



SJP Kruger

Manager: Medical Claims

Outputs

This sub-directorate is responsible for the payment of medical claims of the Compensation Fund.

Major achievements of the sub-directorate

- During the financial year special focus was placed on dealing with the unpaid accounts of 2002 claims and backwards. Dedicated teams were established to address this which was successful in the sense that most of the old unpaid accounts were attended to. The process was slow due to the complexity of some of the accounts. This resulted in less accounts being paid in the financial year and a build up of backlogs in the current accounts ie. 2003 and 2004
- Special projects were launched to deal with specific service provider groups. A project in association with the SA Medical Association was launched to deal with the unpaid accounts of the general practitioners which was very successful. Similar projects were launched towards the end of the financial year with the SA Society of Physiotherapists and the Occupational Association of SA.
- An actuarial investigation was conducted into the COIDA tariff structure and the affordability of future increases for the Fund. It was found that although the Fund could afford an inflation linked increase, the COIDA tariffs are in general much higher than the National Referencing Price List (NRPL) as prescribed by the SA Council for Medical Schemes. On advice from the Competition Commission meetings were held with the various representative associations on changes to the COIDA tariff structure. No discussion took place on the monetary value of the fees which was submitted to the Compensation Board and the Director-General for approval. The general increases for 2005 were limited to 4.3% which is in line with the CPIX for 2004. Tariff increases for 2005 were moved to 1 April 2005 to be inline with the PFMA and the financial year of the Fund.
- An investigation was conducted into the tariff structure for orthosis and prosthesis by the Internal Auditors. The findings and recommendations will be considered for implementation in the next financial year. A similar investigation into the fees for private hospitals has commenced and will be concluded during the next financial year.

- A new claims processing system was introduced in December 2005 with the migration of the old mainframe system from VME to a UNIX platform. The new eClaims system will have much more functionality than the old system such as full integration with the other in-house systems of the Fund.
- One service provider was reported to the Health Professions Council of SA for investigation of possible fraudulent claims against the Fund. He was found guilty on two charges. An amount of R600 000 was recovered to date on fraudulent claims. More recoveries are expected in the next financial year.
- The implementation of the Single Exit Price (SEP) by the Department of Health in September 2004 resulted in most pharmacies and dispensing doctors refusing to dispense medication to COIDA patients unless it is paid upfront for by the patients. Discussions were held with the Department of Health, the SA Pharmacy Society, the SA Pharmacy Council and the National Coalition of Dispensing (NCD). A COIDA tariff for medication will be developed and implemented in the next financial year.

External impact of the sub-directorate's work

There was an increase in the number of complaints from service providers as well as from their representative organizations although there was understanding by the organised sectors for the problems caused by staff shortages.

Statistics of the sub-directorate

Medical Claims

Expenses for medical treatment of injured employees represent 51% of the Fund's expenditure on claims against the Fund including pensions. Comparative figures are reflected in Table 4.

The number of staff for the medical Sub-directorate did not change during this financial year. The backlogs on the old outstanding accounts had a negative impact on the payment of current accounts. During the past financial year the Fund processed 636 000 (2003/2004:877 000) accounts. This is a decrease of 38%. The special projects also had its impact in that staff had to spend more time on more intensive claims. The ratio of duplicate accounts received vis-à-vis new accounts remained the same on 47%. The number of new and duplicate accounts received is reflected in Table 5.

Medical tariffs for the treatment of injured employees are revised annually after consultation with the representative bodies such as the South African Medical Association, the Dental Association of South Africa, etc. Tariffs were once again increased over the entire range of services as indicated in Table 6. The general increase for 2005 is 4.3%.

Table 4

Medical awards made 2000/01 – 2004/05

	Number '000	Value (R million)
2000/01	676	664
2001/02	690	790
2002/03	982	1,205
2003/04	877	1,154
2004/05	636	1,030

Figure 2

Number of payments made '000

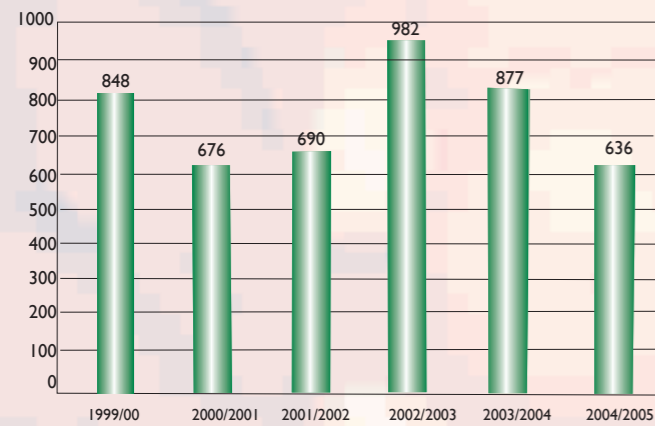


Figure 3

Value (R million)

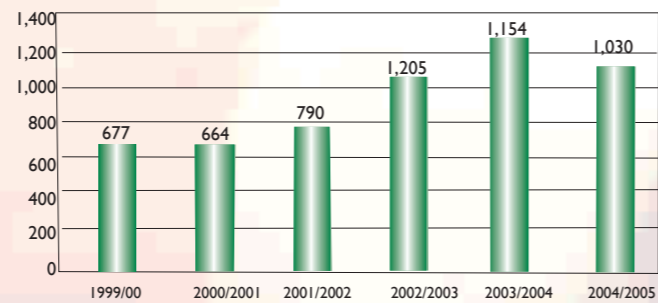


Table 5

Age analysis of accounts paid

Paid within:	Number	%
30 days of receipt	1,33 642	21
60 days of receipt	1,59 098	25
90 days of receipt	95, 459	15
120 days of receipt	63, 639	10
120+ days of receipt	1,84 553	29
Total	6,36 391	

Table 6

Accounts received

New accounts	763,531
Duplicate accounts	695,237
Total	1,458,768

Table 7

Medical tariffs

Category	Effective from	Increase %
Medical practitioners	1 April 2005	4.3
Physiotherapists	1 April 2005	4.3
Occupational therapists	1 April 2005	4.3
Private hospitals	1 April 2005	4.3
Dentists	1 April 2005	4.3
Chiropractors	1 April 2005	4.3
Ambulances	1 April 2005	4.3
Artificial aids	1 April 2005	4.3

Challenges

- The staff shortage should be addressed through a proper investigation of the business processes of the Fund, taking into consideration the decentralisation of functions to the provincial offices.
- IT enhancements such as the linking of the Compensation Fund systems with the Home Affairs data base and the implementation of the ICD10 coding need to be explored from a fraud prevention as well as from a cost containment point of view
- Policies not reviewed during this financial year need to be finalised. These include chronic medication for paraplegics, sub-acute facilities, private nursing and transport cost.
- Implementation of a COID tariff for medication.

Chapter Six Medical Services and Occupational Diseases



Dr Mmuso Ramantsi
Chief Medical Officer

Objectives

- Development of policies for use in the processing of claims for occupational diseases
- Roll out of the medical advisory panels to other provinces
- Appointment of medical assessors
- Processing of claims for occupational diseases
- Provision of medical advice in the assessment of claims for occupational injuries

Policy Development

Policies finalised by the Technical Committee on Occupational Diseases (TCOD) in the 2004/2005 financial year are:

- Circular Instruction regarding Compensation for Work-Aggravated Asthma
- Circular Instruction regarding Compensation for Upper Airways Disorders

Policies that are still under discussion at the TCOD and will be finalised in the 2005/2006 financial year are:

- Circular Instruction on Respiratory Impairment
- Circular Instruction regarding Compensation for Chronic Obstructive Airways Disorders
- Circular Instruction regarding Compensation for occupationally acquired HIV infection and AIDS
- Regulation on Re-opening of claims

Provincial Medical Advisory Panels

The pilot project on the Provincial Medical Advisory Panel (PMAP) in the Western Cape province was finalised and a report was submitted to the Compensation Board who recommended that the panels be rolled out to other provinces. The panel for Kwa-Zulu Natal has already been established and a panel in the Eastern Cape province is soon to be established.

A total of 484 pneumoconiosis claims was finalised by the Fund with the assistance of the PMAP Western Cape.

Appointment of Medical Assessors

The role of the medical assessors is to assist the presiding officer on medical matters in the hearing of objections lodged in terms of Section 91 of the Act. In the past, the Fund was experiencing a critical shortage of medical assessors to assist in the hearing of objections. This resulted in a backlog of objections waiting to be heard, postponement of objections and a backlog of other duties of the medical officers in the office as they were used as medical assessors. A total of 40 medical practitioners were appointed and trained as medical assessors in all the major centres across the country.

Occupational Diseases Claims Processed

The number of occupational diseases reported showed a steady increase with a decrease in the financial year ending March 2005. A total of 3809 occupational diseases were reported in the year and NIHL continues to be the highest occupational disease reported.

Table 8
Occupational Disease Reported

Occupational Disease Reported	2001	2002	2003	2004	2005
Noise Induced Hearing Loss (NIHL)	1,465	1,952	2,549	2,724	1,823
Post Traumatic Stress Disorder (PTSD)	970	1,624	1,325	1,297	839
Tuberculosis of the lungs (in health care workers)	211	500	384	384	323
Dermatitis	217	203	203	227	203
Pneumoconiosis	193	182	302	189	109
Occupational Asthma	104	168	214	165	103
Repetitive Stain Injuries	*	40	24	82	71
Mesothelioma	201	20	17	28	16
Irritant Induced Asthma	*	*	*	7	16
Lung Cancers	*	*	*	4	1
Chronic Obstructive Airways Disease (COAD)	*	*	*	17	13
Diseases caused by chemical agents	*	*	*	69	15
Diseases caused by physical agents, excluding noise				5	13
Diseases caused by biological agents, excluding TB				75	228
Others	*	*	*	85	49
Total	3,361	4,689	5,018	5,358	3,822

The number of occupational diseases finalised this financial year increased by nearly 233.8% from the previous year from 2828 to 9442. (See Table 9) This increase is attributable to the following factors:

- Increased staff capacity in the Occupational Diseases section
- The impact of the occupational diseases policies finalised
- Increased awareness and compliance by stakeholders

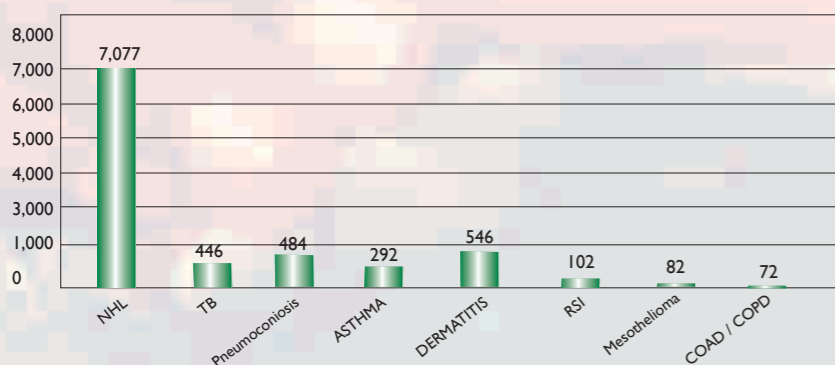
Table 9 also shows the outcome of the claims finalised, with 61% of finalised claims being accepted and 39% repudiated. The percentage of repudiated claims increased from 26% in the previous year, the main reason being that a lack of information on most of the old claims as the employers no longer exist or the employees are not traceable.

Table 9
Claims for Occupational Disease finalised as at 31 March 2005

	Accepted	Repudiated	Total
Noise Induced Hearing Loss	4,550	2,527	7,077
Tuberculosis of the lung	100	346	446
Pneumoconiosis	279	205	484
Occupational Asthma	151	141	292
Occupational Skin Disease	310	236	546
Irritant Induced Asthma	35	28	63
Repetitive Strain Injuries	40	62	102
Mesothelioma	73	9	82
Lung Cancer	20	8	28
COAD / COPD	45	27	72
Diseases caused by chemical agents	68	32	100
Diseases caused by physical agents, excluding noise	49	16	65
Diseases caused by biological agents	3	2	5
Others	35	45	80
TOTAL	5,758	3,684	9,442

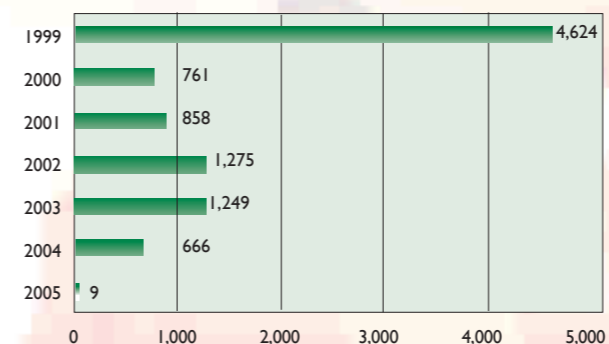
Noise Induced Hearing Loss (NIHL) continues to be the most frequently reported occupational disease and accounts for nearly 75 % of all the occupational diseases claims finalised. The rest of the diseases are almost evenly distributed to cover most of the diseases for which compensation policies have been finalised. (See Figure 1.)

Figure 4: Distribution of Diseases Finalised



Of the 9442 claims finalised, 7518 (79.6%) were finalised in accordance with the backlog strategy which was aimed at finalising all the old claims (claims of 2002 or earlier) with nearly half of the finalised claims being reported before the year 2000. The remaining 1924 (20.4%) are current claims and most of the employees are still receiving active treatment. (See Figure 4)

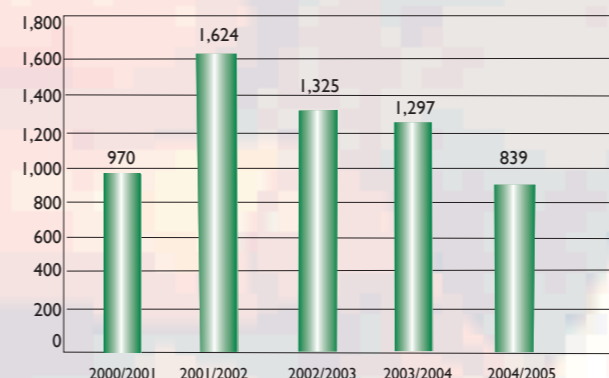
Figure 5: Distribution by Year



Post Traumatic Stress Disorder (PTSD)

The number of claims for Post Traumatic Stress Disorder (PTSD) reported has shown a steady decrease over the past three years. The reason for this is not clear but could be attributed to the Circular Instruction regarding the compensation of PTSD (Circular Instruction 172) that was finalised in June 2003 or the reduction in new cases diagnosed. This instruction has streamlined the adjudication of PTSD but also improved the quality of the claims lodged thus assisting in finalising these claims. (See Figure 5)

Figure 6: Post Traumatic Stress Disorder Claims reported



Medical Advice

The Compensation Fund employs four full time Medical Officers, who give advice on medical matters pertaining to occupational injuries and diseases. Advice was given on all the occupational diseases finalised and on about 1993 occupational injuries. Nearly 50% of the advice on injuries was for the assessment of permanent disablement. The rest of the advice on injuries was for reopening of claims for further medical treatment, assessment of medical accounts and treatment and assessment of temporary disablement.

Challenges

- The roll out of the Provincial Medical Advisory Panels to other provinces
- Implementation of finalised policies
- Implementation of the ICD 10 coding system.

Chapter Seven

Exempted Employers And Unreported Accidents



Chokola Lengolo

Manager: Exempted Employers and Unreported Accidents

Objective

To adjudicate, assess and monitor compensation claims in respect of all exempted employers and to investigate unreported accidents.

Outputs

- Process claims for exempted employers viz. National Departments, Provincial Administrations, and all forces-SAPS; SANDF and Correctional Services. A total of 17 871 claims were registered during this financial year
- Monitor compliance to COIDA by exempted employers
- Process claims outside the scope of the provisional settlement powers for Mutual Associations (Rand Mutual Assurance and Federated Employers Mutual Assurance) as well as Local Authorities
- Decentralisation of the Compensation Fund functions to the Provincial Offices of the Department of Labour
- Investigation of unreported accidents in conjunction with the provincial structures within the Department of Labour

Processing of claims for exempted employers

- The IT systems could not make it possible to identify long outstanding claims which constituted a backlog. A backlog strategy was developed and implemented whereby claims from year 2003 to year 2000 were reviewed claim by claim to establish what information was necessary to finalise the claim.
- The review process resulted in 9 463 claims being accepted and employers advised to pay compensation benefits.
- Fatal claims for the years 2000 to 2003 were given the highest priority. This yielded positive results as over 600 claims from a total of 1 100 were finalised while the rest are still pending outstanding information on particulars of dependants.
- The backlog on Post Traumatic Stress Disorders (PTSD) was reduced from 1 400 to 230 cases.

Monitoring compliance by exempted employers

- The Inter-Departmental Task Team comprising of the Department of Labour (Compensation Fund)

management and the Department of Public Service and Administration (DPSA) management drafted new COIDA guidelines in the Public Service to replace the obsolete Personnel Staff Code guidelines. These draft guidelines were sent out for public comment by National and Provincial Departments and were later discussed at a workshop organised by DPSA. The implementation will be communicated to all Provincial Administrations by the DPSA.

- Periodic meetings were held with various exempted employers to resolve claims related problems.
- COIDA training was given to certain exempted employers jointly with the Provincial Offices in the Department of Labour.
- A total of R9.6 million section 88(1) administrative costs were calculated and employers notified. The Fund was able to recover R8.1 million.
- The licenses of FEMA and RMA were renewed as well as those of Local Authorities. One municipality applied for the cancellation of their exemption certificate to become a Fund employer.



The Fund continues to care for the most vulnerable employees

Medical Expenses

A total of 5 431 medical accounts to the value of R5.05 million medical expenses was paid in respect of National Departments. The Provincial Administrations pay their own medical costs.

Decentralisation of the Compensation Fund functions to the provinces

- With the deployment of the IT infrastructure, a new Enquiries system was developed and deployed to the Provincial Offices and Labour Centres to facilitate handling of enquiries by provinces
- Training of Provincial staff on the new system has begun and will continue in the next financial year.

Investigation of unreported accidents

- Where there was an employee's address, a total of 6 741 follow up letters were written to employees to submit more information. During this process claims from 1999 to 2002 were reviewed for outstanding information but unfortunately there were minimal responses forthcoming. From the responses received, 600 temporary claims were cancelled with information from employees without the employer's report.
- A total of 17 779 subpoenas and reminders were issued during the financial year and a total of 5 605 temporary claims were converted to permanent claims by the end of March 2005.
- New procedures and policies are being compiled and will be implemented in the next financial year to address the incomplete claims.
- Subsequent to the employment of COIDA managers in the Provincial Offices, more temporary claims have been converted to permanent claims.
- From the total of over 8 000 temporary claims that were opened during 2004, over 3 000 T-files were converted to permanent claims. At the end of March 2005, there were 5 225 T-files outstanding which were registered during this financial year. T-files registered during the 2003/04 financial year have been reduced from 5 600 at the end of the previous financial year to 3390 at the end of March 2005.
- It has been extremely difficult to trace employees in some cases due to insufficient documentation/information like postal addresses or physical addresses. Such temporary claims had only been opened with medical reports from providers.

Challenges

- Investigation of Temporary files and to establish guidelines for these files
- Decentralisation of other functions to the Provincial Offices and Labour Centres
- Development of new policies.



Thami Mchunu

Manager: Communications

The Compensation Fund has established a communications unit to serve as a liaison between the Fund, the public and the media.

The Unit has four staff members: one manager, two communication assistants and an administrative assistant. The unit is responsible for a full spectrum marketing and communication responsibilities. These responsibilities are clustered under internal and external communications.

External Communication

Return of Earnings

The Fund ran a successful campaign to inform employers, about their duty to submit their return of earnings on time. The return of earnings campaign was part of an effort to improve the revenue generation and debt collection strategy of the Compensation Fund. Through this campaign the Fund reminded employers to submit their return of earnings on or before 31 March 2005. The campaign was run on four different platforms: radio stations, television, newspapers and outdoor advertising ie. billboards and street poles.

The campaign elicited a big public response. The enquiries that came through the dedicated telephone line that was set up to handle those, were varied. An unintended consequence of the campaign was the large number of employers who took the opportunity to register specifically on the line that was set up for enquiries on the return of earnings. One thousand eight hundred and sixty two calls were received in the period when the campaign was underway and only three hundred and ninety-two calls were received specifically for the return of earnings enquiries. Three hundred and ninety-four calls were for claims enquiries, whilst one hundred and sixty five were UIF enquiries. There were also general enquiries that numbered six hundred and fifty-one. The Compensation Fund was invited on to the morning programme of Etv, Morning Edition, to explain this campaign in detail and to also explain the workings of the Compensation Fund.

Exhibitions

The Communications Unit also attended two exhibition shows that have served to highlight the work and mission of the Compensation Fund. These two shows are: Rand Easter Show and the Noshcon Conference. The main objectives of attending these two exhibitions were:

- Registering the presence of the Compensation Fund and ensuring that it is always part of the Department of Labour communication activities

- To inform the public, especially employers and employees on the overall operations of the Compensation Fund
- Creating awareness in employers and OHS practitioners, about the role and offerings of the Compensation Fund.

Through these exhibitions, the stakeholders were able to inform us of their needs, frustrations and expectations. The key lessons learnt from this exercise is informing the concerted effort that is underway to improve our communication with our stakeholders on a number of fronts.

Informational, Educational and Communication materials

The Communication Unit produced and distributed posters, pamphlets, banners and exhibitions for the Compensation Fund. These were distributed to all provincial offices and the provinces distributed further to labour centres. These materials are meeting a huge demand from our stakeholders for information on the Fund's services. The exhibitions are used to brand venues for meetings with our stakeholders.

Website

The Compensation Fund webpage on the Department's website is continuously monitored and helpful documents placed on it. The website has been extensively used by the public to enquire over a range of issues.

Plasma screen

The Unit provided the material that is run on the Department's plasma screens across the country.

Compensation Fund video

The Unit, together with the media production subdirectorates in the Department, produced a video on the Compensation Fund. This video will be used in informing stakeholders, in various forums, about the workings of the Compensation Fund, claims procedures and how to access the Compensation Fund benefits.

Internal Communication

There are a number of initiatives that have been undertaken by the Communication Unit to improve the internal communication at the Compensation Fund. Internal Communication is one of the key ingredients to a successful organisation.

Suggestion Boxes

As a way of improving the internal communication at the Compensation Fund, suggestion boxes have been set up in all the Compensation Fund buildings.

These suggestion boxes serve as a direct communication tool between the Acting Commissioner and the staff members. Staff members write to the Acting Commissioner on any topic they feel like communicating. Excellent suggestions have come through this initiative and the Acting Commissioner has learnt a lot about staff members' concerns, frustrations and ideas on how to improve our operations.

Letter from the Commissioner

Another innovative idea that has been used to improve our communication is the publication of a Letter from the Commissioner that goes out every two weeks to staff members. The Acting Commissioner writes to staff members on any topic that she feels is important. She informs staff members of any new developments using this medium. The letter also serves to alert the staff members about issues that the Commissioner feels are important.

Internal Publication

The internal publication, What's Up CF has been resuscitated. It is also another vehicle for communication in the Compensation Fund. It is also a nice easy read for staff members as well as a mirror to them. It is meant to inform the staff members more about the happenings in their workplace.

Challenges

- Other public informational and educational campaigns are set to be rolled out shortly, once the IT infrastructure is improved to handle large volumes of enquiries and responses from the public.
- To alleviate public concerns about the inaccessibility of the Compensation Fund, the telecommunications environment will be upgraded while a Call Centre will also be established.