

T: +27 (0)82 453 5130 E: lj.botha@iafrica.com W: www.hqa.co.za PO Box 74960 Lynnwood Ridge 0040

COMMUNIQUE FIRST QUARTER 2020

We all knew 2020 would be challenging but little did we know how much challenging it is going to become.

HQA is very aware of the additional pressures on the healthcare system, resulting from the Coronavirus, a factor that was not even on the radar when we made our plans, and drew up our budgets, for 2020.

HQA respects Government's plans to mitigate the risk of the Virus from spreading and will therefore not convene any physical meetings in the foreseeable future. Email communications and Skype meetings will be used where necessary. The annual HQA Industry Results Presentation and Clinical Quality Conference is still set for 5th August 2020, although the feasibility thereof will be reviewed in the 2nd half of April 2020.

HQA is, however, still committed to delivering the annual Industry Report on 5th August 2020 and the individual Scheme Reports soon thereafter, whether the Conference continues or not.

Late in 2019 the HMI Report was released. For ease of reference please find below a summary of the most important recommendations therein relating to clinical quality and HQA specifically: "The Health Market Inquiry (HMI) has recommended, amongst others, that a system of clinical outcomes measurement must be established for South Africa. It has recommended, in particular, as follows in paragraph 25 of the Report:

- The establishment of an outcomes measurement and reporting system which should be practitioner driven and implemented in two stages, starting with a voluntary phase with a limited scope of registries, to be followed by a phase in which data reporting by practitioners is legally mandated.
- The development of a legal framework which will mandate the reporting of outcome related data to the Outcome Measurement and Reporting Organisation (OMRO).
- The establishment of a new and independent, non-for-profit collaborative organisation (OMRO) through which practitioners and facilities will gain access to scientifically robust comparative outcome information.
- OMRO will collaborate with existing condition-specific registries, and stimulate new initiatives.
- OMRO should be funded using a hybrid model which is expected to combine levies, government funding, and voluntary funding.

Reg No 2000/025855/08

Directors: Dr FPJ Griesel (Chairman), BA Dickson (Vice-Chairman), M van der Merwe, Dr RM Naidoo, Dr U Mahlati, Dr JHB Steenekamp, M Marais, S Collie* (*Alternate Director) The following comments were made regarding HQA and/or its methodology in the HMI Report (paragraph numbers refer to the corresponding paragraphs in the HMI Report):

- 22. "We have noted that there are some organisations involved in various forms of quality measurement in South Africa. We provided examples from the Independent Practitioners Association Foundation (IPAF), Health Quality Assessment (HQA), Discovery Health, and Lancet Global Health Commission in the PFR. However, the results cannot be compared because they do not use the same indicators to measure quality. Their findings are generally not shared with the public. In the case of hospitals, the results are internally shared with doctors, and some also privately shared with medical schemes."
- 23. "Even if the results were to be made available to the general public, there is still a problem of credibility and comparability since the healthcare quality data that is collated is neither standardised nor risk-adjusted, nor scientifically verified and it is not prepared by an independent and trusted organisation. There is, therefore, no shared understanding amongst providers of how outcomes should be measured and how differences in outcomes can be understood."
- 24. "Without sufficient buy-in by practitioners and by hospitals on outcome measurement and reporting standards, and without enabling legislation, unilateral collection and publication of quality data will always cause disputes and contestation limiting any impact on quality, on the empowerment of patients and on competition in general."
- 37.5 "We believe that the HQA has existing technical capacity for quality measurements although the system that HQA currently uses is not the measurement of health outcomes from clinical registries. It would, therefore, have to transform and to develop new systems, including methods to gather data from patients. It is recommended that OMRO draw upon the ways in which HQA created a partnership with funders, to build its own partnership with practitioners and associations."
- 38. "As it functions now, HQA is primarily based on claims data from participating funders and financed by them. That formula is different from that anticipated as a first phase voluntary operational structure for OMRO, in which registries and doctors are the drivers not funders. If HQA were to serve as the launching platform for the first phase of OMRO, the organisational structure would need to be adapted to enable a separate clinical data-based structure, and a governance structure with appropriate representation of practitioners and patient organisations, as well as funders and academics."
- 39. "In its submission, HQA stated that it understands that confidentiality of clinical data and an environment in which practitioners can feel safe to share and discuss results, prior to possible public dissemination are crucial factors for this initiative to succeed. This would require amendments to both its governance structures and processes."

Reg No 2000/025855/08

Directors: Dr FPJ Griesel (Chairman), BA Dickson (Vice-Chairman), M van der Merwe, Dr RM Naidoo, Dr U Mahlati, Dr JHB Steenekamp, M Marais, S Collie* (*Alternate Director)

- 40. "OMRO will also require a robust national IT system to enable information gathering and sharing. We have been informed that a recent initiative in this regard, the CareConnect Health Information Exchange (HIE), would be well placed to perform this role. The HIE was under development at the time of the drafting this report, however it is our understanding that it could take on the role as a conduit for the collection/dissemination of information from/to service providers. We, therefore, recommend that more detailed discussions should take place with the HQA and CareConnect to determine the initial phase of the OMRO."
- 185. "Several 'hosts' or 'custodians' for this first phase have been discussed with stakeholders. It has become clear that the most appropriate organisations for taking this initiative forward are the Healthcare Quality Assessment (HQA) organisation that has been operational in South Africa for more than 10 years, in combination with the IT and information exchange platform, CareConnect, that is currently in the process of being developed. Providers and funders should take responsibility for financing this first phase of voluntary participation. Initiatives for co-funding formulas developed in the Netherlands and Scandinavia may serve as a model."

The HQA Board has reviewed and, in principle, accepted these recommendations and decided to be proactive in terms of implementing the necessary changes that are going to be required. An implementation and business plan in this regard is in the process of being developed.

In its submission to the HMI HQA proposed that, for as long as the process of HQA participation is voluntary, the confidentiality of data and individual participants' results would be guaranteed. This principle had been acknowledged and agreed.

HQA was founded in 2000 as a Not-For-Profit Organisation with a long-term vision to become an independent organisation that will measure and report on clinical quality on behalf of the whole healthcare industry. In 2020 (on 5th August) HQA will be releasing the results of its 16th annual Clinical Quality Benchmarking Report. The data sample is mainly based on claims data collected from participating medical schemes, representing almost 80% of all insured lives in the funding industry. HQA's current set of quality indicators are mostly process indicators, with a small set of proxy outcome measures.

HQA now invites medical schemes not yet participating, managed care organisations, members of the hospital industry, other healthcare facilities, practitioner associations and important stakeholders such as CMS, OHSC, HPCSA and academics to become actively involved in HQA's processes of developing and reviewing its list of clinical quality indicators and reporting frameworks. You will be kept informed of changes HQA will be making in terms of its governance structures, member categories, participation and reporting processes, and funding model.

Reg No 2000/025855/08

Directors: Dr FPJ Griesel (Chairman), BA Dickson (Vice-Chairman), M van der Merwe, Dr RM Naidoo, Dr U Mahlati, Dr JHB Steenekamp, M Marais, S Collie* (*Alternate Director) Individuals of your organisation will soon be receiving (or have so already) invitations for attending HQA's CAB (Clinical Advisory Board) meetings and facilities and healthcare practitioners' workshops.

Formal engagement with HQA for organisations other than medical schemes and administrators is possible at this stage through its Affiliate Membership category.

Please do not hesitate to contact me should you have any questions and/or should you wish to join.

Your support is appreciated.

Kind regards,

Louis Botha CEO HQA

Reg No 2000/025855/08