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## PRESS RELEASE

### **PSEMAS: NON-PAYMENT and FRUSTRATION OF SERVICE DELIVERY by PRIVATE SECTOR HEALTHCARE PROVIDERS**

#### NON-PAYMENT BY PSEMAS

A survey amongst 1,000 private sector healthcare providers last week indicates that 17% of their total unpaid claims against PSEMAS relate to claims submitted before November 2019. Claims submitted during November 2019 constitutes another 17% of total unpaid claims. Claims submitted during December 2019 constitutes 25% of the total unpaid claims.

In summary, relative to claim amounts, PSEMAS breaches its contractual duty to pay claims within 60 days, roughly 59% of the time.

This places substantial financial strain on healthcare providers, who must effectively bankroll the government for four months and more. This is specifically problematic at a time when healthcare providers need to pay taxes, while government is unable to pay them for services provided several months ago.

#### PSEMAS CONTRACT REVIEW and TARIFFS

At the beginning of last year, PSEMAS announced that it will review its contract with private sector healthcare providers. The new contract has now been distributed, but despite numerous requests PSEMAS did not confirm that it has any intention of entering into consultations with healthcare providers, this despite some of the amended clauses being poorly drafted and ambiguous.

The major concerns are:

- Where healthcare providers have more than one practice, most often for the purpose of improved services to rural areas, PSEMAS limits its contract to only one practice. This will reduce availability of healthcare to PSEMAS beneficiaries in rural areas.
- PSEMAS has not availed any tariffs, and there is no indication that the tariffs (currently set at the NAMAFA Benchmark Tariff of 2014) may increase. Healthcare providers are therefore required to continue to treat PSEMAS beneficiaries at tariffs that were applicable six years ago.
- Delayed payments (without any remedy to healthcare providers), reduced accessibility to healthcare practices, increased contracting requirements and tariffs far below market related

professional fees appear to be an effort by PSEMAS to reduce its expenditure on PSEMAS beneficiaries, while not taking any responsibility for the reduced access to healthcare services. PSEMAS has in fact blamed healthcare providers in the past.

PSEMAS has now also extended the expiry date of the current contract from 1 April 2020 to 31 May 2020. On 6 February PSEMAS informed all healthcare providers that “*the ministry has temporary [sic] halted the receiving and approval of applications for the PSEMAS Contract until further notice*”. Once more the notice does not indicate that consultations will be held on the new contract, stating only that healthcare providers will be notified once the “amendment process is finalized”.

Under these circumstances the NPPF again cautions private sector healthcare providers to assess their business models and conduct feasibility studies to take into account the increased sustainability risk caused by PSEMAS.

Editor’s Note:

The Namibia Private Practitioners’ Forum (NPPF) is a registered non-profit company. Its members (300+) are private sector healthcare providers from all healthcare disciplines.

**Enquiries: Eben de Klerk, 0811222181, [eben@isgnamibia.com](mailto:eben@isgnamibia.com)**