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# **LOCATING THE LICENSING OF PRIVATE FACILITIES WITHIN A WIDER PROVINCIAL- LEVEL STRATEGIC HEALTH POLICY FRAMEWORK**

**Presentation for...**

**Public Private Health Forum  
Western Cape Department of Health**

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## This talk

- Locating the licensing of private facilities within a wider provincial-level strategic health policy framework
  - Context for regulation
  - Components of a regulatory framework

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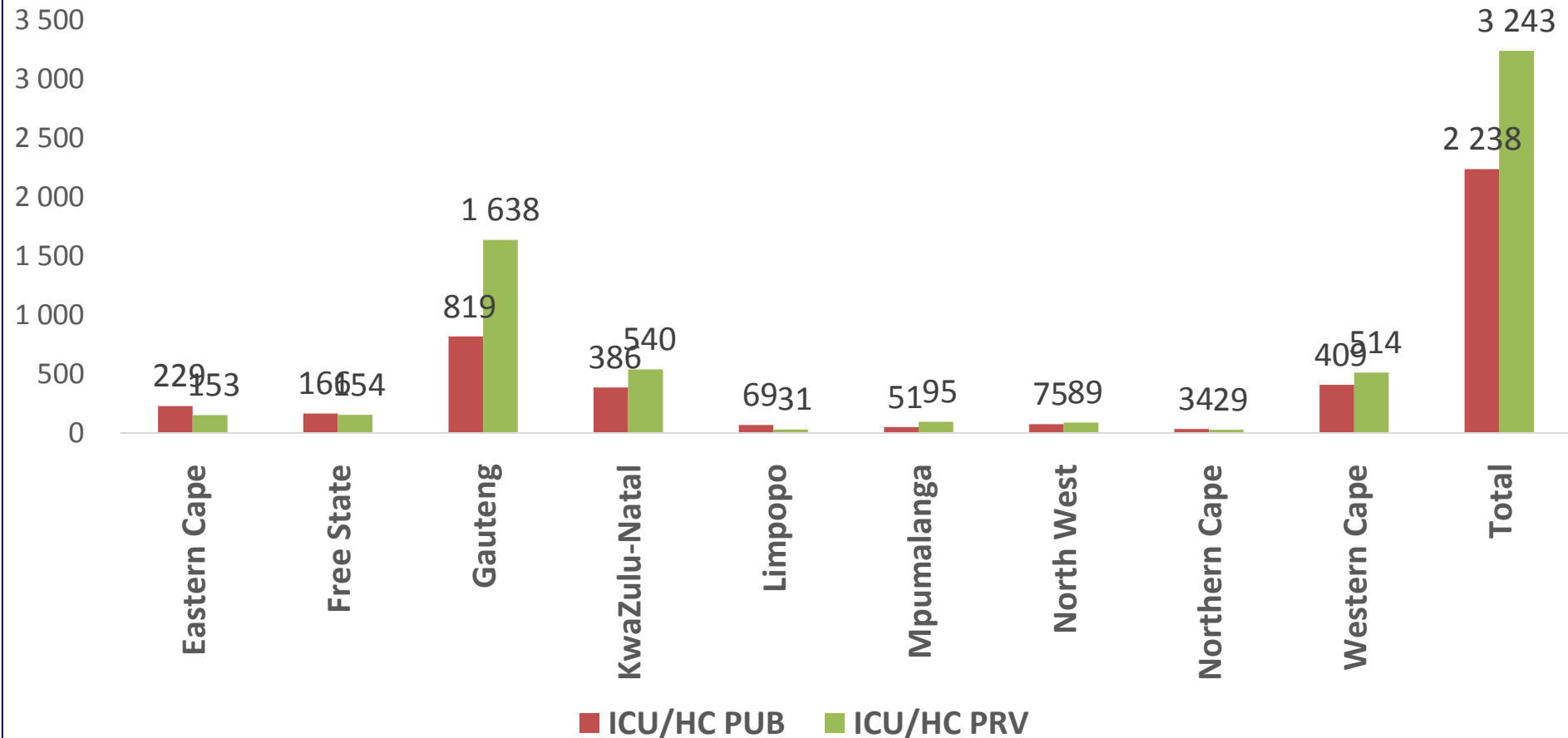


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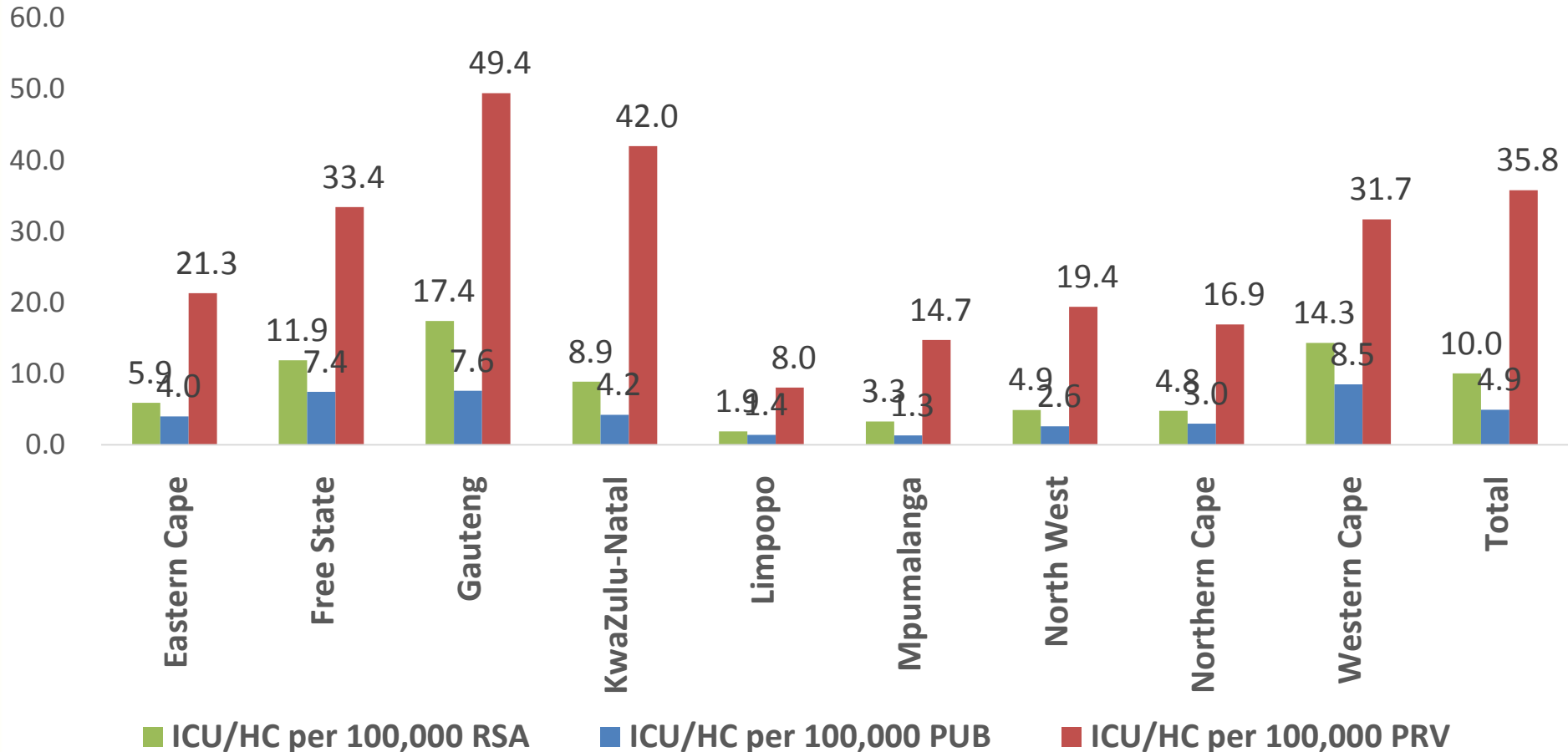
# CONTEXT



# ICU/HC beds by Province



# ICU/HC beds per 100,000 in South Africa (2016 estimate)





# What happens elsewhere?

Country	ICU/HC per 100,000
France	11,6
Switzerland	11,0
Spain	9,7
United Kingdom	6,6
Netherlands	6,4
Sweden	5,8



## Key points

- The present licensing framework exists within a policy vacuum
- The existing approach fails to protect both public and private patients
- The issuing and removal of licenses is at best arbitrary and allows for conflicts of interest to influence decisions



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# COMPONENTS OF A REGULATORY FRAMEWORK



## Health warning!

- A system of private facilities' licensing and regulation cannot rationally be applied exclusively to private services



## Key components

- The following could be tied to a licensing framework
  - Supply management
  - Reporting
  - Ownership diversity
  - Protecting public services (moonlighting)
  - Critical care strategy
  - Quality of care
  - Regulator



# Supply management

- Insurance-funded and predominantly fee-for-service reimbursed private health systems are prone to:
  - Information-related market failures
  - Supplier-induced demand
- The licensing framework cannot ignore the consequences of excessive supply growth



- Requirements for a rational approach:
  - Up-to date supply information
    - Operational beds, theatres, etc.
    - Equipment
    - Staff
  - Served population by planning region (district)
  - Catchment populations (despite planning region)



- Supply-related decisions need to take account of (inter alia...):
  - Service concentrations and shortfalls
  - Ownership concentration
  - Historical conduct of applicants (regulatory compliance and misconduct in relation to patients)
  - Proximity to public services



# Reporting

- Regular reporting of operational services (supply-side information)
  - Beds, theatres, pharmacies, etc
  - Equipment
  - Staff – all categories (there is no rational purpose served by hiding this information from the public)
- Activities – detailed and by patient/service
  - Standardise coding systems
    - Diagnostic/episode/procedure/outcomes
  - Comprehensive reporting
- Adverse health events
- Medico-legal incidents (with a prohibition on the sealing of information)



# Protecting public services

- Moonlighting
  - The public service must have an explicit and auditable framework to regulate RWOPS
  - Private services licensed by the province must
    - comply with the RWOPS framework
    - audit all staff on their premises and agree not to directly or indirectly breach the RWOPS policy
    - report all staff/practitioners breaching the RWOPS policy
  - Failures to comply will result in administrative fines and the loss of the license where there is a repeated breach of the policy
  - Nurse agencies must also be licensed and should face administrative penalties or the loss of a license where there is a repeated breach of the policy





# Critical care strategy

- There is presently an oversupply of ICU and High Care beds in the private sector, together with an unknown quantity of related EMS services
  - Bring into reporting framework and use the information to develop a comprehensive strategy
  - Ensure no person is prejudiced by not being treated at the nearest facility – legislate
  - Single emergency number and single call centre system - autonomous
  - Develop common funding framework – require medical schemes to pre-fund



## Quality of care

- While the Office of Health Standards Compliance has been established, it falls far short of the requirements for the regulation of quality in both the public and private systems
- There is a need for:
  - The public disclosure of quality of care information by facility (public and private) for all services supplied – this is related to the reporting framework
  - Licenses should be suspended where quality of care is compromised – based on independent assessments of services



## Regulatory authority

- An independent regulator should be established with the following functional responsibilities
  - Licence determinations
  - Managing the reporting framework (supplying the information to both the WCDOH and the public)
  - Inspections
  - Removal of licenses



## Continued

- Decisions of the regulator can be reviewed by an appeals board that operates independently of the regulator
- The regulator should be overseen by an independent board that is not appointed by any member of the provincial executive or the DOH
- The board should be able to appoint and remove the CE of the regulator
- The regulator should be levy-funded by the services it regulates and not be funded from the provincial equitable share allocation

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# DISCUSSION