# NATIONAL ASSEMBLY

**FOR WRITTEN REPLY**

**QUESTION NO. 3487**

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**(INTERNAL QUESTION PAPER NO. 37)**

**Dr W G James (DA) to ask the Minister of Health:**

(1) With reference to his reply to oral question 53 on 3 September 2014, what is the implementation status of the solutions to (a) directly fund the National Institute for Communicable Diseases, the National Institute for Occupational Health and the Cancer Registry from the fiscus, (b) pay all employees of the National Health Laboratory Service (NHLS) from the fiscus and (c) pay pathology specialists in training through the Department of Higher Education and Training;

(2) whether he has taken any steps to address the NHLS’s billing system; if not, why not; if so, what are the relevant details;

(3) what is the current status of the accrued debt owed by the (a) Gauteng and (b) KwaZulu-Natal provincial governments to the NHLS;

(4) when will he introduce in Parliament the legislation to establish the National Public Health Institute;

(5) what is the status of the establishment of the (a) National Institute for Non-Communicable Diseases and (b) National Institute for Injury and Violence Prevention?

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**REPLY:**

1. (a) Since 01 April 2015, the National Institute for Communicable Diseases (NICD), the National Institute for Occupational Health (NIOH) and the Cancer Registry have been directly funded;

(b) The proposal was discussed with the National Treasury. At the Budget Council meeting in January 2015, it was agreed that the Department of Health and National Treasury should work on a completely new funding model for implementation as of 01 April 2016;

(c) The National Treasury, in funding National Functions directly has made provision in the National Department of Health budget for a transfer payment to cover the costs associated with teaching and training undertaken by the National Health Laboratory Service (NHLS).

1. The Interim Management Team was appointed to investigate the billing issues reported. Below are the technical challenges that resulted in disputed debtor’s amounts:

* Unbundling of group tests (profile tests);
* Padding (grouping of tests);
* Wrong accounts (non Gauteng Department of Health and KwaZulu Natal Department of Health);
* Incorrect coding;
* Duplication of tests and billing;
* Multiple units billing (histology blocks);
* Missing demographics.

**Unbundling of group tests**

* This refers to the request for multiple individual tests instead of a group test resulting in the sum costs being more than the group test. The clinicians have an option to request some tests as a group or a single test. The approved Electronic Gate Keeping (EGK) rules state that the full profile of test can be done on admission of a patient then abnormal parameters to be repeated as required. The NHLS has also proposed that when individual or multiple tests within a profile are requested, and the cost of these tests exceeds the cost of the profile, the NHLS bill the profile cost to the Department of Health.

**Padding of tests**

* This occurs where an individual test that is included in a group test is billed with the group test. This should never happen under the normal circumstances. The NHLS has implemented measures to eliminate this error.

**Wrong accounts (non Gauteng Department of Health)**

* The NHLS and the Provinces are working together to identify and eliminate any incorrect locations billed through the reconciliation of monthly bills. Substantial progress has been achieved thus far.

**Incorrect coding of tests**

* This refers to the tariff codes used by the NHLS not being consistent with the coding lists of the Board of Healthcare Funders (BHF), the National Pathology Group (NPG) and the South African Medical Association (SAMA).

**Duplication and Multiple units billing**

* This relates to billing one test more than once on one specimen. Multiple units billing mainly happens in anatomical pathology where additional blocks of stains are made in order to get to the final diagnosis. This is an acceptable practice.

**Missing Demographics**

* These relate to invoices or tests done with missing demographic data. This creates problems in terms of verifying the information and could render the transactions invalid. The NHLS had already started the process of addressing this by determining the minimum clinical data sets (MCDS) required for NHLS to continue processing the specimen. The NHLS does not conduct tests if there is no compliance with MCDS.

1. The details are as follows:

* The status of debts receivable from Gauteng Department of Health and KwaZulu Natal Department of Health as at 18 September 2015 is totalling R5.1 billion;
* The breakdown is reflected in Table 1 below;
* This represents 95% of the total debts receivable from provinces amounting to R5.5 billion.

**Table 1**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Region** | **Outstanding amount 2015/16** | **Outstanding amount 2014/15** | **Prior amount outstanding** | **Total outstanding** |
| Gauteng | 197,419,209 | 328,955,740 | 922,495,933 | 1,448,870,882 |
| KwaZulu Natal | 110,053,771 | 702,643,913 | 2,866,174,418 | 3,678,872,101 |

1. The Bill has been prepared and it in the Cabinet process. It is pending approval by Cabinet, for it to be published for public comment.
2. The National Public Health Institute of South Africa (NAPHISA) Bill makes provision for the establishment of the Institute for Non-Communicable Diseases and Violence and Injury. These institutes will be established when the Bill is promulgated.

END.