

Mediclinic focuses on NHI rollout costs

PRIVATE hospital group Mediclinic International will be keeping a close eye on the Department of Health's attempts to put a price tag on its National Health Insurance (NHI) pilot sites, group CEO Danie Meintjes said yesterday. After releasing the company's interim results for the six months to September 30, Meintjes said the big question had always been what it would cost to roll out the NHI. He said that if the 10 pilot sites gave an indication of what it would cost to roll out primary healthcare, it would give some indication of whether it would be possible to roll out other services). While the NHI pilot sites are focused on primary healthcare services, Mediclinic and its rivals hope the NHI scheme will ultimately provide opportunities to sell their services to the state, as private hospital group Netcare did in the UK. Mediclinic has operations in Southern Africa, Switzerland and the United Arab Emirates. Mediclinic reported a 45 percent rise in normalised headline earnings per share to 112c, up from 72c in the previous period. Including a once-off item of a R185m gain on foreign exchange forward contracts taken out ahead of the completion of its deal to refinance its Swiss debt, headline earnings per share increased 83 percent to 141.5c. Growth was driven by increased admissions of seriously ill patients who stayed in hospital for longer and required more expensive technology, and a weaker rand. Meintjes said it was encouraging to see volume growth in all three platforms, and a trend in admitting sicker and more complicated cases contributed to greater income per bed day. Revenue increased 12 percent to R11.7bn, while normalised earnings before interest, tax, depreciation and amortisation rose 14 percent to R2.49bn. Mediclinic is the largest private hospital group listed on the JSE, with a market capitalisation of R39.3bn. Rivals Life Healthcare and Netcare have a market capitalisation of R34.8bn and R25.9bn respectively. Jean Pierre Verster, an analyst at 36One, said Mediclinic had delivered a "solid" set of results, boosted by the "fortuitous effects" of a weak rand and forward contracts that worked in its favour. Mediclinic said it had increased its beds in Southern Africa from 7 378 to 7 408, and would add another 81 in the next six months. It planned to build a hospital in Centurion, and add 22 beds to a hospital in Howick. In Switzerland, 13 out of 14 of its Hirslanden hospitals had been accredited to provide services funded by their respective cantons. The other hospital continues to serve private patients. Its Dubai hospital reported a 17 percent increase in patient admissions.

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