

# HEALTH PRODUCTS ASSOCIATION OF SOUTHERN AFRICA

PRESENTATION TO THE PORTFOLIO COMMITTEE ON NHI BILL

Presenter on behalf of the HPA – Ms Leigh Gunkel-Keuler, Vice Chair, HPA

30 June 2021



**“SERVING SOUTH AFRICA’S HEALTH INTERESTS”**

# PREAMBLE

- Research shows that health supplements and functional food fortification with minerals and vitamins contribute to healthier citizens and a stronger economy. Health supplements are concentrates of important nutrients such as vitamins, minerals, amino and fatty acids, botanicals and other substances with a nutritional or physiological effect. **They are not meant to treat any diseases but their role in reducing the risk factors associated with developing several diseases, especially in some groups of the population, is recognized by the scientific community.**
- Additionally, overwhelming evidence supports that **primary prevention is far more efficient and resourceful than disease treatment, and health supplements have a lot to offer in promoting a healthy lifestyle that reduces the risk of developing diseases.** The health supplement sector has an important role to play in countering the pressure on the South African healthcare systems and can be a leading contributor to support the NHI's goal for healthier citizens through preventative healthcare. This can be done through the reduction of diet-related risk factors for several diseases and by improving public health. The health supplement and functional food supplement sector is also an important contributor to the EU economy by generating economic growth and creating jobs.
- **Reliable and evidence-based information:** SA Citizens are increasingly aware of the health impact of food products and are at the forefront of change, through adjusting their diet and lifestyle in the pursuit of improved well-being.

# INTRODUCTION

- 1) The Health Products Association of Southern Africa (HPA) is appreciative of the opportunity to comment and present to the Portfolio Committee on the NHI Bill.
- 2) The Health Products Association of Southern Africa (HPA) has been serving South Africa's health interests since it was founded in 1976. The HPA represents the interests of 105 companies in so doing, represents the interests of the wellness paradigm and remains focused on 'prevention rather than cure'.
- 3) As an outspoken voice of the wellness paradigm, the HPA is committed to developing and maintaining standards that support and foster the quality, safety and efficacy of natural health products, nutritional dietary supplements and complementary and alternative medicines (CAMs). The Association strives to work towards an ethical, credible, relevant and vibrant health products industry in South Africa.



# INTRODUCTION

4) The HPA plays a crucial role in ensuring the long-term sustainability of this market and works to provide a fertile environment for industry growth. To achieve this the HPA has developed self-regulatory Codes of Good Practice and Standards, and guides its members in correct practice and procedures.

5) Despite mounting global regulatory and economic pressures, the natural health products, nutritional dietary supplements and CAMs international market continues to expand. The HPA has decades of experience in this field and, as one of the most respected wellness bodies in Southern Africa, it is perfectly positioned to continue to play both a strategic and meaningful role in this regard.



# WELLNESS PARADIGM

**Within the wellness (CAMs) market, there are different categories of wellness approaches, these include:**

- Wellness - Prevention rather than cure
- Increased responsibility for personal health
- Perceived high cost of health services
- Safety and low incidence of side effects
- Ease of access
- Increased awareness of its benefits
- Rewards by loyalty programs to keep healthy

**There are different categories of CAMs and these need to be integrated into the wellness ethos of NHI:**

- African Traditional Medicine
- Aromatherapeutic Essential Oils
- Auyurvedic Medicine
- Biochemical Medicines & Salts
- Chinese Medicine
- Energy Substance
- Herbal Medicine
- Homoeopathic Medicine
- Nutraceuticals
- Sowa Rigpa Medicine
- Unani-Tibb Medicine

# THE WELLNESS CASE



# KHULA NATURAL HEALTHCARE CENTRE



- The Khula Natural Healthcare Centre is a brilliant example of how complementary medicine, in this case Homeopathy, is able to significantly benefit a rural community in KwaZulu-Natal. The clinic is close to St Lucia and has treated about 8 500 new and follow up patients since its founding there in 2017.
- The clinic is staffed by a few fulltime qualified Homeopathic Doctors, who are ably assisted by a number of students and interns from the Universities of Johannesburg and the Technical University of KZN. It provides superb training for these people as well as a service to the community.
- The value it has brought to the local community is massive. The Homeopathic medicines used are extremely cost-effective. Khula is a perfect example of how 'Wellness' can effectively be brought to members of the public at the lower financial end of the spectrum. It is also typically a way in which many more thousands of people could rapidly benefit via National Health Insurance. Imagine another 10 clinics like this!

[https://fb.watch/6pth\\_zbzlP/](https://fb.watch/6pth_zbzlP/) (Click through to the video link on Facebook)

# WHAT THE BILL SEEKS TO ACHIEVE

- To achieve universal access to quality health care services in the Republic in accordance with section 27 of the Constitution; to establish a National Health Insurance Fund and to set out its powers, functions and governance structures; to provide a framework for the strategic purchasing of health care services by the Fund on behalf of users; to create mechanisms for the equitable, effective and efficient utilisation of the resources of the Fund to meet the health needs of the population; to preclude or limit undesirable, unethical and unlawful practices in relation to the Fund and its users; and to provide for matters connected herewith.

# BASIS OF PRIMARY CONCERN

- **“health related product”** means any commodity other than orthodox medicine, complementary medicine, veterinary medicine, medical device or scheduled substance which is produced by human effort or some mechanical, chemical, electrical or other human engineering process for medicinal purposes or other preventive, curative, therapeutic or diagnostic purposes in connection with human health;

# HPA CONCERNS

## 1) THE MUTED ROLE OF WELLNESS IN NHI BILL

- a) The HPA understands and appreciates the need to ensure equitable access to all citizens in the Republic of South Africa for healthcare services. What is not apparent or defined in the NHI Bill is the role of wellness as part of the NHI. The HPA is of the view that the key focus and narrative should be how to remain healthy with a focus on wellness as opposed to the focus on medical treatment.
- b) Companies within the wellness space ought to be incentivised in some way for the role they play in this regard.
- c) Notwithstanding this, the HPA welcomes the focus on primary healthcare (PHC) with a referral system in order to access relevant healthcare services.

## 2) THE ROLE OF HEALTHCARE PRIVATE SECTOR PROVIDERS

- a) The HPA remains concerned that the private sector will be assigned a role within the complementary services sphere. What does this mean? Additionally we have concerns around the distribution of medicine as well as the prohibition of rebates, bonuses and incentives. The life-blood of the CAMs industry.

## 3) TAX BURDEN

- a) The HPA is concerned that taxpaying South Africans would not be able to afford to pay an additional tax in the form of NHI, neither could companies.
- b) The HPA is concerned about how and how far taxation for the NHI would go and if this taxation would be ringfenced?



# HPA CONCERNS



## 4) **SINGLE EXIT PRICE (SEP)**

- a) One of the primary concerns of our members is the role of the Single Exit Pricing system and its applicability to CAMs products given its classification under health related products.
- b) The HPA is of the opinion that the current exemption would cease to exist, and its members would be expected to sell such products including S0 Category A and S0 Category D Medicines at a Single Exit Price. The unintended consequences for S0's Category A and Category D Medicines could be extensive. Access to these products will be severely restricted.
- c) As an industry, we cannot afford SEP. The majority of our members fall into the small and medium sized categories of business within the CAMs industry and the anticipated increase in costs to implement SEP on its products will negatively affect them.
- d) This decision if implemented, would severely and negatively impact the CAMs industry in South Africa.

## 5) **TIME-FRAMES**

- a) The HPA, is of the opinion that the various milestones of NHI needs to be executed in a phased in manner and that it would be unrealistic to achieve all necessary milestones with the effective go-live date of 2026.



# HPA CONCERNS

## 6) SECTION 33

a) “Clause 33 deals with the role of medical schemes. In terms of this clause, medical schemes registered in terms of the Medical Schemes Act, 1998 (Act No 131 of 1998), or any other voluntary private health insurance scheme, shall be restricted to providing complementary cover for health care service benefits that are not purchased by the Fund on behalf of users.” We are of the view that Section 33 of the Bill needs to be omitted as it pertains to ‘Once fully implemented’... the private sector to play a complementary role... What does this mean? The private sector requires clarity. This will have an impact in our view on future investments, planning, etc

## 7) GOVERNANCE

a) The HPA is of the view that Parliament should play an oversight role like done with other Chapter 9 institutions. This is to ensure the integrity of the governance framework and to hold the relevant Ministry to account.

## 8) OMNIBUS APPROACH TO A SCHEDULE OF LEGISLATION – IMPACTED BY NHI

a) The HPA is of the view that all Acts to be repealed and/or amended needs to undergo a legislative process like done with the NHI Bill. It should not be automatic that relevant Acts (like the Medical Schemes Act, 1998, Correctional Services Act 1998, Compensation for Occupational Injury & Diseases, 1993, the Road Accident Fund Act, 1996, etc) are impacted in this way.



# IN CONCLUSION



The Health Products Association of Southern Africa (HPA) is appreciative of the opportunity to comment and present to the Portfolio Committee on the NHI Bill. The HPA remains supportive of achieving universal healthcare coverage for all South Africans and most notably look to its member companies in the health and wellness space to play a meaningful role in this regard.

The HPA welcomes the opportunity for engagement on this Bill given its significance and look forward to all relevant comments and views being taken into account as part of this parliamentary process. The HPA is of the opinion that the attainment of universal healthcare coverage cannot be left to government alone and as the private sector, the HPA welcomes constructive dialogue and engagement on this very significant Bill. **We are further of the view that an additional draft of the NHI Bill is required as part of this process before finalisation.**

The HPA is of the opinion that it needs to be appreciated that as complementary medicines (CAMs) have been listed as health related products, that the HPA's voice needs to be heard as it relates to CAMs forming a part of the NHI system for healthcare delivery. However in so doing, we are also wanting to utilise this opportunity to provide additional insights into the wellness space and its need to be adequately reflected within the objectives of universal healthcare coverage.

In this regard, the HPA is of the opinion that the CAMs industry cannot be subjected to allopathic/pharmaceutical terms as it relates to procurement, listing and access as a part or any future part of the NHI.

**Yours Sincerely, The Health Products Association**



# THANK YOU FOR THE OPPORTUNITY

