

# Minister meets NHLS to discuss new funding model

Health Minister Aaron Motsoaledi has held an urgent meeting with the board of the National Health Laboratory Services to ensure that services rendered by the lab continue.



(Image: Wikimedia Commons)

"There is no way that we will allow the NHLS to stop doing tests under any conditions, we will definitely resolve the issues. We met this morning because we no longer want debates about the billing system when there is a possibility of people suffering," said the minister at a briefing in Pretoria.

This comes after media reports that the NHLS was threatening to suspend its services to the Gauteng and KwaZulu-Natal Health Departments for owing R900m and R3bn, respectively.

Minister Motsoaledi said yesterday he wanted to avoid that possibility at all costs to ensure the gains that have been made in fighting HIV and Aids and TB were not reversed.

The NHLS provides screening for HIV and TB patients, diagnostic laboratory services, research and the production of sera for anti-snake venom. Divisions of the NHLS include the National Institute for Communicable Diseases, National Institute for Occupational Health, National Cancer Registry, and the SA Vaccine Producers.

The minister explained that the meeting had discussed changes to the NHLS funding structure following the announcement by Finance Minister Pravin Gordhan in his Budget Speech, in February, that there would be a new funding framework for the NHLS and associated research activities.

"The issues stem from the manner in which the NHLS functions. We are going to find a new financing model for NHLS," said Minister Motsoaledi.

Currently the National Treasury allocates money to the Department Health, which transfers funds to the provincial Treasuries, which in turn pays the NHLS. Then the NHLS bills the provincial Departments of Health for services rendered. Minister Motsoaledi said National Treasury should rather allocate a budget to the NHLS directly.

Under the current model, there was room for health departments and the NHLS to squabble over differences in billing. "The funding model will no longer depend on a squabble between the provinces and the NHLS."

He said there was a need to ensure that the same problems did not arise time and again\*.

"Today's meeting is about ensuring that these types of problems never occur again. The board has accepted that as minister, I can't allow the CEO to say that we are going to stop services - that cannot happen," said the minister.

The minister added that it would be dangerous for testing of TB patients to be stopped, as it would mean patients would go untreated. This would pose the risk of infecting others and experiencing drug-resistant TB, which is more expensive to treat in the end

Last week, the Gauteng Health Department paid the NHLS R77m and is due to pay R123m in the first week of April.

*\*According to the DA, other provinces complete their outstanding payments to the NHLS within an average of 68 days, with the Western Cape doing so in the shortest amount of time (46 days). However, payments from KwaZulu-Natal are delayed by more than 315 days, while Gauteng is close to 200 days late on payments.*

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