

## Free State health department pays Gupta-linked Mediosa R25m Citizen 5 March 2018

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*Gosebo Mathope*

### **Though the department says it followed proper procurement procedures, the primary issue remains that public health services have been contracted to a private firm.**

It has emerged that the Free State department of health awarded a contract to the Gupta-linked Mediosa to roll out primary healthcare services in the Thabo Mofutsanya district at National Health Insurance (NHI) pilot sites.

The contract, signed in April 2016 and with a termination date of 31 March 2019, has seen the company so far paid R25 million for services rendered.

Free State health department spokesperson Mondli Mvambi told The Citizen proper procurement procedures were followed, and that the tender was advertised on the Tender Bulletin and Tender Portal with a closing date of 4 September 2015.

“We are satisfied that all procurement processes were followed to the letter and the spirit of the PFMA [Public Finance Management Act],” said Mvambi.

Mvambi was unable to give the total cost of the tender and indicated “the service is on a cost-per-patient after the service has been rendered”.

Pressed on the primary motivation for outsourcing the services, Mvambi said: “It is our well-considered view that this service would widen our scope of reach to patients in the NHI pilot site that are often reluctant to show and present early to enable us to implement a preventative health care service as opposed to a curative service that often sees patients presenting late with little prospects of saving their lives.”

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Last week, Health Minister Aaron Motsoaledi instructed the North West department of health to end a contract with Mediosa.

The portfolio committee on health in parliament will be calling the national and provincial departments of health to appear before it over the Mediosa payments.

Motsoaledi expressed disappointment that the provincial department had used a private company to provide services that were already meant to be provided at public health facilities.

Mediosa has two hi-tech mobile clinic units in North West and one in the Free State.

While the minister admitted that the clinics were state of the art, he characterised them as “an ATM card through which the Guptas are withdrawing money from the department of health”.

“We need to save each and every cent that we have. We don’t have any spare money to do what is being done here,” Motsoaledi was quoted as saying on Friday. “I would really ask that this

service be terminated. It is a service that we don't need. Whoever entered into this contract must find a way to terminate it."

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Meanwhile, The Citizen has also been reliably informed that Limpopo provincial health MEC Dr Phophi Ramathuba was put under immense pressure around November 2017 to ensure that her department awarded the Gupta-linked company a mobile clinic contract. It is believed she had to beef up security as the pressure put on her escalated.

Dr Motsoaledi told The Citizen this morning that Ramathuba had never indicated she was put under pressure or forced to sign any contract, but simply sent him a "link" via WhatsApp. He said the information was with regards to the Guptas "planning to set up a multibillion-dollar medical company in Dubai".

"She said the provincial health department was being asked to pay R1200 per patient with 200 000 clients and she said that, if they agreed, the contract would have been R240 million and the contract was to be signed in November 2017. She said: 'Dr Motsoaledi, I am rejecting it.' She said this was the company which had been lobbying for quite a while," Motsoaledi explained.

He said it was not out of the ordinary to have discussions with health MECs, and that the discussions were about primary healthcare even though the legislation does not require them to do so.

Limpopo health department spokesperson Thabiso Teffo told The Citizen Mediosa had made a presentation to the department but officials "felt there is no value for money" and that healthcare workers in the province were "coping".

"We did not see a reason for an external service provider; it is not the approach we wanted to use. We received a mobile car donation from Anglo American around the Mphahlele area. I wouldn't know if there was pressure on the MEC. We don't accede to pressure," he explained.

Motsoaledi said the biggest challenge with the health system is that the legislation gives him very little executive power when it comes to healthcare management in the provinces, and he would be asking for amendments.