

Public private partnership hospital opens

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Public Private Partnership Hospital opens its doors in Port Alfred

Port Alfred, Friday 20 February 2009 The long-awaited Port Alfred Public Private Partnership Hospital has finally opened its doors to the public today.

“Even though the hospital opened well ahead of schedule it was not a moment too soon for the local community that has waited so long for this happy day,” said the honourable Mrs Pemmy Majodina, MEC for Health of the Eastern Cape province during her opening address.

She added that the success of this Public Private Partnership model, which includes the building of the Port Alfred Hospital and the refurbishing of the Settlers Hospital, was a tribute to the power of participation and unity that serves the nation and its people so well. “I am both proud and delighted to open this hospital which is a beacon of hope to us all and an inspiration to the greater South African healthcare industry.”

“The Port Alfred and Settlers Public Private Partnership Hospitals will truly benefit their local communities - not only by providing much needed healthcare services, but also through the provision of jobs and business opportunities. The long-term development of the region has already been boosted substantially because of the purchasing of construction materials. The ongoing procurement of ‘soft services’, within these two facilities, which is expected to exceed R600 million over the operational period of the project, will ensure a continued benefit for the community for many years to come,” she said.

According to Mrs Majodina the most exciting part of the Port Alfred and Settlers Hospitals is the fact that both hospitals feature public and private facilities side by side. She went on to explain that the construction activities at the hospitals formed part of a close collaborative effort between the Eastern Cape Department of Health and a private consortium consisting of Nalithemba Hospitals (Pty) Ltd and Netcare Limited.

“It is a Public Private Partnership as part of which the private consortium will be responsible for managing both the public and private hospital facilities for 15 years after the construction has been completed,” she added.

Commenting on the opening of the Port Alfred Public Private hospital Professor Mike Magwa, Chairman of Nalithemba Hospitals said that two of the main objectives of the project were to enhance patient flow and service delivery at the hospital. “We wanted to ensure that the facilities are as user-friendly as possible and that it would be able to support modern healthcare services.”

He explained that the Port Alfred Hospital had to be rebuilt in its entirety as the hospital was originally situated in a low-lying area that frequently experienced flooding. “The new Port Alfred Public Private Hospital includes a new theatre block with an additional theatre, an extended radiology facility, improved access to the hospital as well as a new reception and waiting areas. State-of-the-art medical equipment was also installed at the hospital and the hospital includes a four-bed maternity ward and a 26-bed general ward. It will provide a full range of hospital services to private patients who, until now, had to travel to either East London or Port Elizabeth to avail themselves of private healthcare services,” said Prof Magwa.

During its pre-opening inspection the hospital drew high praise from representatives of both the Department of Health and the Board of Healthcare Funders.

Dr Richard Friedland, Chief Executive Officer (CEO) of Netcare Limited said that the hospital truly raised the bar in terms

of the provision of healthcare services in the surrounding areas. He said that the new hospital and the collaborative nature of the project had everyone within Netcare excited. “The hospital has already received widespread interest from medical specialists who would like to make use of its well-equipped facilities. Good news for the community of the greater Port Alfred area is that we have created 75 full time positions within the hospital while contracted, external service providers have created many more opportunities. As the demand for the hospital's services increase, so too will the number of jobs created.”

Friedland said that Netcare was a strong proponent of Public Private Partnership (PPP) models. He outlined how this particular project could assist the people of the Eastern Cape: “This project presents many advantages for the communities surrounding the hospital, the most obvious being improved access to enhanced medical treatment in their immediate area. It means that patients in need would not have to travel for specialist care to one of the larger city centres as they will have access to healthcare facilities closer to home.”

“PPPs endeavour to improve healthcare delivery beyond the bare minimum while leveraging the empowerment opportunities arising from the expenditure. Through this PPP empowerment in the Eastern Cape province will be boosted substantially. As much as 40% of the construction and 50% of the ongoing operational expenditure has and will continue going to black people and/or enterprises.”

He added that a minimum of 50% of the shareholding in the Consortium was held by local and black people and that this would continue being the case during the 15-year duration of the project. Black women comprise a percentage of the management of both the private party and their key subcontractors.

Friedland concluded: “In PPPs such as these, great emphasis is placed on skills transfer and embedding management and clinical policies that ensure the upkeep of the quality of care delivered. We believe that by being able to share our expertise with local government and the people of these communities, we will make a truly valuable contribution to the health and wellbeing of the Eastern Cape whilst helping to promote sustainable economic development.”

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