



FOR PROFESSIONALS
SINCE 1941

APPOINTMENT OF DESIGNATED SERVICE PROVIDERS WORRIES SA PHARMACISTS

Media Release:

06 June 2012: Pharmacists in South Africa have indicated that the appointment of Designated Service Providers (DSPs) by medical schemes has negatively impacted their business, according to the results of a new survey conducted by PPS.

The survey of more than 252 South African pharmacists revealed a confidence level of just 39% that the appointment of DSPs - whereby a medical scheme specifies to its members exactly which healthcare provider must be used in order to receive full cover for Prescribed Minimum Benefits (PMBs) - would not adversely affect their business.

This concern was also reflected in the fact that only 38% of respondents said that they would encourage their children to enter their profession.

According to Gerhard Joubert, Head of Group Marketing and Stakeholder Relations at PPS, the financial services provider focused on graduate professionals, it is very concerning that pharmacists in South Africa feel that their business is under threat by DSPs. "This may be contributing to their low levels of confidence in recommending their career to their children, which is an issue that needs to be urgently addressed, especially given the fact that the country needs to retain and grow these critical healthcare skills."

The respondents also revealed a slightly lower, but still positive, confidence level of 73% in the future of their profession over the next five years, compared to the average level of 80% recorded by all the other seven professions* that were surveyed.

Pharmacists' overall confidence in the future of the healthcare industry in South Africa was low - but on par with the other professionals surveyed - with a level of 44%. "These results relate directly to the low confidence levels in the implementation of National Health Insurance (NHI) with the survey indicating that only 17% of pharmacists agree with the principle behind NHI and only 17% believe NHI will solve the country's ailing healthcare system," says Joubert.

The survey also revealed a confidence level of only 52% that medical schemes provide adequately for the reimbursement of chronic medicines and only 51% for the reimbursement of acute medicines.

Ivan Kotzé, Executive Director of the Pharmaceutical Society of South Africa, says that reimbursement for medicine by some medical schemes is pegged at the old 26% mark up capped at R26 per item, which was found by the Constitutional Court to be inadequate to cover the cost of providing a pharmaceutical service. "Despite this, members of medical schemes often find that their benefit for medicines is depleted fairly early in the year," says Kotzé. While pharmacists have a confidence level of 79% about remaining in South Africa, they are still highly concerned about

crime and unemployment with both these issues scoring the lowest confidence level of just 40% when asked whether these areas would show improvement over the next five years.

Confidence in the standard of education in South Africa improving over the next five years was slightly higher at 48%. However, 94% of respondents said they were concerned about the lack of mathematics and science graduates in South Africa.

“The survey has revealed that while pharmacists are happy to remain in South Africa they are worried about the future of healthcare industry. It is vital that these issues are addressed in order to improve the uptake of this necessary profession among the youth to ensure the country has enough pharmaceutical professionals in the future,” concludes Joubert.

Other results from the survey:

- Confidence that they would be able to comply with the conditions of the Consumer Protection Act was 67%
- Confidence in their ability to earn an income that keeps up with inflation was 66%
- Confidence in the economic outlook for South Africa over the next 12 months was 62%
- Confidence in the outlook for local equity / share markets was 64%
- Confidence that South Africa has seen the worst of the global economic turmoil was 54%
- Confidence that they have saved enough to retire was 56%
- 7% believe the tax incentives offered by government are enough to encourage South Africans to save
- 68% believe that compulsory preservation is necessary to enforce South Africans to save

* Advocates, Attorneys, Chartered Accountants, Dentists, Engineers, Medical and Pharmacy

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Additional information:

PPS boasts in excess of 200,000 members who enjoy access to a comprehensive suite of financial and healthcare products that are specifically tailored to meet the needs of graduate professionals.

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