any theft or fraud during the next five years. On a charge of money laundering, he was sentenced to two years suspended for a five-year period,” Thejane added. – **SAnews.gov.za**

Share this post:

Most Read

Government announces increase to GEMS subsidy

1497 Views

04 Feb 2021

COVID-19 online vaccination registration now open for medics

3287 Views

03 Feb 2021

Flooding closes N18 in North West

586 Views

04 Feb 2021

Matric results to be released on time

4959 Views

20 Jan 2021

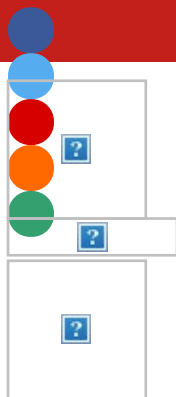
Government to use online platform for COVID-19 vaccination

9523 Views

28 Jan 2021

SASSA announces cut-

GET THE OFFICIAL SA GOVERNMENT MOBILE APP

 Play Store  App Store

MENU



Compensation Fund takes major decision on Sinempilo

Wednesday, February 7, 2018

The Compensation Fund on Wednesday announced that it will no longer process any invoices submitted by Sinempilo Medical Billing.

The move comes after the fund conducted a large scale fraud investigation, where “risky” transactions were found, directly implicating Sinempilo Medical Billing.

Sinempilo is a medical billing company that does business on behalf of medical service providers.

“The Compensation Fund has a duty to prevent fruitless and wasteful expenditure and protect medical service providers. As such, the Fund will no longer be processing any invoices submitted through Sinempilo, effective from today [7 February 2018],” the Fund said in a statement.

The Compensation Fund is a schedule 3A entity of the Department of Labour with a clear mandate of providing compensation to occupationally diseased or injured employees.

Workers, who are affected by occupational injuries and diseases, are entitled to compensation.

– **SAnews.gov.za**

Share this post:

<https://www.sanews.gov.za/south-africa/compensation-fund-takes-major-decision-sinempilo>

Subscribe



NEWS FOR SUBSCRIBERS BUSINESS SPORT LIFESTYLE OPINION MULTIMEDIA MAGAZINES NEWSPAPERS PARTNERS

Thursday, 04 February
Add location

14 Jan 2018

Compensation Fund frustrates Hawks investigation



Sizwe Sama Yende

SHARE



(Supplied)



Next on News24

LIVE | 4 058 new cases in the pas 24 hours,
with 398 new deaths

13h ago



(Supplied)

The labour department's Compensation Fund is being accused of allegedly frustrating a R12.1m fraud case against a doctor in North West by failing to commission a forensic investigation in the past eight years.

The Hawks said they had collected all statements and records on Dr Sello Ntsoko, a general practitioner in Lethabale near Brits, who allegedly made fraudulent claims.

However, their case has not made progress because the Compensation Fund failed to source an outstanding forensic audit report.

Ntsoko allegedly defrauded the fund in 2009 by submitting fraudulent claims totalling R12.1m in four months for 54 patients.

He claimed he had allegedly treated them for occupational injuries and diseases.

He also allegedly charged no less than R4 000 for a consultation.

He was allegedly caught out when former Compensation Fund risk manager Twana Makhubela enlisted three forensic audit firms in 2009 to conduct data analysis on 1 919 invoices.

This initial audit identified several anomalies, but there was no full-scale investigation.

The analysis found that some of the patients did not even consult Ntsoko and were treated by other doctors.

Hawks spokesperson Brigadier Hangwani Mulaudzi said the police could not be blamed for the lack of progress in the case.

"Charges [against Ntsoko] have not been formulated pending the finalisation of the forensic report. All other statements and records have been collected," he said.

"It is unfortunate that the matter of the forensic report rests with the complainant [the Compensation Fund]. It is the only thing outstanding that would enable us to finalise the case," Mulaudzi said, adding that they believed they had "a watertight case".

City Press understands that at least six prosecutors who dealt with the case were frustrated by the Compensation Fund's inaction, so they abandoned the case.

"Our multidisciplinary approach has necessitated us to work closely with the NPA [National Prosecuting Authority]," Mulaudzi said.

"The same message was conveyed to the Compensation Fund to finalise outstanding issues to allow the Hawks and the NPA to finalise the matter. It is long overdue."

A source with knowledge of the investigation told City Press that Ntsoko seemed to enjoy protection from the fund's employees.

“At the time of the initiation of the investigation, a criminal network existed within the fund that recruited doctors to submit fraudulent claims,” the source alleged.

The source said Makhubela, who has since become deputy director of information security at the Compensation Fund, had undertaken to appoint a forensic audit firm to conclude the investigation, but nothing happened.

His successor, Katlego Mocwiri, also did not deliver.

“In 2015, quotations were called for from Kwinana & Associates to finalise the forensic report,” said the source.

He said that nothing was done and this delayed the investigation.

Makhubela confirmed the forensic investigation was not done, saying he could not comment

fully on the case because he did not have the file, which would only be available next week, when officials returned from leave.

Makhubele said Ntsoko had submitted more claims worth more than R1m, but these were not paid because they were also suspicious.

He said two clerks, whose names are known to City Press, were freed for their role in the scam, but they were not criminally charged.

“We did not see that it was reasonable to spend another R3m [on a forensic investigation] because we had evidence. Prosecutors said we must go and get statements from each and every patient. We said we cannot because some could not be traced or had died,” he said.

In 2010, the NPA’s Asset Forfeiture Unit seized Ntsoko’s properties. It seized R3m, two BMW 3 series, a BMW 1 series, a Mini Cooper and a vacant stand valued at R280 000 in Amandasig, Pretoria.

Ntsoko failed in his appeal against the Asset Forfeiture Unit in 2015 – City Press has the Pretoria High Court documents related to Ntsoko’s appeal.

Ntsoko said he could not comment because his lawyers were overseas.

We live in a world where facts and fiction get blurred

In times of uncertainty you need journalism you can trust. For only **R75 per month**, you have access to a world of in-depth analyses, investigative journalism, top opinions and a range of features. Journalism strengthens democracy. Invest in the future today.

Subscribe to News24

Related Links

Two men nabbed after
Hawks discover 23
bags of dagga worth
R1m



NEWS

Dozens of employees face arress for fraud 'worth millions' as scandal rocks Compensation Fund

BY LOYISO SIDIMBA - 10 May 2017 - 15:40



This website uses cookies to run essential services and improve or personalise your reading experience. Read more about how we manage your information in our [privacy and cookie policies](#).

Accept cookies



The Compensation Fund is meant, among others, to compensate workers who get injured at work, as in this collapsed construction site in Tongaat, KZN. Picture Credit: Thuli Dlamini

Dozens of Compensation Fund employees have been suspended for widespread fraud allegedly worth millions of rands.

The fund's commissioner Vuyo Mafata confirmed the precautionary suspensions of 35 employees after fraudulent transactions were discovered at the end of last month.

Mafata said the fund had launched an investigation into the fraud which involved the payment of medical accounts.

Another 11 service providers had payments to them suspended, said Mafata.

"We suspect that some of the payments may have been fraudulent," he said. Mafata said the employees were precautionarily suspended so as not to compromise the investigation.

ADVERTISING

A person with knowledge of the suspensions told Sowetan that the amount siphoned of through the fraud amounted to several millions of rands.

However, Mafata said the amount would be determined by the investigation.

The source told Sowetan that one of the suspended workers had been on holiday in the United States, where she visited three sates. She had also visited Bali, Indonesia.

The suspended workers allegedly submitted claims using fictitious hospitals that no one had ever heard of and even claimed for electric wheelchairs that were never delivered.

The fund provides social security to all injured and deceased employees.

Two weeks ago, North Wes doctor David Michael Adams was found guilty in the Pretoria Magistrates' Court of defrauding the fund of nearly R400000.

Adams, who will be sentenced tomorrow, was facing 29 counts of contravening the Prevention of Organised Crime Act and another 29 of theft.

Adams, who is out on a warning, was arressed in 2010 for receiving unlawful payments from the fund. He was ofered an opportunity to repay the money before his arres but did not respond accordingly .

The fund reported 110 fraud-related cases were also under investigation during the 2015/2016 year .

Some of the cases where investigations were completed were referred to the police.

Another 130 financial misconduct cases were investigated in the same period, 60 of which were sill in progress and 70 had been completed.

All the cases involved employees and medical practitioners but the fund's management did not act on the recommendations for any of the 70 cases according to auditor-general Kimi Makwetu.

The Special Investigations Unit is yet to release details of its probe, as requested by Labour Miniser Mildred Oliphant.

RECOMMENDED

by **NEWSROOM AI**



[Home](#) » [Newsroom](#) » [Media Statements](#)

Labour on Compensation Fund fraud case proceedings

16 Jan 2014

Two former employees accused in the Department of Labour fraud matter 'stage a no show' in Court

The two former employees of the Department of Labour's (DoL) Compensation Fund (CF) alleged to have defrauded the department failed to show up in Court today (January 16), and will be served with a warrant of arrest.

Maxwell Ramaphosa and Samuel Mfeleng - both from Soshanguve in Pretoria are alleged to have defrauded the Department of Labour's Compensation Fund of R2, 1 million. The duo faces 15 counts of fraud and 26 counts of money laundering.

Magistrate Fikile Ntlati told the Court that in the absence of a clear explanation from legal representatives on the whereabouts of the two accused (Ramaphosa and Mfeleng), "the State is left with no option, but to issue out the accused with a warrant of arrest".

The two former civil servants have pleaded not guilty and are out on a bail of R 3000. Lawyers representing the accused said they have been 'frantically' trying before the Court appearance to get hold of their clients to no avail. The lawyers said the phones of Ramaphosa and Mfeleng were left unanswered.

Ramaphosa and Mfeleng were arrested in 2009 together with self-confessed fraud physio Jurry Bonewamang Sehunoe. Their matter was taken in 2010 to the Pretoria Specialised Commercial Crime Court, wherein Sehunoe pleaded guilty to defrauding the department and was subsequently handed a five-year suspended sentence.

The matter of Ramaphosa and Mfeleng was transferred in a separation of trial to the Pretoria Magistrate's Court. Ramaphosa and Mfeleng are alleged to have been part of a syndicate working in collaboration with convicted fraud physio Sehunoe, from Rustenburg in North West to siphon the department's Compensation Fund.

The two (Ramaphosa and Mfeleng) are also ensnared in two other separate fraud cases that are before the Pretoria Magistrate's Court for allegedly defrauding the Department of Labour. In one case Ramaphosa and Mfeleng are part of a group of six former employees of the Department of Labour accused of defrauding the DoL's Compensation Fund of about R1-million.

In the other case they are part of a group of three former employees and Dr Jones Mothemola Modau, a physiotherapist based in Rustenburg who has since confessed to defrauding the department of R476 150,58. Modau has subsequently been handed a five-year suspended sentence.

The Compensation Fund is a public entity of the Department of Labour. The fund provides cushion for workers injured during work or diseases sustained thereof.

Enquiries:

Page Boikanyo

Departmental Spokesman

Cell: 082 809 3195

Issued by: [Department of Employment and Labour](#)

More on: [Fraud and corruption](#)



EXPLORE GOV.ZA

| | | |
|---|---|--|
| Statements | About government | Services for residents |
| Documents | About South Africa | Services for organisations |
| Events | Contact your government | Services for foreign nationals |
| Key issues | Feedback | FAQs |
| Government opinion pieces | Sitemap | Terms and conditions |
| | Get e-mail updates | RSS feeds |

Copyright 2021 Government of South Africa. All Rights Reserved





COMPENSATION FUND FRAUD CASE POSTPONED

Monday, 13 February 2012, 11:58



NATIONAL NEWS - The trial of seven people accused of defrauding the labour department's Compensation Fund of close to R1 million was postponed again by the Pretoria Magistrate's Court on Monday.

Magistrate Mariette Louw set the matter down for March 8, because three of the accused did not have legal representation.

Six of the accused are former employees of the department. They are Maxwell Ramaphosa, Samuel Mfeleng, Kgabo Methi, Debbie Venter, Tendani Eric Mukomafhedzi and Billy Ramskin. The seventh is physiotherapist Abel Diokano.

When the trial began on Monday, one of the accused asked to go outside and call his lawyer, who he said was "nearby". However, the lawyer did not arrive.

On January 26, the matter was postponed in the same court to allow Ramaphosa and Mfeleng to apply for Legal Aid. They were still not represented on Monday.

The seven face four counts of fraud and two counts of money laundering involving R950,000. They are out on warnings.

The labour department said the six former employees allegedly conspired with Diokano in the submission, approval and payment of fictitious claims.

The Compensation Fund is a public entity under the administration of the labour department. Its purpose is to compensate workers for disability, illness and death resulting from work-related injuries and diseases.

Source : Sapa

Read more about: [Compensation fund fraud case postponed](#)

ANNEXURE C



Tel: +27(0)11 489 1226 Fax: 086 545 5557 info@rhprehab.co.za

HEAD OFFICE:
Netcare Rehabilitation Hospital, 2 Bunting Road, Auckland Park, 2006.
PostNet Suite 224, Private bag X 9, Melville, Johannesburg, 2109

Reg.no. 2003/024744/21 Vat no.4040209365

23 October 2019

To whom it may concern

Veronique Mack and Deidre Strobel

On behalf of Rita Henn and Partners I would like to commend Veronique and Deidre on their commitment and dedication towards assisting our practice.

We have encountered quite some challenges aligning our administrative systems to the new requirements from COID, and these two ladies have provided intense ongoing support, taken daily calls, visited us, reminded us constantly about what needs to be done, and provided encouragement when needed. Their excellent communication and availability have made it much easier to do the work that we are doing, and although we are still not operating with maximum efficiency, we are making progress.

We are in the process of appointing additional staff to manage our WCA accounts, and they have been involved in training and support here too.

I would like to thank CompSol for the service that you provide for us, which is extremely valuable and essential to our practice

Yours faithfully,

Sarah Quinlan
Financial Director
Rita Henn and Partners Inc.

Rita Henn
Managing Director
Rita Henn and Partners Inc.



MORTON & PARTNERS
RADIOLOGISTS

Morton & Partners Head Office
5th Floor, 5 St George's, St George's Mall
Cape Town
8001

021 425 3100
www.morton.co.za

Salaam dearest Tessa and hello Mariella

12 November 2020

I trust you well and in good health and spirits 😊

I just wanted to say a huuuuuge thank you to Mariella firstly and also to CompSol for placing Mariella in our Team.

Payments have increased drastically lately and this has brought some relief to us.

We are a big practice and as you know we work quite differently to many others, however, Mariella's easy go nature, her dedication and continuous hard work makes it exceptionally easy to work with her.

She is always very positive and helpful. Always guiding the team and assisting us where we are struggling with employers / CompEasy registration / claim numbers / Ref Drs / rules or requirements...

We greatly appreciate everything about YOU.

Your dedication to your work (however, I would rather say your dedication Morton 😊) does not go unnoticed.

You have an exceptional work ethic and this is a definite asset to the Morton / CompSol Team.

You are determined to resolve as much liability accepted claims by hounding us to forward the necessary paperwork if you know it can quickly get paid.

Our constant projects (how it's being sorted and followed up on) that we have embarked on seems to be working greatly - looking at the payments which have increased drastically. Thank you to both sides.

One of the many things that i appreciate greatly is that you try and accommodates Morton where possible. Your response to our resolved claims is immediate and this alone makes things so much easier for us. We know where we stand with a query. Is it resolved or not? Can it be removed from the list or what must still be amended or obtained . A feeling of almost immediate relief and now to continue with next query instead of seeing the same invoice just a different query on the next query list.

Tessa: If you don't know it takes a lot to leave your work and check on incoming queries to see if its resolved or not and respond to someone.

This has made things so much positive in our Team.

Thank you Mariella and thank you for working so well with us.

Shanaaz Jardine

Head of WCA Team for

Morton & Partners / Kingsbury Radiology / Cape Town MRI / Centric Radiology



MORTON & PARTNERS
RADIOLOGISTS



5th Floor, 5 St George's, St George's Mall, Cape Town 8001

Tel: 021 - 425 3100 Ext 3031

Dr F Buitendag Dr G Cilliers Dr TG Dicker Dr GEB Hacking Dr M Jordaan Dr E Kader Dr J Kieck Dr W Kuys

Dr A Levy Dr BS McIvor Dr D Meinert Dr F Moolla Dr P Mukheiber Dr P Scholtz Dr CW Sperryn Dr R Visagie

Associates: Dr J Hauptfleisch Dr G Jackson Dr D Jacobs Dr R Jogessar Dr N Kasirye-Mbugua Dr I Meiring Dr T Nair Dr K Peprah Dr S van der Merwe

Petro Pollock

B.Sc. (FIS.) STELLENBOSCH
Geregistreerde Fisioterapeut / Registered Physiotherapist
Praktyk no 7208235

✉ 630
George
6530

*George Medi Clinic Grondvloer/Ground Floor
Yorkstraat 113 York street Posbus/P.O. Box 630 George 6530*

Fax: 044 873 4195
Tel: 044 874 5969
Sel: 082 861 8840

26/09/2019

Goeie dag Eugené

RONELLE BAATJIES

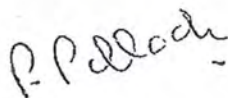
Dit is vandag my voorreg om Ronelle te bedank vir haar uitsonderlike goeie diens aan ons.

My administratiewe personeel prys Ronelle oor haar flinke diens en terugvoering, asook haar gewilligheid, geduld en vriendelikheid.

Ons betalings kom goed en gereeld deur. Wat my veral opval is die goeie admin betalings op 'n weeklikste basis.

Ek is 'n baie tevrede kliënt en veral dankbaar oor my kontantvloei wat so glad verloop.

Met vriendelike groete



Petro Pollock



Practice Number: 009 – 003 – 0480088
Unit 8 Fourways Industrial Park, Alton North, Richards Bay 3900
Postnet Suite 199, Private Bag X 1040, Richards Bay 3900
Cell: 082 695 7277 / Tel: 0357975081 / Fax: 086 512 8778
Email: icemedical.vinesh@gmail.com / icemedical@telkomsa.net

22 October 2018

To whom it may concern :

RE : EXCELLENT SERVICE APPRECIATED

I would like to extend our gratitude towards Ms Veronique Mack for her outstanding efficient service towards I.C.E Medical Rescue. Veronique's professionalism and sincerity exhibited is commendable and deserves appreciation at the highest level. While working with Veronique we have found her to be efficient and competent which ensures a smooth solution to all our requests.

It is evident that Veronique is definitely an asset to the company and hope to continue working with her in the future.

We also recognize that her hard work comes from having such a great support network at Comsol and would also like to commend all your staff that has assisted us especially during our time of crisis with WCA.

Should you need any further information regarding the above, please do not hesitate to contact me.

Thank you

Regards

M. Chinasamy
Director

ELMARIE BAILEY PHYSIOTHERAPIST
BSC FISIOTERAPIE
PRAKTYK #/PRACTICE #:7215983

11 December '19

Thank You

During this season of giving

As always it has been a pleasure working with Compsol, we appreciate all the assistance though out 2019.

Lucille, your quick response, positive attitude, and system knowledge is the key to a successful business.

You always strive to give the highest level of service, thank you

Client service officer thank you for your regular visits and updates

We couldn't complete this challenging year without people like you by ours sides.

Wishing you and your families a joyful prosperous Christmas and 2020

Warm Regards

Elmarie Bailey /Alta Els



Date: 25/01/2021

Re: Letter of Customer Service for the below mentioned employee from CompSol

Terri Swartbooi
Account Administrator

t 041 397 7621
f 0866832529
e tswartbooi@compsol.co.za
w www.compsol.co.za



I wish to place on record my sincere thanks and appreciation to your staff member named Terri Swartbooi. She has connected with me telephonically and heard my story about my inability to register on Workmen's comp site for IOD registry. To date I have been unsuccessful in gaining access to the online system and Terri has been an absolute blessing.

She has assisted me in registering my IODs in record time and always delivered timeously. I have had incidents where the employee was refused treatment by the doctors' rooms and Terri has helped me register those claims whilst the patient was being denied treatment. Her willingness to help and her level of customer service is exceptional. I hope that she is recognized for her contributions that she makes and I am very grateful to be dealing with such a bubbly, happy person always willing to help.

Please look after Terri and keep her happy as there are very few like her that hold all these good qualities.

Many thanks

J Grovender
.....
FOR AND ON BEHALF OF THE EMPLOYER

25/01/2021
.....
DATE:

Jolene Grovender
.....
FULL NAMES

Senior Wage Administrator
.....
DESIGNATION

PAILPAC (PTY) LTD
Reg. No.: 1998/010961/07
P.O. Box 282, Gillitts, 3603
Tel: 031 713 7777
Fax: 031 705 2097

Directors: B.I. Jackson, G.W. Jackson

PPAD005
V.No.3
02.02.2011

Good afternoon Rozahn

I just wanted to inform you as to how helpful your employees are. In particular I wish to highlight Junior Mshweshwe. I don't know how we stumbled upon one another however he made contact with me one day after I had reached the end of my tether with the Compensation Fund. We have attempted to register with the fund multiple times and spoken to numerous employees from the fund to no avail. This has resulted in many medical companies being frustrated with us for failing to be compliant and assisting them with claim numbers which is not our intentions at all. Junior has assisted me to register 7 claims to date. He has a wonderful telephone manner and has put my mind at ease with the registrations of claims. I must say one of the most helpful people I have encountered in a long while. He went that extra mile to assist me to check to see if my e-mail was correct for the registration process with the Compensation Fund and I just feel good in the knowledge that I did do the right thing with my registration.

He is truly an asset to your organisation.

Thank you and have a wonderful day further.

Heather Andrews
HR Consultant/Payroll Officer
Metier Mixed Concrete (Pty) Ltd
Tel: 031 716 3600 or 087 285 1615
Email: heather.andrews@metiersa.co.za
Web: www.metiersa.co.za





Truss World (PTY) LTD – 2016/159158/07
Muscat Street, Saxenburg Park, Blackheath
PO Box 1119
Brackenfell
7561
Tel 021-905 8844
Fax 021-905 8847

TO: NETCARE KUILSRIVER HOSPITAL
ATT: DEONI
DATE: 7 JULY 2020

RE: COMPLIMENT -MARIETJIE ROSENBLATT- COMPSOL

This letter serves to inform you that Truss World (Pty) Ltd value Marietjie Rosenblatt from Compsol, **prompt and very helpful** service on the **Compeasy system**.

She manages to sort out the problem we've experienced on the Compeasy system and assisted me to register a claim online.

Thank you, Netcare Kuilsriver Hospital, for employing Compsol – Marietjie Rosenblatt.

Our Workmans Compensation Reference number: 990000372442

Yours Faithfully

BOOKKEEPER
P VAN WYK

Directors: R.J. Weston (Managing), T.D. Weston, J-H Van Reenen, M.Faro

From: Marius Fourie <Marius.Fourie@helderbergvillage.org.za>
Sent: 04 December 2020 10:59
To: Sibongiseni Mntengwane
Cc: 'Annemarie Fismer'; Marlene Oosthuyzen
Subject: RE: Change of email address

Dear Shelly

Well it is time to celebrate!

Thank you so much for your assistance, my registration has now finally been approved after a year long struggle. I am convinced that without your assistance it would not have happened, so thank you very much once again!

If you could send me a reconciled/consolidated list of the outstanding case number, I can get to work and register them.

Kind regards,

Marius Fourie | Health, Safety & Environmental Officer

T : +27 21 855 8380
M : +27 82 801 2912
E : marius.fourie@helderbergvillage.org.za



Bakkerskloof Road, Private Bag X19, Somerset West, 7129 - [Map](#)
Helderberg Village Master Homeowners Association NPC | Registration no. 1993/003665/08

