

Crisis in the Compensation Fund and consequences for health professionals

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Medical professionals from across South Africa are facing a crisis as a result of the technological collapse of the R60-billion Compensation Fund that is legally mandated to cover workers' medical bills and disability pensions.

If you look at the sheer number of vulnerable people who have now been failed by the system and left to fend for themselves under very trying circumstances, and the extent of that failure by the state and its technology partners, you will see that this is an untenable situation. Tens of thousands of families of injured workers, those workers' medical caregivers and employers, and several critical industries in the economy, have all been struck a terrible blow here. This is a crisis of epic proportions and it is wreaking havoc on the economy at a scale that we are still in the process of quantifying.

Grave concern over the situation has led to the official launch of the Injured Workers' Action Group (IWAG). The group is calling on the government to address the crisis swiftly and is especially concerned about the apparent failure of the Compensation Fund commissioner and the Employment and Labour Department director-general to address industry's calls for urgent remedial action.

IMPACT OF THE CRISIS

Consider for a moment that 1 000 workers, on average, are injured on duty in South Africa every day. The backbone of South Africa's economy, these are farmworkers, fishermen, builders, security guards, nurses, paramedics, factory workers, kitchen staff and many more. All of them rely on the Department of Employment and Labour's Compensation Fund to cover their medical costs, as prescribed by the law.

These patients are supposed to be treated in private hospitals and by private physiotherapists, occupational therapists and other medical specialists because they have special needs and require long-term rehabilitation, which state facilities are neither equipped nor mandated to supply to them. This is why the state has set up a fund to which all ± 400 000 employers in this country are contributing ± R9-billion per annum. This fund must ensure that injured workers can claim for the medical care they need to enable them to return to work. Additionally, medical practitioners who devote their lives to working with injury on duty (IOD) patients need to be compensated timeously – or face financial ruin.

The department has long struggled with its claim system and, on 15 August 2019, switched off its previous uMehluko electronic system with the intention to migrate users to a new and improved system

called CompEasy (S4i). It should have been live from 1 October 2019 but CompEasy was 'dead on arrival'. The system was never parallel-tested with the old one as would be expected when the stakes are this high. As a result, about 150 000 working-class South Africans who have been injured or disabled on duty since mid-2019 have been left out in the cold.

The IWAG has launched a Facebook Group where it will post news and updates, and is asking workers to share their complaints and concerns on the group so that they can be recorded and passed onto the Department of Employment and Labour and Compensation Fund.

IWAG is calling on your members to join us in appealing to the Compensation Fund commissioner, directly, to bring a swift end to the matter.

THE QUICK TAKE

- Thousands of doctors and therapists around the country, who provide specialised injury on duty (IOD) care, and the companies that are providing them with financial help, are facing financial ruin because the Fund is not paying their invoices.
- The Employment and Labour Department's R60-billion Compensation Fund for injured workers across South Africa is leaving workers out in the cold due to a software system failure.
- The Fund replaced its previous system with a new SAP-based system called CompEasy (S4i) in October 2019 but the new system – with a R300-million price tag – is dysfunctional.
- About 150 000 of South Africa's most vulnerable, injured or disabled workers since mid-2019 have been failed by the system.
- South Africa's employers contribute R9-billion annually towards the Fund that is mandated by law to cover the medical, rehabilitation and disability expenses of the country's injured workers. They are now footing the bill for the Fund and its dysfunction by having to step in to pay their workers' medical invoices in the absence of claims settlement by the Compensation Fund.
- Approximately 1 000 workers are injured on duty in South Africa every day and need to claim from the Fund for their medical care.
- Workers are waiting in vain for critical care, disability pensions and rehabilitation, and some are losing their livelihoods and homes because they can no longer work.
- The situation is wreaking havoc in countless industries and the economy at large.