GAUTENG DEPARTMENT OF HEALTH

REGULATORY REQUIREMENTS ON LICENSING AND REGISTRATION OF HEALTH ESTABLISHMENTS

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GOVERNANCE STRUCTURE

• National Department – Minister of Health
  – The entire health system of the country, meaning public and private sector
  – All legislative documents available governing health systems – talks to both public and private

• Provincial Departments
  – Implementing National policies/mandates
  – Initiating some provincial legislations- Provincial Ordinances

• Local Governments
Why should PHE be regulated

• Like all other entities, Private Health Establishments are not operating in a vacuum, they are also governed and regulated in terms of various processes and building.

• Different Departments are also engaged
  – GDACE
  – Municipality for zoning
  – Medicine and related Substance Act
  – Building Regulations etc.
PRIVATE LICENSING OFFICE

• The Private Licensing Office is an:
  – Administrative office rendering services related to planning, designing and auditing of Private Health Establishments (PHEs)

• Responsible for
  – inspections (annual, POI, unannounced, in loco site)
  – Licensing- annual registration – renewal of licenses
  – Licensing newly built hospitals
  – Auditing space specifications e.g. corridor 2m wide, 12 beds per sluice room, wall length 0f 3.6 m in theatre, 12 air exchanges of aircons, impervious floors
Proclamation by the President of the Republic of SA in R152, 1994, mandates provinces to regulate their own private health establishments

- R158 for most provinces (policies)
- R187 Western Cape

Regulation 158 of 1980 and amended in 1993 - governing the private hospitals and unattached operating theatre units.

- Regulation 7 (1) (2)”No person shall erect, alter, equip, or in any other way prepare any premises for use as a private hospital or UOTU without prior approval from the HOD."
• White Paper for the Transformation of the Health System in SA, April 1997, prescribed the public: private bed ratios and beds availability per 1000 population
  – (80:20)
  – 3 beds per 1000 population

• The Charter of the Public and Private Health Sector of the Republic of South Africa, July 2005, enforces BBBEE conformance.

• National Health Act 61 of 2003- Section 36
TYPES OF APPLICATIONS

1. Application for a brand **new** health establishment
   - General Acute hospitals
   - Unattached Operating Theatre Units – Day Clinics
   - SubAcute Health Establishments

2. Application by existing health facility
   2.1. Reallocation of beds within the existing disciplines
       - When the hospital reallocates a certain number of beds from one discipline to another i.e. from an under-performing discipline to an over-performing discipline.
       - There is no increase in the number of licensed beds but increase in an over-performing discipline
       - Balancing of ratios is important as it talks to staffing, direct competition with neighbouring hospitals etc
2.2. Relocation within the hospital or to new premises
   - When the facility is relocating a discipline from one area of a hospital to another
   - When a hospital is moved to new premises.
2.3. Request for additional beds – due to high occupancies
   - The facility might apply for additional beds when the occupancies are high in all the disciplines and they are unable to re-allocate from other departments.
2.4. Refurbishment or upgrade of an existing health facility
APPLICATION PROCESS

- Letter of intent - provision of a track number
- Application form
- In loco site inspection – coupled with zoning and/or rezoning
- Invitation of Comments and/or objections
- Presentation to the HOD’s advisory committee
  – If successful – building plans submitted (6 months) and building processes commence (12 months)
- If unsuccessful - Appeal to MEC – Advisory Committee
NO. HOSPITALS

• More than 160 inclusive of all types, namely:
  – Acute Hospitals
  – SubAcute Facilities
  – Unattached Operating Theatre Unit

• More than 15500 beds

• Hospital Groups
  – Mediclinic, Netcare, Clinix, Life, Akeso, Care Cure, Cure Day, Intercare, Independents, Advanced Medical Group
CRITERIA FOR ISSUING LICENSES

**Criterion 1** - Ensuring consistency of health services development in the province.

- Proof of residential developments and/or residential growth
  - The applicant must provide proof that in the area identified there are people who would use the facility, and/or proof that there are residential developments that are planned by the municipality in the near future.
  - A proof of application for new townships or estates and the period of establishment thereof.
  - In terms of an application within an already established area, proof of community growth is required (STATSA information required)
- Other related spatial developments
  - The applicant must be able to prove that there are planned developments that support residential developments like malls, schools, and road constructions. This information is obtainable from the municipal offices.
Estimated insured population in that area

- Latest Medical Aid membership, LSM etc
  - The applicant should support the application by getting information from the medical aid schemes that people living in and around the area are indeed insured so that they are able to afford a private healthcare.
  - The Living Segments Measurements are also used to ascertain affordability-related to salaries of people around the proposed area – LSM of 6+ is noted
Criterion 3

Promotion of equitable distribution of healthcare services and correction of inequities namely economic and geographic factors

- The geographic areas are considered in order to ascertain whether the proposed area meets the affordability requirements
- Gender and ages of people in the target market are used to decide whether the facility and services applied for are suitable for the people in the area e.g. application for a birthing unit in an area that has a high number of young couples.
- Applicant to submit shareholding and company details, attention is paid on BEE compliance
Criterion 4

Promotion of appropriate mix of public and private health services

- The applicant provides a list of existing facilities (private and public sector), which is verified by the Department using GIS and conducting in-loco site inspection.
- Private and public health institutions - considered on calculation of demand to ensure promotion of optimal use of spare capacity.
  - Number of existing and approved facilities around the proposed area are considered in order to make sure that there is proper distribution of services.
  - The distance rule is flexibly applied in cases of disciplines that are not in direct competition e.g. a general hospital next to a Mental Health Institution.
Criterion 5

Calculation of service demand

- annual returns submitted by all PHEs are used, and they reflect bed occupancies of these existing facilities
- Applicant to provide information showing understanding of ratios and relations within disciplines e.g. MHC and ICU beds
- Detailed discussion of services
  - The applicant needs to give in-depth understanding of all the services he/she wishes to render, same assists the Adjudication Committee in determining what services should be recommended for approval.
Criterion 6

Epidemiological characteristics

– Prevalent health conditions in and around the proposed area are analysed.

– Specific health demands are also considered e.g. specialised disciplines like neuro and cardiac
Criterion 7

Fair distribution of health facilities

• The applicant should provide GIS coordinates indicating distances of PHEs around the proposed target market.
  – GIS coordinates are compared with Departmental GIS to ascertain distances between health facilities and;
  – Validate information provided by the clients and to confirm the number of hospitals around the proposed hospital
  – In loco-site inspection is conducted by the Private Licensing Office (PLO) team to validate the existence of the address used and to validate authenticity of the information provided by the applicant
Criterion 8

Provision of training for health personnel and availability of human resources.

– The applicant should submit proof of contribution through training of health personnel.

– For the new applicants, they should submit proof of how they intend to contribute on training of health personnel and this is monitored on inspection and when the applicant is applying for the second or third time.

– The applicant should provide information with regard to the sourcing of staff for the new hospital or new extension, and where necessary proof is requested (e.g. CVs).
Criterion 9

Probability of financial sustainability

- The applicant should submit a 10 year financial projection for the proposed facility, this is not compulsory for the existing facility.
ADDITIONAL DOCUMENTS ON APPLICATION

• Deed of Sale/ copy of proposed long-term lease

• To ascertain the availability of space / area for the proposed institution (applicant is advised not to purchase before approval is granted)

• Zoning Status – business, institutional (agricultural –NB) to comply with municipality processes (can be submitted after in principle approval)
• Comprehensive business plan.
  – The applicant must provide an in-depth understanding of the health facility he/she is applying for.
• Total number of beds requested
  – The applicant must stipulate the number of beds so as to compare with the number of beds already existing in the proposed area.
  – This assist to add up the number of beds available and the ones requested and calculate how many beds will be reasonable to allocate if approval is granted.
PROCESS OF APPLICATION

• Invitation of comments and / or objections from the neighbouring health facilities (30 day process)
  – All the neighbouring facilities are informed of the possible entrant and are afforded opportunity to comment or object regarding the new applicant or even to comment about the impact on the existing hospitals (staffing and training are top of the list)
  – The responses are taken into consideration during the presentations and recommendations of whether or not to approve the facility.
• Presentation of the applications by the PLO team to the Adjudication Committee
  – All applications are presented to the Adjudication Committee which comprises of the following Departmental units:
    • Hospital Services
    • Health Programme Directorate
    • Quality Assurance Department
    • District Health
    • Legal Department
    • Private Licensing Unit
• Recommendations regarding the application are submitted to the HOD by the Adjudication Committee
  – The Adjudication committee, after it has critically analysed each application, makes recommendations to the HOD, and the HOD either approves or declines the recommendation,
  – Sent back to Adjudication to reapply their minds or verify information
  – which will then be communicated to the applicant.
• Appeals process
  – Applicants that were partially approved and/or not-approved are notified of their right to appeal the outcome to the MEC within seven days, should they feel aggrieved.
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<th>TYPES OF APPROVALS</th>
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<td>• Complete approval</td>
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<td>– This is an approval of the application according to the request of the applicant</td>
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<tr>
<td>• Partial approval</td>
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<td>– This is an approval that does not give full permission in relation to the request, but certain aspects were taken into consideration and are not meeting the full requirements to approve wholly.</td>
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<td>• Non-approval – complete refusal of the request</td>
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After approval process

• Submission of plans within 6 months (should be in duplicate.
  – Approval of building plans
  – Submission of zoning documents
• Erection of visible buildings in 12 months.
• Shoulder height inspections – for corrections (Involvement of professional team
• PHE conducts commission of the facility, submission of COC, including practical completion and occupancy certificate
• PLO conducts post commissioning inspection
• Remedial Actions recommended, and if none, a practising licence is granted
• License is signed by the Head of Department of the Province
• In cases of existing PHE, license change undergoes the same process
Thank You