



# Network Healthcare Holdings Limited

**Investor Day**  
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# Outline

- Government relations
  - Structure of healthcare system within government
  - Approach and strategy to government relations
  - Structures for interacting with government
  
- Partnering with Government
  - Public private partnerships
  - Local hospital relations
  - Public strike
  - Accessibility initiatives





# Government relations





# The National Health System

- Private and public sectors are part of the National Health System
- The custodian of the National Health System is the Health Minister
- The Minister is tasked with the responsibility to ensure an efficient, equitable and accessible National Health System
- The Minister, through the national and provincial departments of Health plays a critical but sometime conflicting roles:
  - Stewardship of the national health system
  - Financing of the public health system
  - Provider of healthcare to the majority of South Africans





# The role of the Department of Health

- Ruling party develops election manifesto based on party policy: ANC Health Plan
- Minister and National Department of Health develops policy and laws: White Paper and Bills
- Parliament passes laws and monitors performance
- Provincial Department of Health's implement policy and provides services
- Statutory bodies implement policy. E.g. such as CMS, HPCSA, SANC





# Government relations

- Based on the understanding of National and Health policy
- Accepting that private health care sector is part of the National Health System under the stewardship of the Minister of Health
- Acknowledging the legacy of the Apartheid health care system
- Embracing the need for Transformation in the Health Sector





# Strategy

- Position Netcare as a trusted and reliable partner to the Ministry and Departments of Health
- Include the national health policy objectives in Netcare strategy development
- Propose policy changes in a constructive manner
- Influence policy implementation





# Approach

- Analyse health policy
- Identify stakeholders in government generally and Health in particular
- Establish their goals and finding a common ground to ensure a win-win situation
- Respect cultural diversity and protocol



# Structures for interacting with Government

- Industry Organisations
  - Hospital Association of South Africa
  - Healthcare Charter Forum
  - 2010 World Cup Forum
  - Health Sector Indaba in September 2007
- Formal interaction
  - Bilateral meetings between Netcare and DOH
- Informal Interaction
  - Telephonically and by email
- Service level
  - Hospital level
  - Emergency medical services



# Partnering with Government





# Sharing UK experience with Government

- In November 2006, Netcare in collaboration with National Treasury organized a PPP study tour to the UK to expose senior health policy makers in South Africa to the model of private and public interaction that Netcare and the NHS are currently participating in.
- More than 12 officials from National Treasury, National Department of Health and 5 provincial departments participated in the study tour.
- We are currently having discussion with some of the provinces on what we jointly learned and could implement to improve access to quality healthcare.



# Public Private Initiatives

- Proposal on mobile cataract surgery solution
  - Eastern Cape DOH
- Proposal on arthroplasty waiting lists initiatives
  - Western Cape DOH
  - Free State DOH
- Proposal on Cardiothoracic surgery
  - Gauteng DOH
- Other PPI's
  - Training of Paramedics
  - Nurse Education
  - Expanded Programme of Immunisation
  - Bronkhorstspuit Hospital



# The Port Alfred Hospital and Settlers Hospital PPP

- 17 year PPP Agreement signed in June 2007 with EC DOH
  - Netcare is a 40% shareholder, 60% BEE partner
- The Netcare consortium will rebuild the Port Alfred Hospital and provide Facilities and soft services management
- The consortium will also refurbish Settlers hospital and provide facilities and soft services management
- Total investment is R220m of which Netcare will fund R24m
  - Port Alfred to be commissioned in 2008
    - 90 beds (incl 30 private beds)
  - Settlers to be commissioned in 2009
    - 152 beds incl 32 private beds)



# Universitas and Pelonomi Private Hospitals PPP

- The PPP entails the co-location of about 270 private beds, six operating theatres and 30 ICU beds at these 2 hospitals for 21 years
- Netcare helped the Free state DOH to recruit and retain highly trained specialists
- Total investment of about R130m of which Netcare funded R25m
- Universitas Private Hospital is profitable
- A second phase of Pelonomi Private Hospital will be commissioned in November 2207

# Assisting government with the public strike

- Contracted directly and through HASA to assist provincial hospitals during the public service strike
- Agreed to admit public patients at Netcare Hospitals at Netcare at NHRPL
- 375 patients were admit during the month long strike
- A real spirit of co-operation that put patients first



# Steps taken to address healthcare access

- **Sight for Life**

- An initiative implemented in partnership with the Vodacom Foundation that performs sight-restoring cataract operations for disadvantaged South Africans
- More than 1000 cataract operations have been performed to date

- **Cleft Lip and Palate**

- In partnership with Vodacom Foundation, Netcare supports cleft lip and palate surgery for indigent patients at Parklane Hospital



# Steps taken to address healthcare access

- **Red Cross Children's Hospital**
  - Netcare contributed R2m to the building of the new theatres at the Red Cross Children's Hospital
- **Walter Sisulu Paediatric Cardiac Surgery centre for Africa**
  - Based at Sunninghill Hospital, this centre provides lifesaving cardiac operations for indigent children from the whole African continent (R4.2m in 2006)





## Health Partners for Life (B-BBEE)

- Physician Partnership Trust
  - Allocation of shares to retain Academics and rural doctors in the public sector
  - Hamilton Naki Scholarship
  
- Mother and Child Trust
  - Women empowerment
  - LUCARC in Lusikisiki
  
- Healthy Lifestyle Trust
  - SAFA for development of football for 2010 and beyond
  - Programme to promote sport participation





# Conclusion

- Building a relationship based on trust, considering our past and ideology, is a long term process
- We need to genuinely show our commitment to this partnership
- We need to remove any doubt that we are a good corporate citizen of the new South Africa
- Whilst we pursue good returns for our shareholders we also need to invest in the future of private health care and a peaceful and stable South Africa in which all South Africans will have access to quality healthcare.

