

FUNDING, COST RECOVERY AND SERVICE PLATFORM

PHASE 1 VACCINATION ROLLOUT HEALTH CARE WORKERS

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health

Department:
Health
REPUBLIC OF SOUTH AFRICA



INTRODUCTION

- 1) To achieve **herd immunity** against SARS-CoV-2 (Covid-19) requires that 65% of the adult population needs be vaccinated.
- 2) The total of lives to be vaccinated to achieve herd immunity is 40 million people
 - a) Of the population that should be vaccinated, 7.1 million are insured and 32.9 million uninsured.
 - b) Health Care Workers constitute **1.250 million of which about 350 000 are insured (170 000 belong to GEMS)**
- 3) Covid-19 vaccine is designated as a public good to be delivered **free at the point of care** based on principles of **social solidarity**
- 4) Funding for the vaccine will be **predominantly from fiscus** but will be augmented by private funding sources
- 5) Government will acquire the vaccine from various sources such as
 - a) COVAX facility,
 - b) Bilateral arrangements with pharmaceutical manufacturers and
 - c) Other mechanisms such as the African Union
- 6) Government will be **the sole purchaser of vaccines** for the national vaccination programme and to secure access to the vaccines at the lowest possible prices
- 7) An identified entity will receive and act as the a central distributor of the vaccines on behalf of government and will recover costs from private providers or vaccinators back into the fiscus
- 8) The **Electronic Vaccine Data System** that co-ordinates, facility accreditation, supply of vaccines, pre-booking for vaccination and recording the vaccination and other relevant information will be used to plan, execute and monitor vaccination
- 9) A **cost recovery structure** for the national vaccination programme consists of the three funding streams:
 - Insured patients
 - Uninsured patients
 - Private Sector (private hospitals and industries)

PHASE 1 FOR INSURED PERSONS

- a) Funding will be derived from **medical schemes**
- b) The vaccine will be administered **free at the point of service**.
- c) Private providers (including pharmacies) will procure vaccine from the **Central Distributor** for government through their wholesalers at the **single exit price**
- d) Private providers will bill the medical scheme for the cost of the vaccine as well as the administration and will be paid as a **prescribed minimum benefit (PMB)**
- e) Medical schemes will pay providers directly (hospitals and community pharmacies) for the vaccine as well as the costs of administration through **alternative reimbursement mechanisms (ARM)** prospectively or retrospectively such as with **Capitation**
- f) In the case of insured health care workers vaccinated in public health facilities, the vaccine will be supplied to the health facility as a **designated service provider (DSPs)** by medical schemes, and the facility will bill the medical scheme for reimbursement of the vaccination.
- g) The **Electronic Vaccine Data System** will be used to plan, execute and monitor vaccination of insured health care workers

PHASE 1 FOR UNINSURED PERSONS

- a) The **public sector will be the preferred provider**
- b) As vaccination is a **public good, Government will provide funding** the uninsured population
 - o Uninsured health workers will be funded by government and where there is willingness, by the private employer in line with principles of social solidarity to achieve herd immunity
- c) Vaccines will be received from the Central Distributer
 - o Provincial health departments will not be required to pay for the vaccine from the Central Distributor.
 - o Private Providers will purchase the vaccine at the **Single Exit Price** from the Central Distributor.
- d) The vaccination will **be free at the point of service**
- e) Where there is a need to augment the public sector capacity, government will **contract private providers** based on their location, capacity and other relevant considerations
 - o These will include private Pharmacies, GP's and other providers in line with their scope of practice
- f) Uninsured persons wishing to access vaccination services whether through public facilities or accredited private provider will follow the use of the **Electronic Vaccine Data System (EVDS)** for **pre-booking and recording** of the vaccination.
- g) The contract with the accredited private provider will include vaccination administration fee set between R50 and R60 per patient inclusive of VAT which government will reimburse the private provider.
- h) The **patient Identity Document number linked to the health patient registration system (HPRS)** will be used for identification and billing

PHASE 1 FOR THOSE FUNDED THROUGH PRIVATE SECTOR AND CORPORATES

- a) Achieving herd immunity requires a collaborative effort amongst all key stakeholders to achieve the required level of coverage at the earliest possible opportunity
 - Business' funding is aimed at cross subsidizing the cost of herd immunity and the associated social and economic benefits.
 - Business may also opt to make a contribution through an identified mechanism to ensure that herd immunity is achieved
- b) Business may opt to cover a portion of the uninsured population they employ and may use the **Occupational Health Care Services** at workplaces as vaccination sites.
- c) Vaccines will be **procured** from the **Central Distributor** through their wholesalers at the **Single Exit Price**
- d) Employees or the community will be vaccinated **free at the point of service** but the business / corporate or employer will bear the cost of the vaccination.
- e) Persons wishing to access vaccination services may do so through work places or through employer accredited providers and will follow the use of the **Electronic Vaccine Data System (EVDS)** for **pre-booking and recording** of the vaccination.

HIGH LEVEL SUMMARY OF SERVICE DELIVERY PLATFORMS AND FUNDING ARRANGMENTS (PHASE 1-HEALTH CARE WORKERS)

Delivery Platform	Medical Aid status	Service provider	Stock	Reimbursement
Public Sector Health Facilities	Personnel with Medical Aid	Provided by Hospital Vaccination team (public sector as a DSP for GEMS and other non-GEMS Schemes)	Public	GEMS and other non-Gems Schemes reimburses DSP facilities Treasury retains reimbursements back from schemes back into the fiscus
	Personnel without Medical Aid	Provided by Hospital Vaccination team	Public	None

HIGH LEVEL SUMMARY OF SERVICE DELIVERY PLATFORMS AND FUNDING ARRANGMENTS (PHASE 1-HEALTH CARE WORKERS)

Delivery Platform	Medical Aid status	Service provider	Stock	Reimbursement
Private Sector Health Facilities	Personnel with Medical Aid	Provided by private health facility	Private	<ul style="list-style-type: none"> • Provider through wholesaler purchases from Central Distributor at SEP (Ex-manufacture price) • Wholesaler supplies to provider (15-20% Log Fees) • Provider submits claim to Medical Scheme. • Medical Scheme reimburses provider (facility) through capitation
	Personnel without Medical Aid	Option 1: Provided by employer through OHS facility at Workplace	Private	<ul style="list-style-type: none"> • Wholesaler purchases from Central Distributor at SEP (ex-Manufacture Price) • Employer purchases from Wholesaler (including 15-20% Distribution and Log Fees) • Employer supplies vaccine to OHS at Workplace • Employer reimburses OHS provider
		Option 2: Referral to public sector facility	Public	None

HIGH LEVEL SUMMARY OF SERVICE DELIVERY PLATFORMS AND FUNDING ARRANGMENTS (PHASE 1- HEALTH CARE WORKERS)

Delivery Platform	Medical Aid status	Service provider	Stock	Reimbursement
Private Pharmacies with guaranteed cold-chain	Medical Aid	Pharmacy	Private	<ul style="list-style-type: none"> Pharmacy group through wholesaler purchases from Central Distributor at SEP (Ex-manufacture price) Wholesaler supplies to pharmacy (15-20% Log Fees) Pharmacy submits claim to Medical Scheme. Medical Scheme reimburses provider (facility) through capitation
	No Medical Aid	Pharmacy	Public	Reimbursed by State (vaccine cost with or without administrative fee) similar to CCMDD