

Hospital Association of South Africa

US-Africa Private Health Forum

Providing ethical, quality and rights based health services
to the global community

November 20th, 2008 (Washington DC)





Presentation format

Introduction.

Private hospital trends within the Republic.

South Africa's private hospitals and investment opportunities.

Important legal, ethical and quality concerns.

Conclusion



HASA is a voluntary association of private hospitals

The Hospital Association of South Africa ('HASA') is an industry association which represents the collective interests of the majority of private hospital groups and independently-owned private hospitals in the Republic of South Africa.

Currently, HASA comprises a total of 240 members private hospitals representing approximately 28 600 beds and 92% of the private hospital industry in South Africa.

It is a key role-player in South Africa's healthcare environment. Governed by a Board of Directors and under the leadership of Chief Executive Officer, Adv. K. Worrall-Clare, HASA functions as the official mouthpiece of South Africa's private hospital industry.



International comparisons and internal studies

South Africa's private hospital sector provides its patients with access to a full range of hospital services which includes maternity, cardiology, oncology, surgery, casualty facilities and a national network of emergency ambulances.

The services provided "are [generally regarded] as very good".^[1]

This impression is supported by the Monitor Group, whose 2003 report found that South Africa's private healthcare sector is in the top five private healthcare sectors of the 43 markets included in the study.^[2]

These reports showed that South Africa's private hospital sector provides care that is comparable in terms of quality, scope and sophistication to that found in countries such as the United Kingdom (UK), Australia, Canada and the United States (US).

The 2007 General Household Survey reported that 96% of patients were satisfied with the service they received at private hospitals.^[3]

^[1] University of California, 2008 "Risk Assessment Inventory List".

^[2] Monitor Group (12 January 2004) "Outline of MHF Project, Appendix."

^[3] July 2007, the General Household Survey conducted by STATSA (Statistics South Africa)

Domestic and International Market.



The domestic population served by private hospitals includes all medical aid members but also the uncovered population that pay for the service 'out-of-pocket' and those that will, from time to time, rely on hospitals to provide emergency services.

In terms of the covered population, private hospitals are used by at least seven million people, although we estimate the real number could be as high as 10 million people (Private paying patients, emergency medical treatment, international health care travelers and others).

Medical Tourism. Access to healthcare (in particular emergency care) is critically important for tourists. It is commonly accepted that access to health facilities is important for a country to be a "competitive tourist destination".^[1]

An increasing number of international health travellers are accessing health care services within the Republic for a variety of reasons.

^[1] Heath, E. (2002) Towards a model to enhance Africa's sustainable Tourism Competitiveness.

Joint preparations between the Public and Private Sector



Arwyp Medical Centre

Hosting the 2010 Soccer World Cup presents its own set of healthcare challenges and Hasa and its members believe that the private hospital industry is excellently positioned to assist with most levels of healthcare intervention – should this become necessary.

Hasa and other stakeholders are in the process of implementing appropriate healthcare responses to ensure that all soccer visitors, officials, teams and their respective health professionals have access to world-class facilities and quality medical care. Along with ambulatory services, private hospitals in proximity to stadiums will be on standby for the respective games. The combination of quality care and high standards of technology will ensure that individual health needs are adequately addressed as and when the need arises.

International patients requiring information pertaining to health establishments, Diabetic Clinics, and other healthcare services can request such from HASA at contact@hasa.co.za

Technology, quality and health resources within the Republic.

Life Healthcare:



Life Fourways Hospital

- Construction of the ultra high-tech **Life Fourways Hospital** for R200 million. The hospital has a Picture Archiving and Communication System (PACS) catheterization and vascular laboratories and five laminar flow operating rooms.
- Africa's most advanced digital operating theatre (**Life Vincent Pallotti Hospital**)
- Cancer unit offering intensity-modulated radiation therapy for head and neck cancers plus stereotactic neuroradiosurgery (**Life Vincent Pallotti Hospital**)
- South Africa's first dual-purpose PET Centre (Life Little Company of Mary Hospital)
- South Africa's first dedicated orthopaedic digital operating rooms (**Life Entabeni Hospital**)
- Specialised neurological rehabilitation unit (**Life Eugene Marais Hospital**)

Technology, quality and health resources within the Republic.

Medi-Clinic:



- A 64 multi-slice CT scanner, MRI scanner and PET scanner ([Morningside Medi-Clinic](#))
- Digital PACS system which enables access to patients' pathology and radiology results from within and outside the hospital ([Morningside Medi-Clinic](#) and [Constantiaberg Medi-Clinic](#))
- An electronic chute system between the wards and the dispensing pharmacy ([Welkom Medi-Clinic](#)) This system is managed and monitored remotely/off-site
- Medi-Clinic is a member of the [Vermont-Oxford Network \(VON\) database](#) which monitors the clinical outcomes of tiny babies. More than 400 neonatal ICUs worldwide submit data with a view to delivering the highest quality care.

Technology, quality and health resources within the Republic.

Netcare:



Netcare Parklane Hospital



Scan for Life, the first preventative imaging medical facility which scans and screens the entire body for dread diseases (**Rosebank Clinic**).

- South Africa's first hospital to provide echo endoscopy (EUS) which enables the gastroenterologist to view portions of the gut that were previously unreachable via conventional surgery and equipment (**Unitas Hospital**)
- Five Brain Resource Centres within the Netcare group's hospitals in South Africa's major metropolitan centres.
- Intra-operative vascular procedure units which use both percutaneous mechanical thrombectomy and thrombolysis techniques (**Sunninghill Hospital, Sunward Hospital and Union Hospital**)
- Add information pertaining to the Walter Sisulu Pediatric Cardiac Unit

Technology, quality and health resources within the Republic.

National Hospital Network (independently owned private hospitals):



Pretoria Eye Institute

Advanced disc arthroplasty using an artificial disc as an alternative to traditional spinal fusion procedures. To date, this procedure has only been performed in about 1,000 cases worldwide (Arwyp Medical Centre).

- First private hospital to deliver craniopogus Type A co-joined twins (Siamese twins joined at the head) (Arwyp Medical Centre)
- State-of-the-art cardiac catheterization laboratories (Arwyp Medical Centre, Gatesville Medical Centre and Zuid-Afrikaans Hospital)
- Anterior-fusion surgery using prosthesis (Zuid-Afrikaans Hospital)

Technology, quality and health resources within the Republic.



**Elim Clinic:
Substance Abuse
Treatment Centre**

Mental Health

The Psychiatric Focus Forum (PFF)

In response to the increasing demand for private mental healthcare facilities, Hasa formed the Psychiatric Focus Forum (PFF) in 1977. PFF represents most of South Africa's private psychiatric hospitals, or mental health establishments and rehabilitation units (which treat substance abuse). The forum is committed to addressing mental health issues and improving the image and infrastructure of psychiatry in the country. It is particularly determined to de-stigmatise mental illness and provide quality treatment for all patients requiring relevant health interventions.

Netcare Holdings International (Hospitals outside of the Republic)

United Kingdom



- Core hospitals
- NHS partnership hospitals
- Management contract hospitals

Hospital	Registered beds
<i>Greater London</i>	
Bishops Wood Hospital ²	47
The Blackheath Hospital	69
Chelsfield Park Hospital	50
The Clementine Churchill Hospital	141
The Garden Hospital	30
The Kings Oak Hospital ²	52
The London Independent Hospital	78
Shirley Oaks Hospital	50
The Sloane Hospital	32
	549
<i>South East</i>	
The Chaucer Hospital	60
The Chiltern Hospital	66
The Esperance Hospital	50
The Fawkham Manor	32
Goring Hall Hospital	52
The Princess Margaret Hospital	80
The Runnymede Hospital ²	52
The Shelburne Hospital ²	44
McIndoe Surgical Centre ³	21
The Somerfield Hospital	48
Mount Alvernia Hospital	90
	595
<i>North</i>	
The Alexandra Hospital	170
Manchester Lifestyle Hospital	25
The Beardwood Hospital	31
The Beaumont Hospital	34
Chatsworth Suite ³	18
The Highfield Hospital	57
The South Cheshire Private Hospital	32
Thornbury Hospital	77
	444
<i>The Midlands</i>	
The Droitwich Spa Hospital ¹	46
The Foscoate Hospital ³	16
The Manor Hospital	23
The Meriden Hospital ²	61
The Nuneaton Private Hospital ³	28
The Park Hospital	93
The Priory Hospital ¹	118
The Sandringham Hospital ²	35
The Saxon Clinic	40
Three Shires Hospital ³	53
	513

During the period GHG continued its efforts to increase operating efficiencies across the business and also launched its revenue growth initiatives of deploying a sales force to market BMI hospitals to GP's and consultants. The business expanded its portfolio through the acquisition of seven Nuffield sites.

The UK's existing BMI hospital division grew patient visits by 2,8% as a result of growth in day cases and outpatient visits. Year-on-year growth was 3% for the seven months ended 30 April 2008.

The growth in inpatient admissions is largely driven by increased NHS admissions.

For a detailed report in this regard see the Netcare web site at www.netcare.co.za



Netcare Holdings International (Hospitals outside of the Republic)



**Netcare Blaauwberg Hospital
South Africa**

Hospital	Registered beds
<i>South and West</i>	
Bath Clinic	75
The Hampshire Clinic	65
The Harbour Hospital	40
The Ridgeway Hospital	50
Sarum Road Hospital	48
The Winterbourne Hospital ¹	38
	316
<i>Wales</i>	
Werndale Hospital	28
	28
<i>Scotland</i>	
Albyn Hospital	44
Fernbrae Hospital	16
Ross Hall	101
	161
Total	2 606

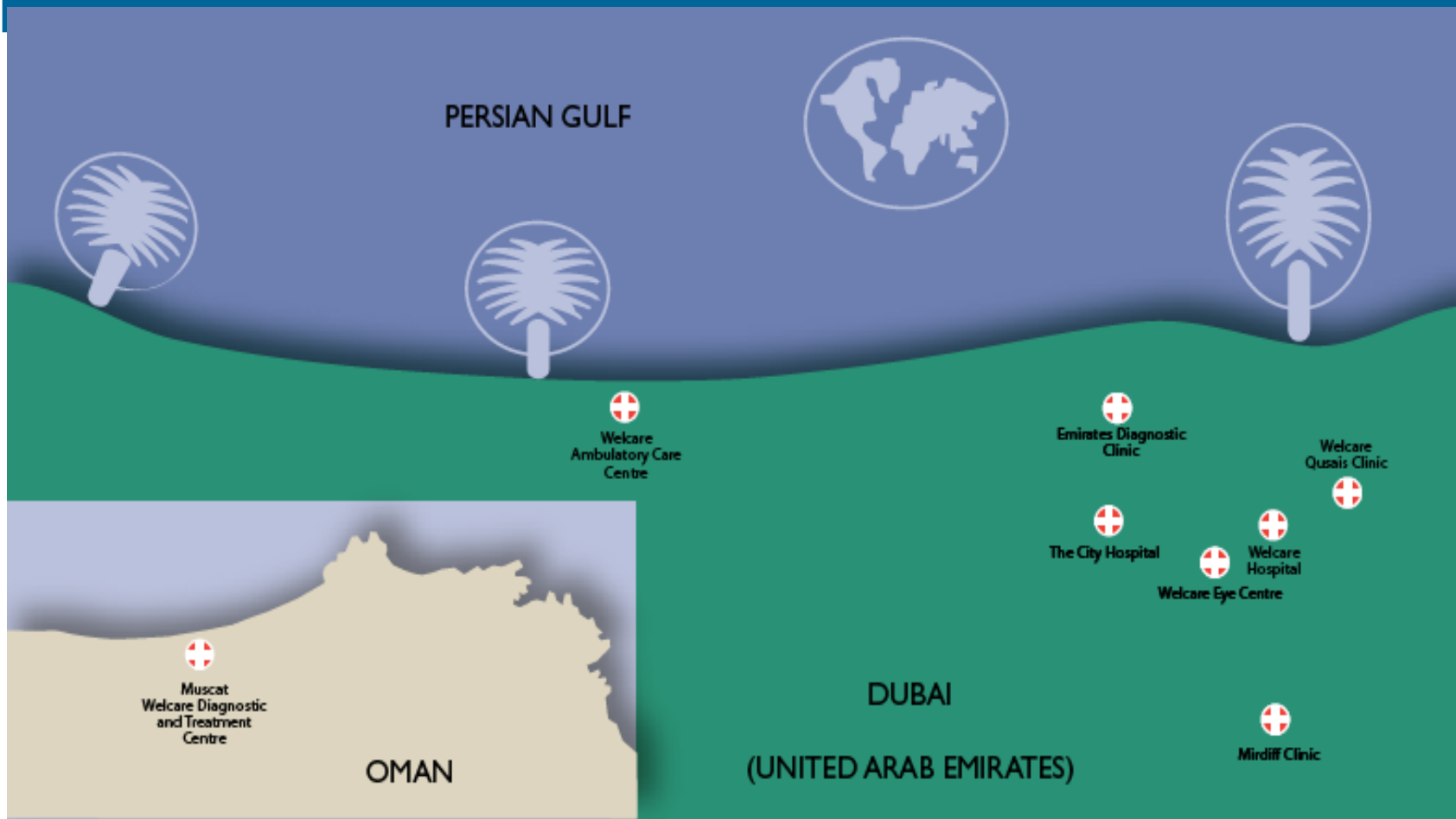
¹Core hospital held under long-term leases
²NHS Partnership hospital
³Hospital operated under a management contract

Mediclinic International (Hospitals outside of the Republic)





Mediclinic International (Hospitals outside of the Republic)





Mediclinic International (Hospitals outside of the Republic)

Medi-Clinic in Switzerland.

MCCH's head office is based in Zurich and operates 13 private acute-care health establishments located in nine cantons throughout Switzerland.

Currently the group employs over 3600 staff.



MEDI-CLINIC
Private hospital group

Medi-Clinic in the United Arab Emirates

MCME holds 50% plus one of the ordinary shares in Emirates Healthcare Holdings since March 2007.

It owns and manages the 120 bed Welcare Hospital, as well as five clinics.

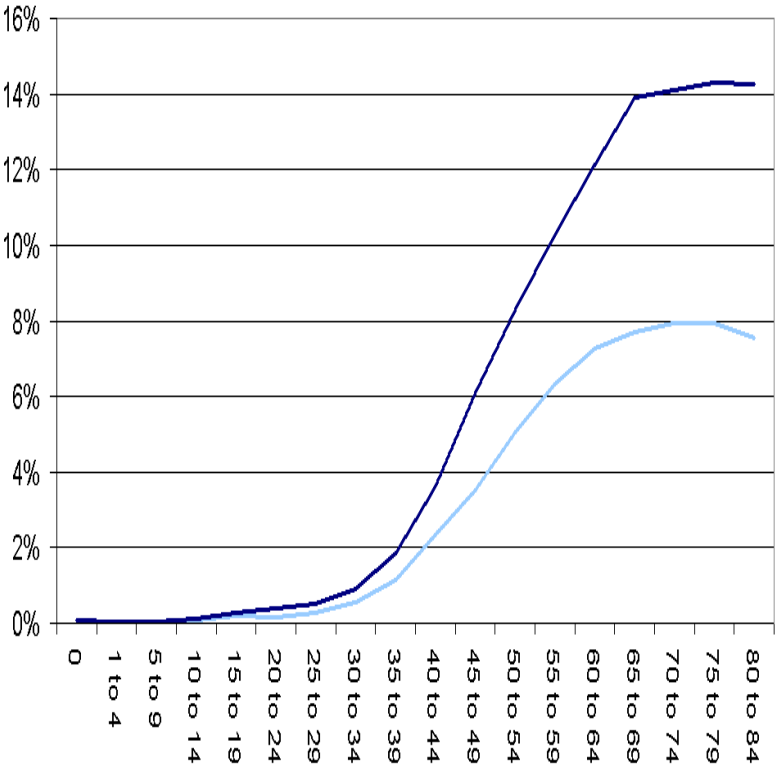
Currently construction of The City Hospital, a 210 bed multi-disciplinary hospital in Dubai Health Care City is progressing well (open mid 2008)



Like our international counterparts we are having to adapt to endemic disease trends

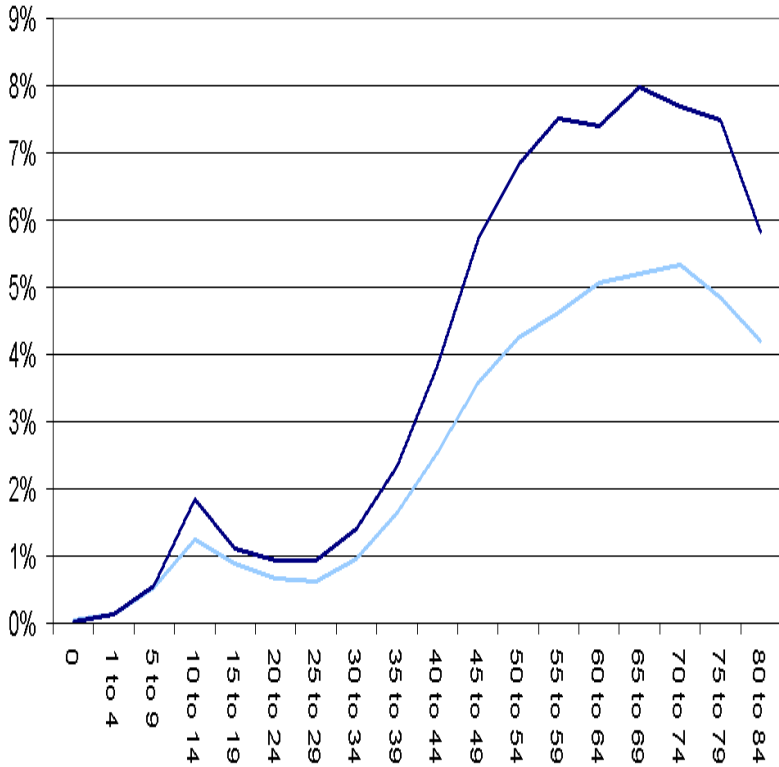
South Africa is seeing an increased number of admissions with chronic diseases

Cardiac as a percentage of total admissions



— 2002 — 2006

Diabetes as a percentage of total admissions



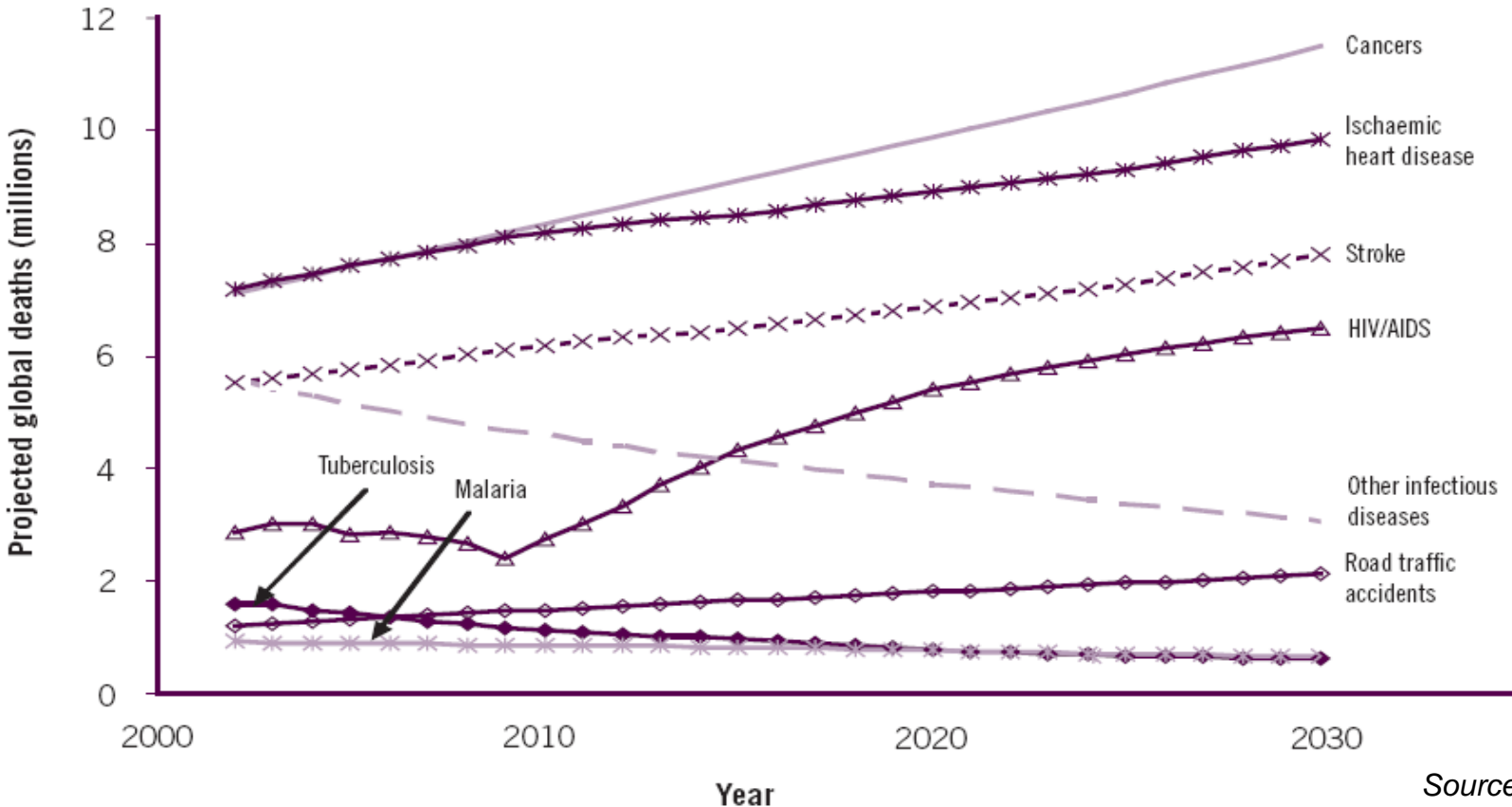
— 2002 — 2006

Source : Regional Business Analytics



The South African experience is not unique and seems to be replicated internationally

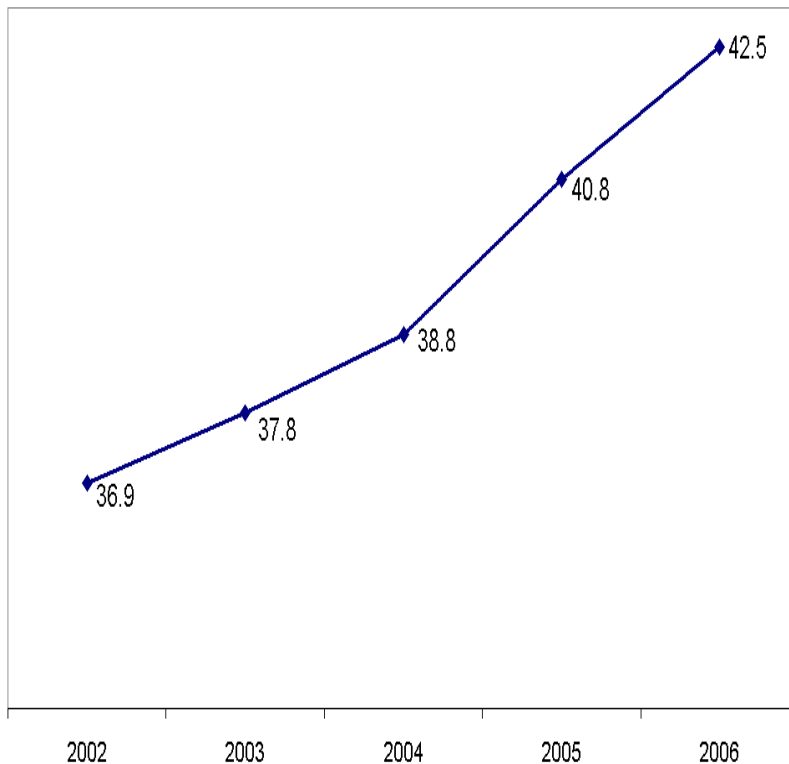
Projected global deaths for selected causes of death, 2002–2030



Source: WHO 2007

Are international markets adapting to ageing populations and their health care needs?

The aging profile of hospital admissions in RSA cost medical insurance more than R1bn between 2002-2006



Data on which 'age creep' is based shows the average age of a patient in a private sector hospital in 2006 was 42,5 years compared to 36,9 years in 2002.

This increase has resulted in an approx. **age creep of 1,4 years per annum** for past four years.

Strong, near linear relationship between age and hospital billings.

In 2006, the average cost creep per admission due to one full year of ageing profile was R203. The ageing patient profile in Netcare, Medi-Clinic and Life Healthcare hospitals alone **cost medical schemes R936 million from 2002 to 2006.**

In addition to prescribed minimum standards (Regulation 158)

A substantial amount is consistently invested in new technology to maintain global best-practice standard in our private hospitals.

The industry-wide commitment to technological excellence also enables the provision of quality care to citizens and places South Africa on an equal footing with the international community.

The National Health Act of 2003 further ensures that the quality of healthcare delivery within private hospitals is of an international standard. The Act places specific emphasis on the rights of healthcare users, and thus informed consent, privacy, confidentiality and other ethical concerns are vigorously protected. In response, private hospitals have implemented individual policies which govern protocol compliance.

Accreditation categories:

In addition to prescribed standards some hospitals have sort additional accreditation standards, including COHSASA, ISO 9001 and others.



In addition to prescribed minimum standards (Regulation 158)

Explanatory Note:

COHSASA's Standards for Hospitals (Version 6.4.2) has been accredited twice by the international Society for Quality in Health Care (ISQua), from 2002 to 2006 and from 2006 to 2010. This universal and comprehensive set of standards accommodates important global developments. See:

www.cohsasa.co.za

ISO 9001: 2000 Lifehealthcare has embraced ISO 9001 which is an international set of standards implemented by some 610 000 organisations in 160 countries. Auditing was done by PriceWaterHouseCoopers.



ICU Unit in Life Fourways Hospital



APPLICABLE LAW: The National Health Act, 2003 [Act No. 61 of 2003]

Applies to all health care users, including international health travellers.

Section 6, 7 and 8 entrenched the International Doctrine on Informed Consent.

Section 14 entrenches the health care users right to privacy and confidentiality.

Regulation 158 (promulgated under the old Health Act, 1977) sets minimum standards for all private hospitals, theatres and related matters. www.doh.gov.za/docs/index.html

The Health Professions Act enables the Health professions Council of SA to establish guidelines, ethical standards, scopes of practise and professional rules for all registered health professionals in South Africa.

The Council enacts applicable Ethical Rules, and publishes a variety of ethical standards including *(but not limited to): Informed Consent, Undesirable Business Practises, Privacy and Confidentiality and Advertising Rules. www.hpcsa.co.za

International health care travellers should be assured of ethical, legal and regulatory consistency when obtaining health care services in foreign countries, as well as recourse against sub-standard services should these occur.



To accommodate foreign patient requests, Hasa's member hospitals have established international helpdesk which may be contacted on the following numbers:

Life Healthcare: +27 11 219 9000 (Janet Young)

www.lifehealthcare.co.za

Medi-Clinic: Morningside Medi-Clinic: +27 11 282 5052

Panorama Medi-Clinic: +27 21 938 2156 www.mediclinic.co.za

Netcare: +27 11 254 1387 www.netcare.co.za

NHN (Independent hospitals): +27 11 394 2199 (Cindy Janse van Vuuren) www.nhn.co.za; info@nhn.co.za

Psychiatric Focus forum: +27 11 478 0156 (Mental health care facilities) www.hasa.co.za

Specific hospital information including type of services rendered can be obtained directly from the search engine provided on HASA's web site at www.hasa.co.za



THANK YOU

See our web site at:

www.hasa.co.za