

Netcare to cut costs of anaesthetic gases

By <u>Gabi Khumalo</u> 18 Feb 2008

The Department of Health has welcomed the decision by Netcare to reduce its charges for anaesthetic gases according to the single exit price legislation.

Department spokesperson, Sibani Mngadi said compliance with single exit price legislation is a significant development in the efforts by the department to reduce the cost of accessing private healthcare in the country.

"The department will continue to discuss with Netcare to ensure that compliance with single exit price legislation benefits the patients by reducing the cost of this specific item," said Mngadi.

The over-charging of anaesthetic gases was one of the critical issues raised by Health Minister Manto Tshabalala-Msimang at a meeting with private hospitals last month.

In August 2007, the department learnt that private hospitals were not adhering to the medicine price regulations when billing for anaesthetic gases.

Minister Tshabalala-Msimang said the amount of anaesthetic gas administered to patients in theatre should be calculated in millilitres and private sector preferred billing for gas in minutes rather than in millilitres.

The minister then wrote to companies that ran private hospitals advising them that the per-minute rate approach was in contravention of medicine pricing regulations.

"Instead of complying with this request, private hospitals have responded by increasing their theatre rates to take account of the reduction in tariffs charged for anaesthetic gases," the minister said recently.

Last month some health MECs and 22 representatives from various private hospital groups sought to discuss concerns around the excessive increase in private hospitals tariffs for 2008.

"After being challenged by government to consider the issue of affordability by members of medical schemes, representatives of these groups have committed to reconsider the tariff increases," the minister said at the time.

Minister Tshabalala-Msimanga said the purpose of the meeting was to give the private hospital sector an opportunity to explain why the increases were necessary and to the possible extent, explain how they arrived at the increases.

She added that the hospital groups have promised to comply at the best increase tariffs to the current Consumer Price Index (CPIX) level, pending further discussions between the department and individual hospital groups.

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