

New sheriff vows to bring order to medical aid fund industry

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With a ton of knowledge up his sleeve, the newly appointed Chief Executive Officer of the Namibia Association of Medical Aid Funds (NAMAF), Stephen Uanjengua-ije Tjiuoro, is ready to restore order within the private medical aid fund industry by weeding out waste, abuse and/or fraudulent activities.

The tough talking former police officer, who is a qualified fraud investigator, says the greatest threat facing the local medical industry at the moment is abuse/waste and fraud by healthcare providers.

Tjiuoro says that research has shown that between seven and 15 percent of the claims that are submitted by healthcare providers to various medical aid funds could be in one way or the other, fraudulent or inflated as a result of waste or abuse.

“NAMAF is in an advantageous position in that it has access to the industry data hailing from claims submitted to the various private medical aid funds that enable it to focus and concentrate on the trends or claiming patterns by various healthcare providers in order to identify the out-layers as a means to initiate further investigations,” he said.

The table below depicts the claims split for the first quarter Jan – March 2017. Hospitals took one third of the total payments while pharmacies account for 17 percent of the pie.

Tjiuoro’s concerns about the sector, comes at a time when medical service providers have been accused by Treasury of fraudulent activities through overcharging for services rendered.

The Ministry of Finance announced in May that it will review all existing contracts for PSEMAS refunds, under tighter rules governing how claims are processed.

It is hoped that an evaluation of applicants through closer collaboration between PSEMAS, Health Professions Councils of Namibia (HPCNA) and NAMAF can address some of the systemic and long-standing wastages, abuse and fraudulent behaviour by providers.

Some of the fraudulent activities that have been unearthed include split billings, dental therapists being deployed as dentists and their work claimed as that of dentists from medical aid funds, unauthorized using of another

doctor’s registration number, unauthorized deployment of both Namibians and non-Namibian healthcare providers in public service as *locum tenens* even in cases where their work permits limit their employment to the public service, mushrooming of close corporations and other corporate vehicles as preferred methodologies to deliver medical services.

The private medical aid fund industry covers eight percent of the total population with a total turnover per annum in excess of N\$3 billion. About 85 percent of the money collected as premiums is paid out in claims in a given year.

“What I am looking at is the consolidation of data from all entities that are dealing with medical claims. I would want to co-opt the data from the MVA Fund, Social Security Commission (SSC) and PSEMAS so as to work on a comprehensive data where one would be able to do profiling, analysis of trends and patterns of claims and all of that, in order to deal effectively with anyone in the industry who wants to misbehave,” Tjiuoro said.

Also top of his agenda is changing NAMAF’s establishing legislation, the Medical Aid Funds Act, 1995 (Act 23 of 1995), to make it relevant to the current situation.

“When you look at the structure of the Medical Aid Funds Act that established NAMAF, it is the same legislation that also created the responsibility of the Registrar which role was assumed by NAMFISA. Since the inception of this Act a lot in the world has evolved, but Act 23 of 1995 did not change. To this end, NAMAF intends to align the Act to the changing environment.

“As part of my task in the quest to restore order in the industry, I have already lobbied PSEMAS to share their data with NAMAF in order for us to create a comprehensive industry data, which task was accomplished. The next assignment is to get the MVA Fund and the Social Security Commission on board so that Namibia can boast of a comprehensive private medical industry data,” he said.

NAMAF is a juristic person created with the object to control, promote, encourage and coordinate the establishment, development and functioning of medical aid funds in Namibia. The same constituting Act compels all private medical aid funds to be affiliates of NAMAF upon registration, thus all private medical aid funds that are registered by NAMFISA are



NAMAF CEO Stephen Tjiuoro

members of NAMAF.

PSEMAS, MVA Fund and SSC all use NAMAF procedure codes and benchmark tariffs, but are not part of NAMAF, thus their data is not readily available to the association.

PSEMAS is currently not part of NAMAF by law, a position which Tjiuoro said means the scheme does not have the same protection that private medical aid funds enjoy.

“If PSEMAS data is added to this pool, it will bring the sample of covered individuals to 18 percent of Namibian population.

Tjiuoro added that defrauding medical aid funds have resulted in higher premiums for members.

“If we were to weed out all of the unnecessary stuff, make sure medical aid funds are well resourced and maintaining that liquidity, then premiums will go down. So we are seeing escalation because of all these funny things that are happening in there.”

Tjiuoro is a holder of a Postgraduate Diploma in Strategy and Innovation from Oxford University obtained in 2012, an LLB from UNISA which he acquired in 2003 and a National Diploma in Police Science. He served 15 years in the Namibian Police Force and four years in the office of the Prosecutor General before spending 12 years with the Motor Vehicle Accidents Fund in various executive capacities including as Chief Operations Officer, Chief of Corporate Affairs/ Chief Legal Advisor and Chief Business Strategist.

During his spare time, the established farmer spends time in the fields and rearing his cattle, an experience which he says is very relaxing.

“There is no relaxing experience better than being among your cattle,” he said.