



Open letter to the Honourable Minister of Employment and Labour Thulas Nxesi MP, Compensation Fund commissioner Vuyo Mafata and Group CEO of Britehouse, Ed Gassner

5 March 2020

Name of recipient

Address

x

Dear Sirs,

THE COMPEASY SOFTWARE SYSTEM IS FAILING THE PEOPLE OF SOUTH AFRICA

We write to you today to put it to you that, regardless of what you have been telling the public in recent weeks, the Compensation Fund is still technically dysfunctional, injured workers are suffering, and no counter-arguments or deflections can change this devastating fact. Your new CompEasy (4Si) software system is failing the people of South Africa.

This protracted dysfunctionality is having a direct impact on the lives of real workers who have been injured on duty (IOD) across South Africa. The Compensation Fund's own 2018/2019 annual report quotes 632 adjudicated claims per day of injured workers – this excludes claims from the Federated Employers Mutual Assurance Company (FEMA), Rand Mutual Assurance Company Limited (RMA) as well as those claims reported by not yet adjudicated. So we now have to consider the possibility that well close to 150 000 workers would have needed to claim since September and that the vast majority would not have been able to do so.

The collateral damage to our society more broadly is considerable. The situation is causing devastation to the medical carers and practices who have been forced to treat and rehabilitate these workers out of pocket. It is causing great distress to the multitude of employers in this country who are 'caught between a rock and a hard place' as they grapple, on the one hand, with the Fund's failure to pay for the medical care of their workers so that they can return to work, and surviving an economic recession on the other. This is not to mention the impact felt by so many other affected parties, from families and communities to support service providers who are coming to the aid of the claimants and their doctors in these most trying of times.

It is time for you all collectively to stop making excuses, cease sugar-coating the situation and above all, to stop attacking the victims of this monumental systemic breakdown in the Compensation Fund system. Let us need to remind you Minister, you have a duty to fulfil in terms of the Compensation for Occupational Injuries and Diseases Amendment Act, No 61 of 1997.

Let us look at some of the recent statements you have made about the situation and how these stack-up against reality.

1. “Successful migration”

Firstly, claims that the migration from the old uMehluko system to the new CompEasy system between August and October 2019 has been successful, is patently untrue. We are aware of meetings between Compensation Fund officials, the Britehouse project lead and various stakeholders, including national hospitals groups, professional bodies and administrators in which they admitted two things: that the migration is incomplete, causing many issues, and that many of the claims that were accepted in the old system are still stuck there and could not yet be migrated, which is preventing accounts from being paid. Thus, the fundamental question needs to be asked: When exactly will these be paid?

2. “The system is operational”

Secondly, Britehouse told the media that the system “is operational and processing claims and the number of claims processed continues to increase daily”. We would contend that this statement is just smoke and mirrors. Other organisations representing employers tell us that only 5% of their members have been able to get onto the CompEasy system to date. Furthermore, we are informed that only 2 200 of the estimated 600 000+ employers across SA have been able to register on CompEasy and only 8 000 of the potential 150 000 claims have been registered in the past six months, as per the figures recently provided by the Labour Department themselves. By definition, you certainly cannot classify the system as operational yet.

3. “80% of claims have been paid”

Thirdly, Minister Nxesi, you told Parliament’s Labour Portfolio Committee last week that “80% of claims had been paid”, and that “fraudulent claims” and “incomplete paperwork” were to blame for the non-payment of claims. Where exactly did you derive these figures and narrative from?

We have absolute proof that more than 98% of our members’ current, valid claims are not being paid, even though all the correct submission channels were followed. Our reality is that IOD medical service providers (MSPs) are experiencing a multitude of ad hoc system errors, and as you know, they are reporting these to both the Compensation Fund and Britehouse. All of the claims and medical reports that cannot be uploaded are now being emailed to your officials. They are overwhelmed by the volumes and cannot match the reports to the accounts, even though we have provided all the required information.

If your statement to the Portfolio Committee is true, then the obvious and burning question is when will the medical service providers be paid for the 80% that has been processed as alleged? The inconvenient and unpalatable truth is that you have not provided a system which allows all legitimate medical service providers to upload patient reports, and now you blame those same medical service providers for not supplying the paperwork or - and this is even more insulting - supposedly uploading “fraudulent claims”.

4. Fraud claims

If the Fund is now paying only about 2% of what it used to pay out under the old system, are you now stating that the other 98% of accounts that were submitted are fraudulent? Or are you really saying that the non-payment to the 98% can prevent fraud purely because it makes *all* claims submissions, whether legitimate or fraudulent, virtually impossible? If for a second we supposed that you have now managed to eliminate fraud, you are surely obliged to state exactly where the fraud existed and what targeted controls you are putting in place. System failure does not constitute a fraud prevention tool.

We often hear reports that the Fund's staff have been accused of fraud, yet you have only publicly announced a handful of medical providers who have been caught submitting fraudulent claims. The public has a right to know how many of your officials and medical service providers have been prosecuted for fraud perpetrated against the Fund to date? Give us the facts.

5. "Britehouse is not responsible"

As a fifth point, Mr Gassner, your spokespeople told the media that Britehouse was one of a number of parties and service providers who were involved in the development and deployment of the CompEasy system, and in this regard, "delivered on its responsibilities in line with the requirements provided". Can you please clarify which part of the job you were responsible for and who should, in fact, be held accountable for the broken parts of the system? Even if Britehouse was responsible for only certain aspects of this "enterprise technology deployment", one would expect an international group such as Dimension Data/ Britehouse to advise the client, irrespective of the fact that the client did or did not sign off, that deploying any system untested without running it parallel to the old system is a recipe for disaster. In this instance, it could be seen as a major contributing factor to the pain and suffering of injured workers not receiving treatment.

6. Three proposals to consider

Finally, Minister Nxesi, you recently said that you would like to present three proposals to healthcare professionals, namely:

- 1) that all affected parties be given an opportunity to meet with the Fund, and if necessary with you, to clarify the challenges experienced;
- 2) that Parliamentary Committee members visit some of the Compensation Fund offices, and
- 3) possibly setting up a forensic investigation. We take this opportunity respond.

We are not aware that a formal meeting invitation has been issued yet, but neither IWAG nor any of its members have been invited to any such meetings. There have, however, been many meetings in the past which have all proven to be fruitless, and many more unanswered meeting requests, but if you are willing to listen to our concerns diligently, responsibly, in good faith and with an open-mind, we hereby accept your offer to meet.

Parliamentary Committee members can visit the Compensation Fund offices, but unless these Honourable Members can process and pay claims or switch on the new CompEasy system, the visit will not improve the life of a single injured worker. We also doubt whether the Honourable Committee Members will really be able to see if the offices are functional during a 'guided tour'.

In this regard, could you please supply us with accurate statistics per your regional offices regarding how many medical invoices have been distributed per region, how many are in the queue to be processed, how many have been processed since 1 October 2019 and the reasons why payments are not flowing to MSPs?

In terms of the suggestion of a forensic investigation, it is unclear how one would conduct such an investigation of something that has never really worked. But assuming you do order a forensic investigation, will its terms of reference focus only on the causes of the problem, or will it also attempt to calculate the cost to real injured workers whose rights have been denied simply because they could not get a claim number, or if they could, could go no further due to the software freezing on them, or sending back erroneous error messages? Will your forensic audit look into how many workers never received the timeous critical care and rehabilitation they needed because of these issues and how their recovery paths are harmed? Will you Minister, look into the eyes of the 150,000 workers and their families who have been prejudiced by the failure of the Compensation Fund and CompEasy and explain their plight?

In addition to the inhuman treatment of workers, will your proposed forensic investigation include an analysis of how many physiotherapy, occupational therapy and other practices have either had to retrench staff or close down, or how many skilled and specialised IOD doctors have left the country because of the CompEasy situation?.

Conclusion

We also read your media release about the Compensation Fund's visit to Marquard in the Free State on 25 February with interest. While we won't go into details about it now, the claims you make in that release warrant further scrutiny by whoever is investigating the CompEasy debacle.

The country needs answers. We need answers. We need accountability. The workers of South Africa need a compensation system that works, as is their right. The power and the responsibility is in your hands Minister. Recall the words of President Ramaphosa in a previous state of the nation address, Thuma Mina, 'send me'. Workers across the length and breadth of South Africa are calling out to you for help Minister. Don't let them down in their hour of need!

Yours in workers' health,

The Injured Workers Action Group (IWAG)

Members:

- South African Private Ambulance & Emergency Services Association (SAPAESA)
- Occupational Therapy Association of South Africa (OTASA)
- South African Society of Physiotherapy (SASP)
- South African Medical & Dental Practitioners Association (SAMDP)
- Relay EMS
- Jägerhof Game Lodge
- IOD account administrators & aggregators representing 2,000+ medical practices:
 - CompSol
 - CoidLink

- MedSol Debtors Management
- CIRC