



**Western Cape  
Government**

Health

**BETTER TOGETHER.**

# HEALTH INQUIRY

Directorate: Professional Support Services

16 February 2016

# WESTERN CAPE GOVERNMENT HEALTH

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- The power to regulate private health establishments in Western Cape is bestowed on the Provincial Minister of Health through the Provincial Legislation of the Regulations Governing Private Health Establishments, PN 187/2001 and the amendments to the Regulations of P.N. 300/2003.
- These Regulation where enacted prior to the repeal of the Health Act of 1977.
- This legislation is unique therefore to Western Cape, all other Provinces regulate under R158 still.
- 265 private health establishments (PHE) are Licensed currently.

# PURPOSE OF REGULATING PHEs

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- To rectify inequity of private healthcare access;
- To control cost/efficiency ratio whilst ensuring quality is not sacrificed;
  - Stop provider driven, over servicing;
  - Allow market forces to drive cost efficiency;
- To establish and maintain standards of quality care for all;
- To protect the interests of the patient, public & staff

# EFFECTIVE LEGISLATIVE ADMINISTRATION

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- Requires good, clear legal framework;
- Requires adequate capacity to enforce the regulations;
- Requires consistency in application of legislation;
- Requires administrative accuracy and efficiency;
- Requires Executive support

# ROLE OF THE HOD IN WC

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- Administration of legislation is delegated to Professional Support Services - Licensing & Inspectorate – Director, Deputy Director and Inspectors but not application decisions;
- Recommendations on applications via Advisory Committee;
  - Private Health Establishment Advisory Committee (PHEAC) – Reg. 9 & 10;
  - Recommendations are not made by PSS, input to committees is technical when requested only

# HOD RECOMMENDATION CONSIDERATIONS

## PN 187- Reg. 9

- PHEAC **must consider** all comments & responses;
- **May** take into account, the need -
  - To ensure national, provincial and municipal planning **consistency of service development**;
  - To promote **equitable distribution and rationalisation** of services to correct inequities based on racial, gender, economic and geographical factors;
  - To **protect or advance persons** or categories of persons designated in terms of the Employment Equity Act and emerging small, medium & micro enterprises;
  - To promote an **appropriate mix of public and private** health care services with a view to the demographic and epidemiological characteristics of the populations to be served, the total and target population in the area, their ages and gender composition, their morbidity and mortality profiles;
  - To promote the optimal use of spare capacity in provincial health establishments;
  - To promote the **optimal mix** of levels 1, 2 and 3 beds;

# HOD RECOMMENDATION CONSIDERATIONS

## PN 187- Reg. 9

- bed-to-population ratios, public-to-private bed ratios, in the **feeder areas and in the surrounding health district, region and province;**
- **availability of alternative** sources of health care;
- potential advantages and disadvantages for **existing public and private** services and affected **communities;**
- potential benefits of **training**, research, development to improve service delivery;
- the need to ensure that **ownership does not create perverse** incentives for service providers to over service patients or refer them inappropriately;
- **the quality of health services rendered by the applicant in the past;**
- whether there is/will be a proven **complaints mechanism available** to all users

# ROLE OF THE MINISTER IN WC

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## ➤ **Regulatory Authority**

## ➤ **Appeal Authority**

- PHE for refusal or partial refusal. No appeal mechanism for lapse by operation of law.

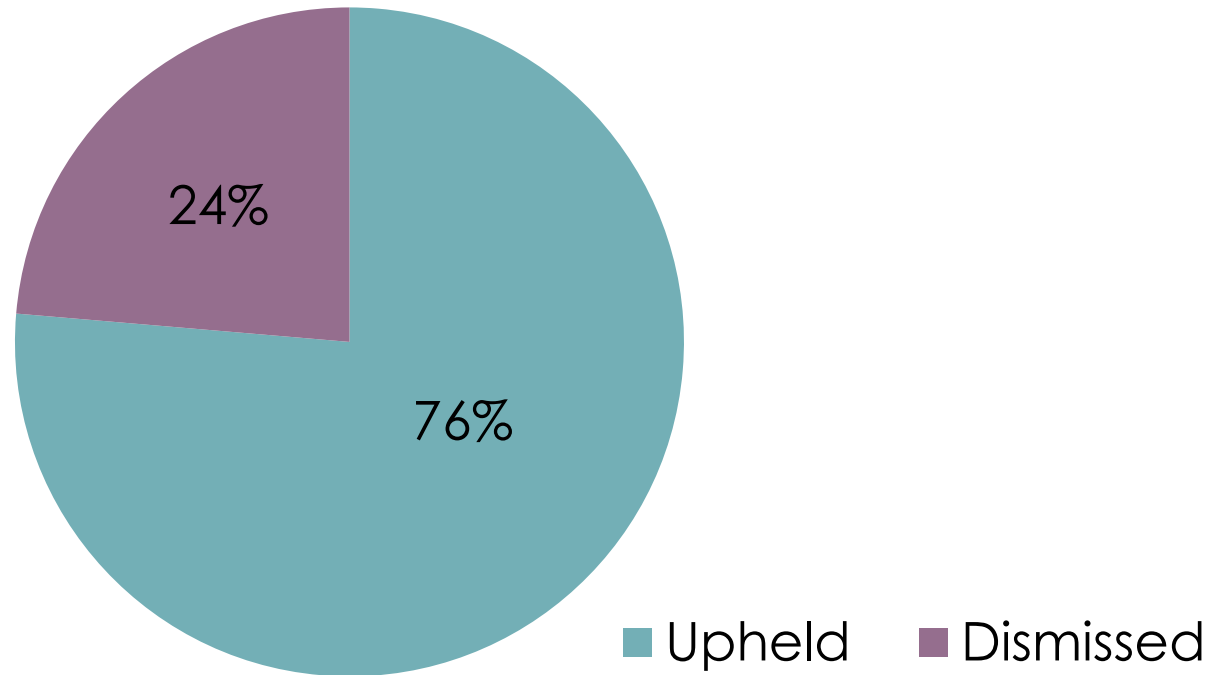
## ➤ **Exemption Authority**

- PHE - Reg. 2 - any regulation, but only *if there are good grounds*;



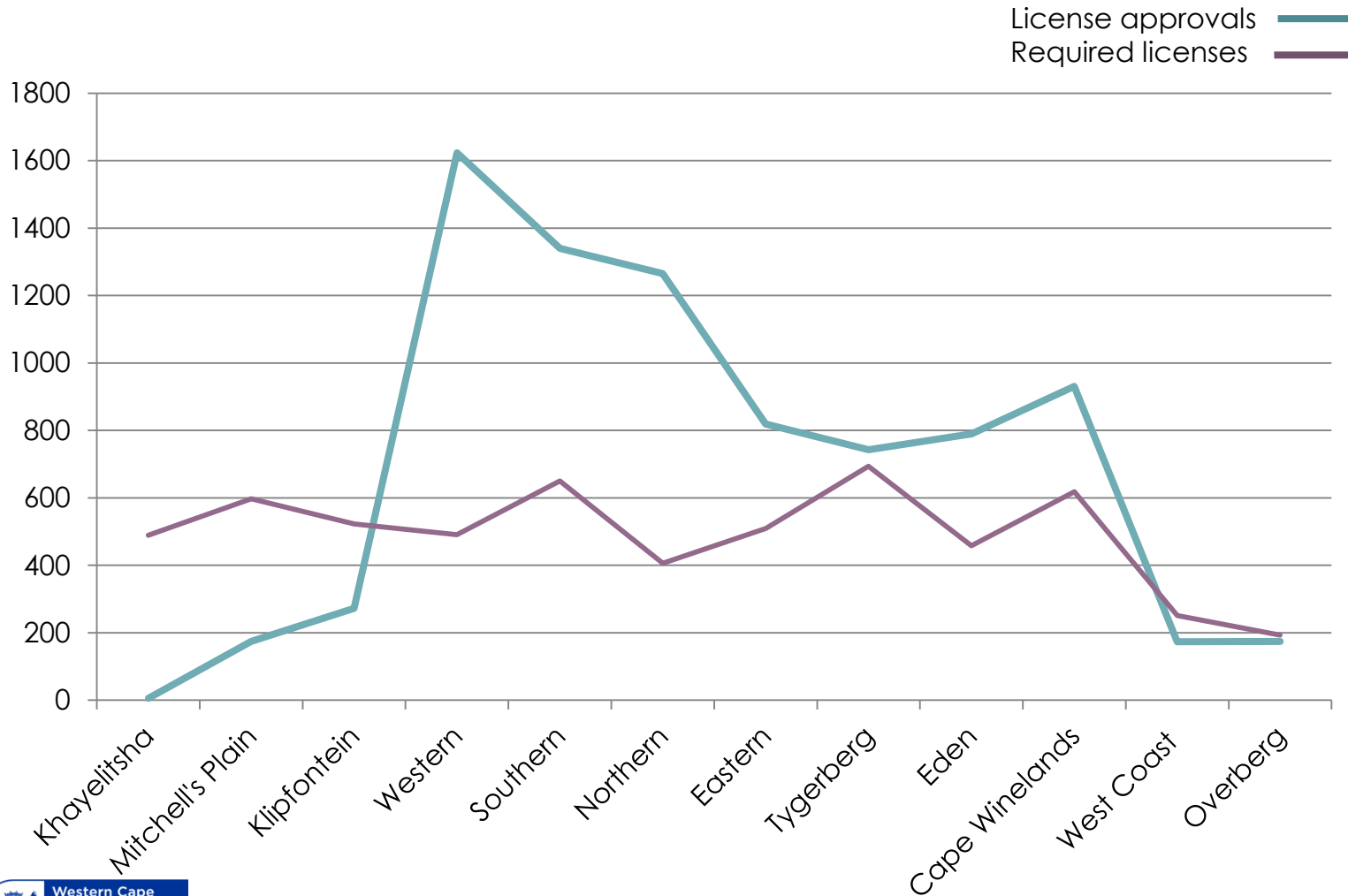
# PHE OUTCOMES OF APPEALS 2011 - 2015

n = 148



# EFFECT ON BED TO POPULATION STATS WC

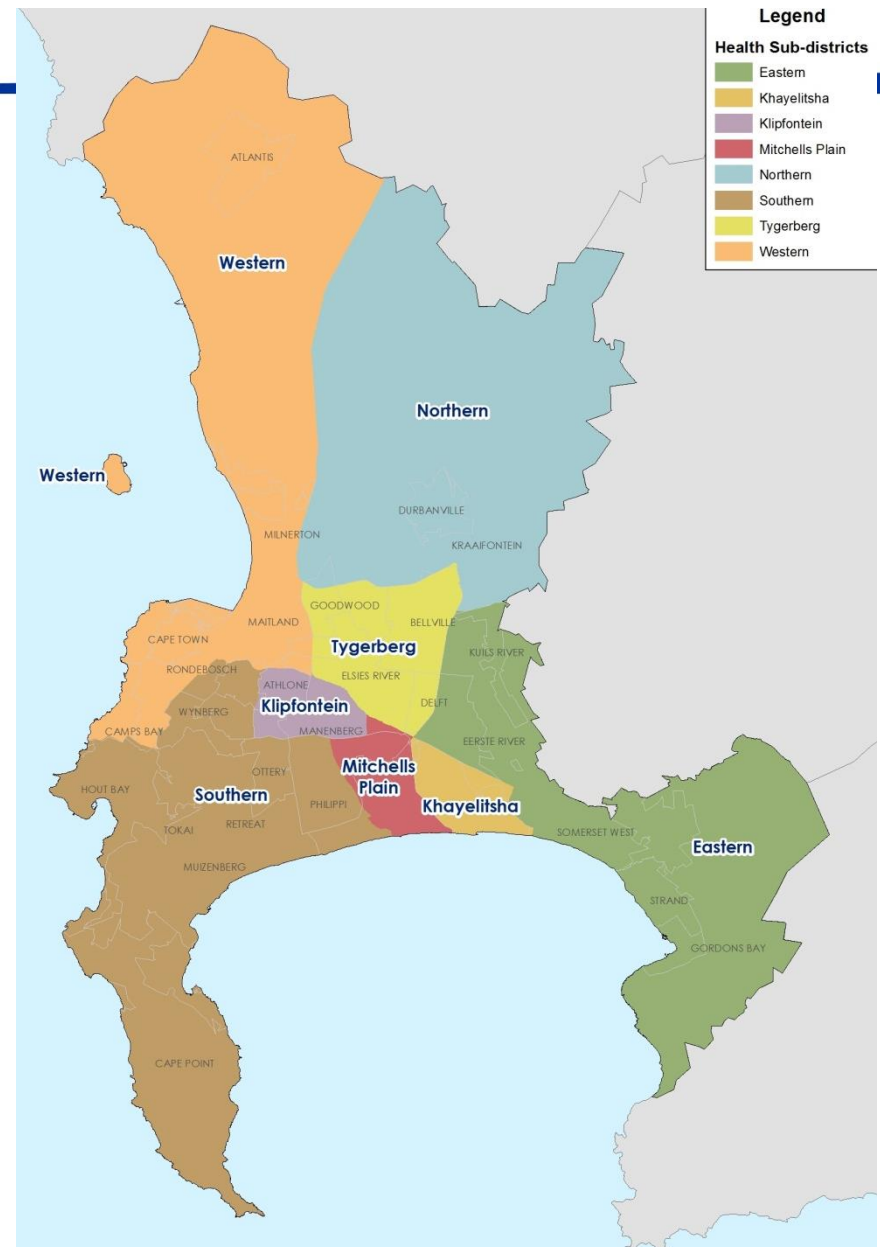
## PN 187 Reg. 9 – Consideration of Applications



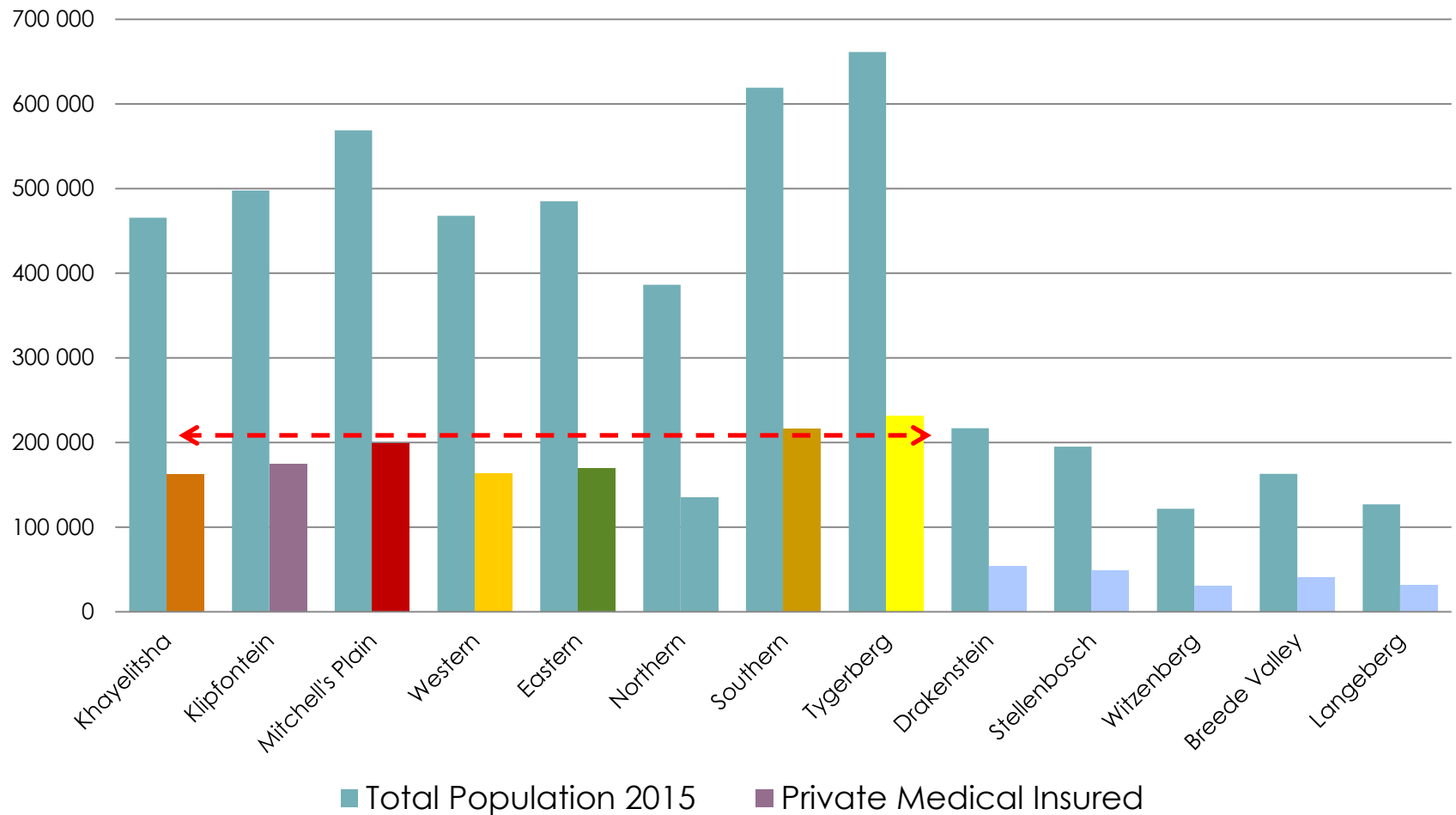
# AFFECTED COMMUNITIES

*Outcomes are exacerbating inequity*

Sub-District	Over Supply/ Deficit 2015
Khayelitsha	<b>-483</b>
Mitchell's Plain	<b>-423</b>
Klipfontein	<b>-251</b>
Western	1132
Southern	690
Northern	859
Eastern	310
Eden	332
Cape Winelands	313



# TOTAL POPULATION vs MEDICALLY INSURED



# EXEMPTION AUTHORITY

## *Trend in requests for PN 187 -PHEs*

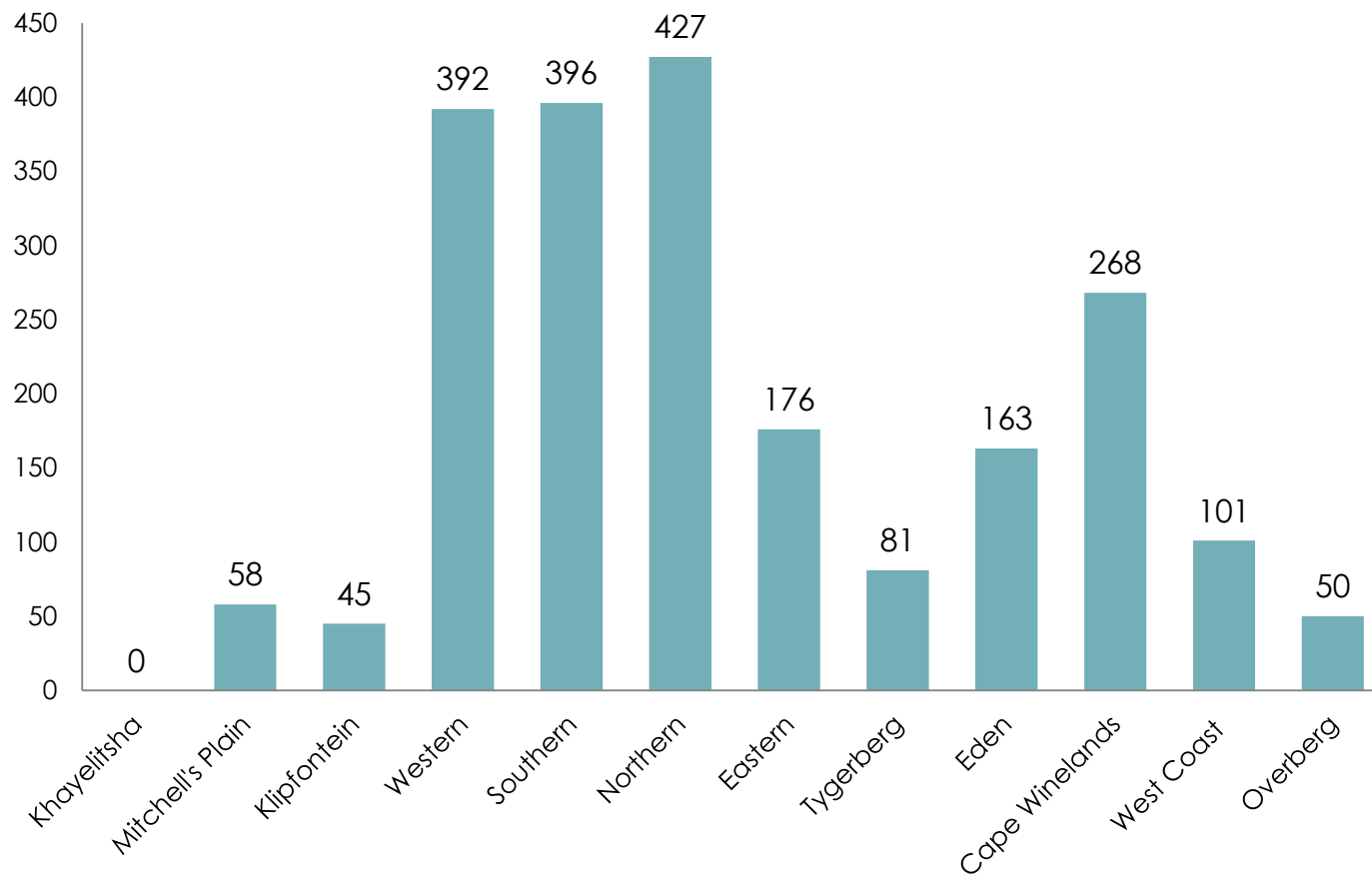
- Extension on **time frames/ due dates**
  - Reg. 13 - Submission of building plans;
  - Reg. 14 - Commencement of building activity
- Concerns:
  - Delay in commissioning services to community;
  - Contribution to severe back log of approved, but not yet commissioned licenses,
  - Blocking licenses from competitors;
  - Inability to gauge impact of approvals on considerations of applications (planning, advantages, disadvantages)

# EXEMPTION AUTHORITY

## *Trend in Exemption Requests PN 187 - PHEs*

- Reg. 24 – Two year waiting period after refusal of application (not lapse);
  - Concern - worsening over –supply and deficits of areas;
  - Concern - Unfair competitive advantage against those turned down already or waiting to enter market;
- Alteration of PHE - Reg. 6, 9 & 10 (usually alteration of existing building plans, relocation of a PHE)
  - Concern - change to services on original approval ;
  - Concern – change of location, applicant claims same sub-district;
  - Concern - lapse by operation of law – changes in market since first application and starts license block all over again

# UNCOMMISSIONED LICENSES IN PIPELINE



# Overarching Issues

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- BHF practice coding not aligned with changes and updates in healthcare is pressurising Provinces to amend legislation unnecessarily;
- Legislation can not be as responsive or flexible to respond for each and every new trend;
- Funders, annual scheme benefit design and managed care protocols drives the next trend in healthcare;
- PHE's readily move to overcome the barriers to claiming e.g. recent trend in day hospital facilities to generate a day practice code so hospitals can participate in Funders DSP for Day Network



# Overarching Issues

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- Legislation in-effective in rectifying in-equity;
  - Private sector not investing in previously disadvantaged areas despite existence of insured population;
  - Appeal authority of Provincial Minister – reasons for decisions on appeals not peremptory in legislation;
- Citizens forced to travel to previously white, affluent areas to seek private healthcare;
- This places unnecessary burden on the working population, supporting families, transport/traffic and employee work opportunities;
- PHEs for admission need to be where the majority of our people live for both employment and equitable access;

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Thank you