TREATMENT ACTION CAMPAIGN

3rd Floor Westminster House,
122 Longmarket Street, Cape Town, 8001, South Africa

PO Box 2069, Cape Town, 8000, South Africa

Tel: +27 (0)21 422 1700
Fax: +27 (0) 21 422 1720
www.tac.org.za
info@tac.org.za

NPO Number: 043-770
VAT Number: 4070239977
Registration: 2000/029181/08

Ekurhuleni District Office
Office 01, 2nd Floor, Golden heights, 141 Victoria Road, Germiston, Johannesburg

Gert Sibande District Office
44 De Clerq Street, Ermelo

Khayelitsha District Office
Town 1 Properties, Sulani Drive Site B, Khayelitsha, Cape Town, 7784

Lusikisiki District Office
Embassy Building, Room 18 Jacaranda Building, Lusikisiki 4820

Mopani District Office
Prosperitas Building, 27 Peace Street, Tzaneen

Umgungudlovu District Office
197 Long Market str, Room 28 Perks Acade Building, Pietermaritzburg, 3201

Attention: Dr Monwabisi Gantsho

Registrar
Council for Medical Schemes
Hadefields Office Park, Block E
1267 Pretorius Street
Hatfield, 0028
By email: m.gantsho@medicalschemes.com

13 October 2011

Dear Mr Prema

Request for the designation of treatment for hepatitis B and C as prescribed minimum benefit conditions

Introduction

1. We are writing on behalf of the Treatment Action Campaign (TAC), a non-profit organisation that advocates for increased access to treatment, care and support services for people living with HIV and is a group member of Discovery Health (Discovery). 62 staff members of TAC are members of Discovery.

2. We are advised by Discovery that medication for hepatitis B or C is covered by the three top tier benefit options as a prescribed medication and payable at Discovery rates depending on the respective benefit plans. In other words, medication for hepatitis is paid by Discovery from the day-to-day benefits of the member, subject to available funds. On plans such as Executive, Comprehensive and Priority Series, the medication is also covered from the Above Threshold Benefit subject to the prescribed medication limit at the Discovery rate. Members on the Core plans have to pay for the treatment out of pocket as those plans do not include cover for day to day medical expenses.

3. An experienced hepatologist who has had to deal with Discovery with regard to hepatitis B and C medications for some of his patients has informed us that Discovery does not cover hepatitis B and C from its Priority Series and that co-payments are required for members on the Executive and Comprehensive schemes. Nevertheless, in the remainder of this correspondence we assume that Discovery has informed us correctly.

4. Hepatitis B and C are both viral infections that may lead to chronic liver illness and liver cancer if untreated. In addition, both infections are complicated in people with HIV - and require comprehensive management and treatment in all patients. An uncomplicated liver transplant costs approximately R500 000 plus with the cost of lifelong monthly drug and follow up. On the other hand, treating chronic hepatitis B and C will cost the schemes significantly less. There is therefore a solid rationale for funding chronic hepatitis B and C as a PMB.

5. Furthermore, it is not feasible to fund the treatment using a beneficiary's day to day medical savings given the high cost to those patients in the private sector who have no other alternative but to fund their own care.

6. We are writing to request that the chronic treatment of hepatitis B and C is designated as a prescribed minimum benefit.

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Nature of hepatitis B and C

Hepatitis B

7. In sub-Saharan Africa most hepatitis B patients are exposed before the age of 5 years (mostly child to child and sometimes mother to child). Of those children exposed, up to 60% develop a chronic hepatitis B infection. Adult to adult exposure usually occurs by sexual transmission. However, the risk of developing chronic infection is far less in adults.

8. In South Africa, chronic hepatitis B infection accounts for about half of all cases of liver cancer in SA. It carries a very poor prognosis and often affects young productive South Africans.

9. Hepatitis B also increases the risk of developing cirrhosis and end stage liver disease. Cirrhosis is a chronic degenerative disease in which normal liver cells are damaged and are then replaced by scar tissue. Treatment reduces this risk.

10. It is the case that treatment for chronic viral hepatitis B is available in the public sector, but access in the private sector is more difficult where chronic viral hepatitis is not a prescribed minimum benefit.

11. In South Africa rates of chronic hepatitis B vary between 5 and 20% of the population depending on a number of factors, including geographical location. For example, the prevalence of hepatitis B is relatively high in rural KwaZulu Natal and the Eastern Cape.

Hepatitis C

12. The prevalence of hepatitis C is low in South Africa. It is acquired through injecting drug use, exposure to blood or blood products prior to 1990, needle stick injuries etc.

13. Like with hepatitis B, there is a high risk that the infection will progress to cirrhosis in the absence of comprehensive treatment. Patients with cirrhosis have a 1-4% risk per year of developing liver cancer.

Treatment for hepatitis B and C

14. Treatment of hepatitis B and C helps to prevent cirrhosis and other liver diseases as described above.

15. Hepatitis B patients require evaluation and treatment - with either interferon or antiviral therapy such as tenofovir, lamivudine or entecavir.

16. Treatment for hepatitis C consists of pegylated interferon (weekly injection) and ribavirin (oral drug daily) for 24 to 48 weeks depending on the patient's type of hepatitis C. The cost of a year's treatment is approximately R120,000. In the absence of comprehensive medical scheme cover, it is unaffordable for most people who use the private sector to access treatment.

Coverage in the private sector

17. According to the information we have obtained from Discovery, only some plans cover hepatitis B and C. However, even on those plans, treatment is covered by the medical savings account, and in the highest three benefit plans, treatment can also be funded using the above threshold benefit.

18. Medical schemes have the discretion in terms of the MSA as to whether to provide cover for Hepatitis B and C and the extent of the coverage, as neither are listed as PMBs.

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19. As we understand it, other medical schemes also provide limited cover for hepatitis B and C, if at all. However, some medical schemes regularly cover this treatment on an ex gratia basis. We recognise that this is at the discretion of the scheme. Treatment needs to be viewed as a way to address health problems before they develop into other more serious and costly illnesses such as cirrhosis and cancer.

20. Discovery specifically does not provide cover for the following:

20.1. Pegylated interferon for hepatitis B.

20.2. Pegylated interferon for patients younger than 18 years of age.

20.3. Pegylated interferon for any oncology indication

21. Although medical schemes routinely cover the cost of Lamivudine and Tenofovir for HIV, the very same medicines are not covered for the treatment of hepatitis B simply because they are not PMBs.

Coverage in the public sector

22. In the public sector, the protocol indicates that patients with hepatitis B or C can access the above treatment if it is medically indicated and if, in the opinion of a medical professional, the patient is likely to respond well to the treatment regimen. However, those who belong to medical schemes and are above the income threshold are not eligible to receive treatment in a public health facility.

Conclusion

23. Schemes that do not offer comprehensive cover for chronic hepatitis B and C simply place an additional burden on an already over-burdened public health system. The purpose of PMBs - which is partly to "address the skewed burden borne largely by the public sector in relation to the provision of minimum health care services" – is thwarted when schemes make it impossible for their members to access treatment for hepatitis B and C in the private sector by either not covering medicines that are routinely covered for HIV or by funding treatment for a chronic illness using the medical savings account of beneficiaries.

24. Given that for those living with chronic hepatitis B and C can access the treatment they need from the public health sector, it should be available to every beneficiary of a medical scheme rather than only through the medical savings account. Given the serious consequences of leaving hepatitis B and C untreated and the unavoidable costs of either private or public sector treatment for liver cancer, cirrhosis and other conditions, it is our view that both conditions should be listed as PMBs.

Yours sincerely,

Nonkosi Khumalo

TAC Chairperson