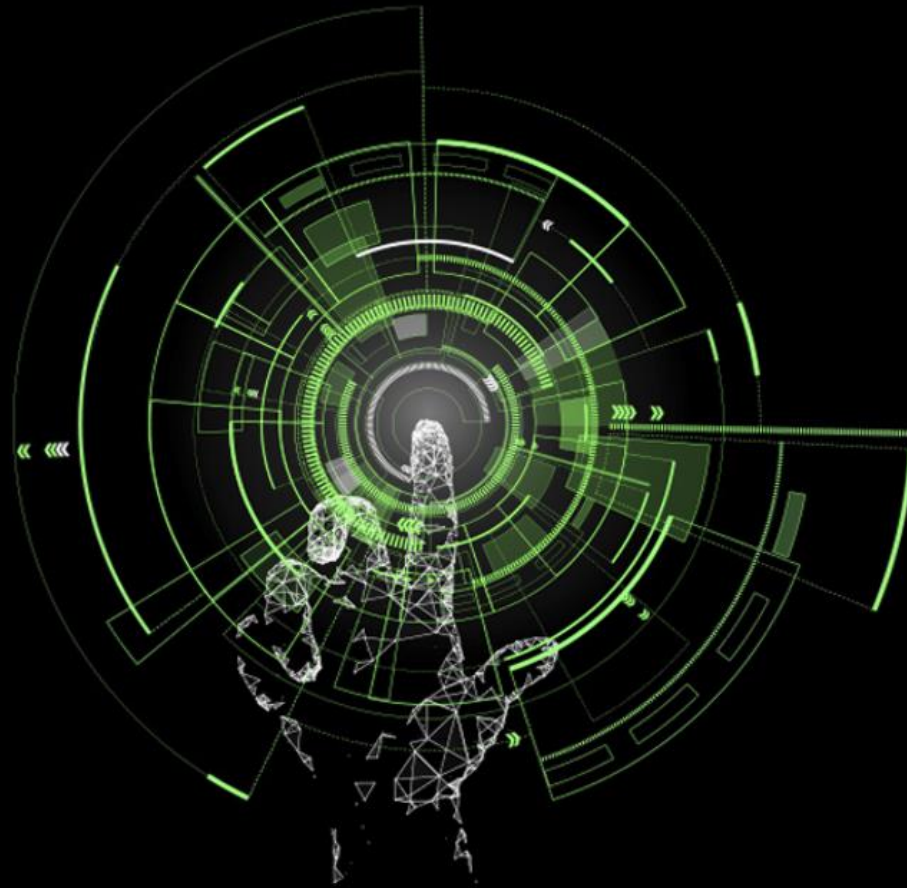


# Deloitte.



Deloitte Dialogue powered by J&J  
*Innovative Access Models in the Private  
Health Sector*  
22 August 2022



## Setting the scene

Innovation is changing the way patients are treated. It plays an important role in how treatment is accessed and can lead to better and even more equitable healthcare.

Innovation has helped, for instance, to reduce the death rate among people living with HIV by 75%, as it has increased access to better ARVs with less severe side effects. Innovation in the surgical space has given rise to non-invasive and robotics surgery as well as the development of innovative sutures, all means to reduce complications and negative side effects of surgical procedures. Innovation has led to the development of a wide range of molecules used to design treatments which can be tailored to specific conditions and requirements. Furthermore, the introduction of telemedicine has reduced the cost of access to healthcare and the need to see a doctor in person significantly.

### Facilitator



**Ashleigh Theophanides**

*Africa Chief Sustainability officer,  
Africa Life Sciences and Health  
Care Industry Leader*

**Deloitte**

### Panellists



**Aluwani Museisi**

*Senior Director, Government  
Affairs & Policy, Sub-Saharan  
Africa*

**Johnson & Johnson**



**Dr Ryan Noach**

*Chief Executive Officer*  
**Discovery Health**



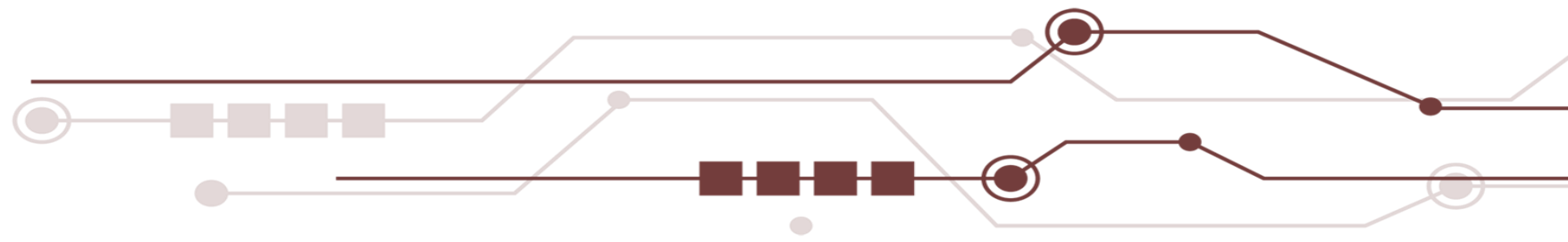
**Bridget McNulty**

*Co-Founder*  
**Sweet Life**



**Dr Thoko Potelwa**

*Senior Manager, Clinical  
Consulting Services*  
**Council for Medical  
Schemes**



*“Why do we have to care about innovation? Innovation changes how we treat people.”*

*- Aluwani Museisi, Senior Director, Government Affairs & Policy, Sub-Saharan Africa, Johnson & Johnson*

### **Moving from a focus on costs towards a focus on value**

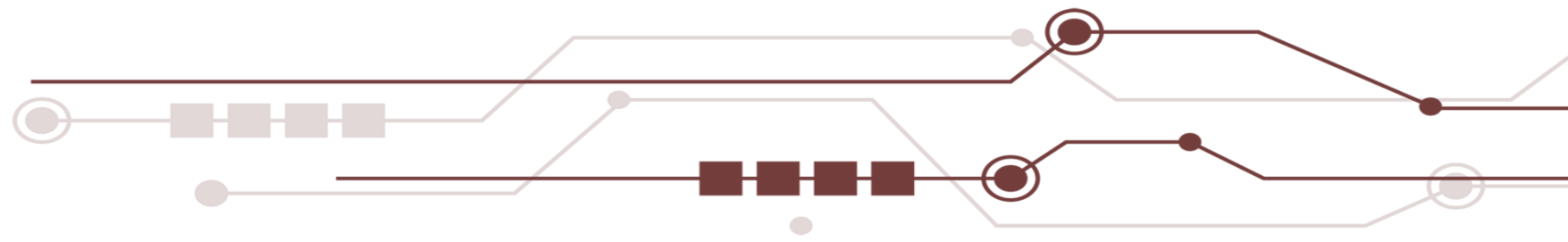
While some of these innovations have increased the cost of treatment, the value they have added to patients and the quality of care has increased as well. However, it appears that innovative solutions are primarily applied in the private sector as the public sector tends to focus more on costs than on the value and benefits created by these solutions, due to cost pressures and limited financial resources. Aluwani Museisi, Senior Director of Government Affairs & Policy at Johnson & Johnson, highlighted that for conditions such as cancer, patients would receive the best possible care in the private sector, while the public sector might only offer basic care. Even in the private sector there are differences between the different tiers of plans, with basic or entry-level plans not providing access to all innovative treatments.

Given this unequal access to innovation, it will require alternative investment models and a reassessment of the current single exit price model. This will also require a shift away from focusing on short-term costs towards long-term cost considerations. Focusing early on diagnosing and treating with innovative medications as well as data sharing, and the introduction of interoperating systems will cut healthcare costs in the long run and improve the quality of life of the patients. In this context, regulations need to be relooked as the introduction of innovative treatments is often hampered by regulatory hurdles and cumbersome registration processes.

Museisi raised the concern that if the NHI bill was passed in its current state, it would have a detrimental impact on the access to innovative treatments in South Africa. He called for the bill to be revised to allow for fast access to innovation through the private sector and to create clarity and flexibility around the essential device and medicine lists. Further, to ensure access to innovative treatments, alternative models such as value-based models should be considered. In this context, collaboration among various stakeholders (public and private) will be essential.

### **Moving from a focus on costs towards a focus on value**

Sweet Life, South Africa’s largest online diabetes community, is an example of successful collaboration and illustrates the benefits of a value-based approach. According to Bridget McNulty, co-founder of Sweet Life, diabetes is the leading cause of death among women and the second most common cause of death among men in South Africa. About half of the people with diabetes are not aware of their condition and about two in three South Africans fall within the pre-diabetes range. Considering these numbers, providing access to treatment and management of diabetes will become increasingly important in South Africa. In addition to the physical impact of diabetes, the disease also has major mental health implications as the management of it can negatively impact the quality of life of affected people and their families.



*“Sensor technology can improve physical and mental health among people living with diabetes”*

*- Bridget McNulty, Co-founder, Sweet Life*

Innovative sensor technology that provides continuous glucose monitoring (CGM) has the potential to drastically improve the quality of life of patients and makes the disease more manageable as it makes real time data of blood sugar levels available and accessible through a smartphone app.

According to McNulty, the key benefits of sensor technology include:

1. Much easier management of type 1 diabetes in children without the need to wake them up during the night to perform blood tests
2. Reduction of the occurrence of emergency situations and hence reduction of hospitalisation
3. Improvement of physical and mental health through better insights and controls; and
4. Improvement in diabetes management for high-risk groups like pregnant women with type 1 diabetes and those who are hypo unaware.

While many doctors agree that innovative sensor technology provides significant benefits to people living with diabetes, medical schemes in South Africa did not cover the costs of these devices initially.

Sweet Life engaged with Discovery Health Medical scheme to have sensor technology included as a benefit for members of the scheme. As the long-term benefits outweigh the short-term costs, medical schemes are well-advised to include this innovative technology especially for certain groups such as

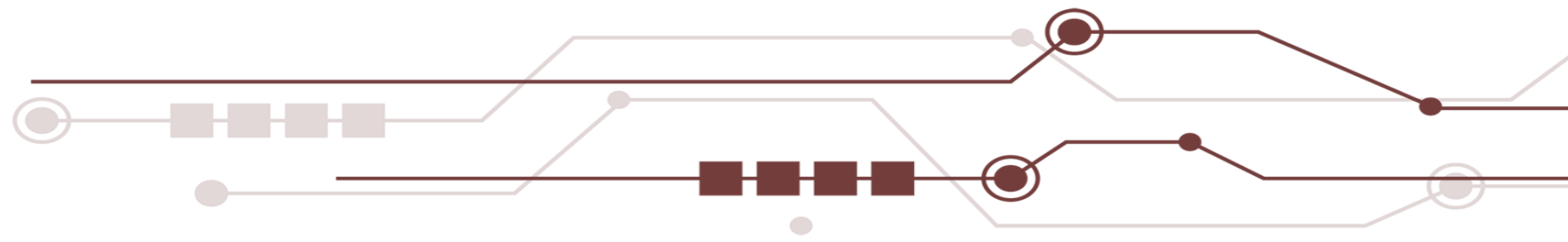
children and pregnant women urgently and then phase it in for other groups over time.

### **Mutual understanding enhances collaboration**

According to Dr Ryan Noach, CEO of Discovery Health which manages the Discovery Health Medical Scheme - the first medical scheme to have continuous glucose monitoring sensors included in their benefits - stressed the importance of partnerships, including civil society organisations, for the introduction of innovation. However, for partnerships to work, it is necessary for each party to understand how their counterparts operate. Civil society organisations, such as Sweet Life, can act as the voice of medical scheme members and are important to convey the needs of members to the schemes. The schemes on the other hand have a responsibility to manage the funds responsibly and sustainability. To do so, they must find the balanced intersection between the members’ needs and the financial capabilities of the fund.

### **Financial sustainability vs patients’ needs**

When considering the introduction of new technologies, such as CGM sensors, funders carry out assessments that the technology is beneficial to the members of the scheme and that the introduction is financially sustainable. In the case of the CGM sensor the cost of the device was initially the key obstacle. Discovery Health and Sweet Life engaged with the manufacturers (Abbott) and were able to negotiate the prices of the devices down by about 25%, which made it sustainable for the scheme. 4



*“We see evidence from around the world that digital is improving accessibility and affordability of healthcare.”*

*- Dr Ryan Noach, CEO, Discovery Health*

Subsequently, CGM sensors have been included as partly or even a fully funded benefit to the scheme. For certain groups, such as children, the uptake of the sensor has been very high, reflecting the benefits and value of the technology for these particular groups. The introduction of innovative technologies should, however, be accompanied by measures that focus on prevention and early screening and diagnostics.

Dr Thoko Potelwa, Senior Manager, Clinical Consulting Services at the Council for Medical Schemes, echoes the importance of sustainability of medical schemes when considering the introduction of new technologies. While innovative technologies often offer better outcomes for members, these technologies are often not part of the prescribed minimum benefits of medical schemes. Therefore, schemes need to create formulars and processes to identify what medications, technology or treatment should be offered above the prescribed list of benefits. Given that necessary data or evidence might not be readily available locally, new technologies might require alternative risk models and risk sharing.

The consideration of whether to introduce a new technology and to include it as a benefit for members of a scheme needs to take the prevalence of the condition in the country into account. Further, the decision should not be purely based on short-term costs, but it needs to take improvements to quality of life, the economic contributions of the beneficiaries and societal benefits into account.

In this context, data and information sharing becomes critical as it will help to assess the outcomes of various treatments and will allow schemes to take evidence-based decisions. While other countries have centralised assessment agencies, such as the UK’s National Institute for Health and Care Excellence (NICE), South Africa currently lacks such an organisation. According to Dr Potelwa, the creation of an assessment agency through collaboration of the available resources must be taken into consideration both for the public and private sector. Evidence based clinical information and proper analysis of available data is important along with pharmaco-economic evaluation and dossiers submitted to protect the consumer, based on proper outcomes.

### **New approaches to ensure equitable access**

Given the ample evidence from across the globe that innovative technologies, such as telemedicine and sensor technology, has improved access to and accessibility of healthcare, it is important that the sector strengthens collaboration, partnerships and mechanisms that will ensure equitable access to innovative healthcare. Ashleigh Theophanides, Deloitte Africa’s Life Science and Healthcare Leader, cautions that without collaboration and the right mechanisms, certain parts of society that need care might face marginalisation. Therefore, the sector needs to find new ways to provide healthcare outside the boundaries of traditional healthcare and by doing so improves the quality of life of all people and ensure better healthcare outcomes under the NHI.



# Contacts

**Ashleigh Theophanides**

*Africa Chief Sustainability Officer,*

*Africa Life Sciences & Health Care Industry Leader*

**Deloitte Africa**

Email: [atheophanides@deloitte.co.za](mailto:atheophanides@deloitte.co.za)

**Author:**

**Simon Schaefer**

*Senior Manager: Africa Insights*

**Deloitte Africa**

Email: [sischaefer@deloitte.co.za](mailto:sischaefer@deloitte.co.za)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the “Deloitte organization”) serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 334,800 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.