

20 February 2018

Health Market Inquiry  
Block 2a, 4<sup>th</sup> Floor  
Trevenna Campus  
70 Cnr Meintjes & Francis Baard Street  
Sunnyside  
Pretoria  
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To whom it may concern

**Proposes Regulatory Interventions for Licensing Of Health Facilities**

We have noted the document dated 14 February 2018 regarding Regulatory Interventions for Licensing of Health Facilities. We are excited about the content and we thank you for the opportunity to comment. The Cure Day Clinics Group have been operational since 1 March 2008. We started by buying the controlling share in an existing hospital. To date we have managed to build 7 new day hospitals:

Cure Day Clinics Midstream  
Cure Day Clinics Erasmuskloof  
Cure Day Clinics Paarl  
Cure Day Clinics Somerset West  
Cure Day Clinics Bloemfontein  
Cure Day Clinics Bellville  
Cure Day Clinics Fourways

The vision, mission and values of the Group are:

Vision

To be a leading, trusted acceptable and an Empowered day hospital group in South Africa and aiming to have a national footprint.

Mission

Our Mission is to become the preferred provider of day surgery facilities in South Africa, and providing quality customer focussed services to medical practitioners, patients and shareholders. Establishing and maintaining strong relationships with medical doctors and other allied communities.

Cure Values:

**C** – Compassion – caring with empathy and integrity through adhering to professional standards and high moral principles

**U** – Unity / Teamwork – blending skills of individual staff members and valuing the contributions of all

**R – Respect** - for the rights, belief and choice of every individual

**E – Excellence** – innovation and achievement of the highest standards by continually measuring and improving outcome

We have formed partnerships with the military where we offer competitive rates as well as documented community involvement where we do procedures free of charge to the community in need.

We specialize in day hospitals and it was a complex process to have obtained the 7 licenses. To mention a few of our experiences:

**Eastern Cape:** We have applied for a day hospital license in East London in January 2014 and Port Elizabeth on 13 January 2014. We were however informed by the Department that our application will not receive any attention due to the dysfunctionality of the department.

**Gauteng:** We have managed to obtain 3 licenses in Gauteng, Cure Day Clinics Midstream, Cure Day Clinics Erasmuskloof and Cure Day Clinics Fourways.

We have applied for the following licenses: Montana, Parktown and Sandton. Three applications were declined on 17 May 2012, 31 August 2016 and 6 February 2017 due to an oversupply of beds. We followed the appeal process where it was motivated that we offer cheaper and quality day hospital services for minor procedures.

To date we have not received any feedback from the Department with regards to our appeals despite various emails and telephone calls.

**Western Cape:** We experience the Western Cape Department of Health as more approachable and more positive towards awarding day hospital licenses. Our Group has managed to obtain 3 licenses, Cure Day Clinics Paarl, Cure Day Clinics Bellville and Cure Day Clinics Somerset West.

**Free State:** We have also experienced the Department of Health Free State as approachable. An opportunity was granted by the Licensing Committee to submit a proposal regarding a 4<sup>th</sup> theatre and 10 additional beds on 19 February 2018. We wish to receive feedback soon.

We fully agree that a new regulatory regime for licensing healthcare facilities that is likely to stir the pot with both provincial health departments and private hospitals is needed as quoted in the Business Day article dated Friday, 16 February 2018. We furthermore believe that a day hospital license should not be compared to an acute hospital license. We also agree that the Regulation 158 of the Health Act is outdated and had been drafted with acute facilities in mind and is limiting the establishment of day hospitals which is innovative and cost efficient.

We are also concerned that the big 3 role players (Netcare, Life and Mediclinic) is currently a very dominant role player and should not become even stronger. More competition is required to drive costs down. We are also concerned that different criteria apply when a new license application is lodged versus buying an existing or operational hospital license.

We are also concerned about the possibility that hospitals being allowed to employ doctors. If this is allowed we are concerned about:

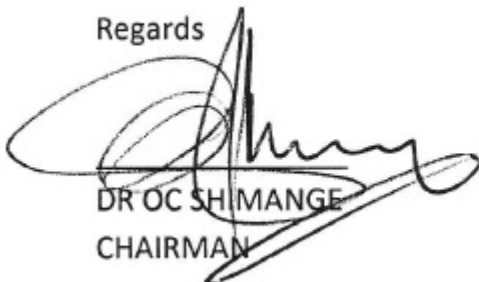
- The government service may collapse as their doctors have indicated that they will resign immediately and join the hospital groups as they are offered better packages.
- Day hospitals may collapse, as they will be unable to compete with the larger groups for the initial salaries offered to doctor, who will then be prohibited from working at day hospitals by their employers. This will probably lead to many independent hospitals closing down.

We want to thank the Health Market Inquiry for the work done and progress made. It is encouraging to see that we can expect change which would ultimately enhance competition and lead to cost savings in private health care.

If you request further information, please don't hesitate to contact us.

Regards

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DR OC SHIMANGE  
CHAIRMAN



MR GJ VON WIELLIGH  
MANAGING DIRECTOR