

SA is taking strain – Netcare - Moneyweb 19 November 2019

The performance of Netcare's recently acquired mental health business shows just how much strain South Africans are under.

The first full year of integration with Akeso Clinics, the group of 12 dedicated mental healthcare facilities acquired by Netcare last year, saw the hospital provider's overall revenue climb 4.2% to R21.6 billion in the year to September 30.

CEO Dr Richard Friedland said it was a particularly difficult and challenging year, not only for the group but for the country as a whole.

"We are seeing a strong demand for mental health care at our Akeso clinics. We need to find a better way to deal with societal problems caused by ever-increasing stress levels as well as substance and alcohol abuse," he says.

CEO Dr Richard Friedland on NHI and digital medical records:

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As many as one in six South Africans suffer from anxiety, depression or substance-abuse problems (excluding conditions such as bipolar disorder and schizophrenia), according to statistics released by the South African Depression and Anxiety Group ([Sadag](#)).

Friedland says there is a rising problem when it comes to minors and substance abuse. "There is increased availability of designer drugs and increasing popularity of 'pre-parties' where these substances are readily available. This, together with substance abuse is leading to a generation that is struggling to cope and is an issue that society needs to tackle urgently," he says.

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Overall patient days increased by 3.7% with the inclusion of the Akeso clinics. Friedland noted that the growth of Akeso Clinics was very strong with patient days in the mental healthcare division alone increasing by 17.9%. A total of 57 mental health beds were added during the year, including Akeso George, which was refurbished and opened in March this year.

Drug use tied to mental disorders

Akeso Clinics went on record last year stating that drug consumption in South Africa is estimated to be twice the norm in the rest of the world, while 80% of male youth deaths are alcohol-related.

Marna Acker, an occupational therapist at Akeso Clinic Nelspruit, said at the time that cannabis and alcohol were the substances most likely to be abused. “Factors that play a role include the presence of another user in the household, family background, genetics, mental health issues, work stress, financial pressure and relationship problems.”

Tying the drug abuse issue to mental disorders, Acker went on to explain that several studies have linked marijuana use to increased risk for psychiatric disorders, including schizophrenia, depression, and anxiety.

“On top of all these possible outcomes, sustained cannabis use can also have a negative impact on interpersonal relationships, work performance and financial management,” she said.

Patient shareholders rewarded

Earlier this year, Steph Erasmus, healthcare and chemicals analyst at Avior, pointed out that of the three healthcare providers (Mediclinic, Netcare and Life Healthcare), the Netcare balance sheet looked (pardon the pun) the healthiest.

Netcare’s chief financial officer, Kevin Gibson, attributed the healthy balance sheet to tight management of the cost base and healthy gearing levels.

Erasmus noted that management’s guidance has been towards paying dividends where possible, and Netcare did not disappoint, paying out shareholders a whopping R2.36 billion. Shareholders received a special dividend of 40 cents a share, an interim dividend of 44 cents a share and a final dividend of 60 cents a share. There was also a share buyback scheme, which saw shareholders benefit to the tune of R450 million.

Digitisation programme rollout in 2020

One of the key initiatives announced this week is the rollout of a digitisation programme (CareOn) in 2020, which Friedland says is intended to ultimately digitise the entire network so patients can have lifelong records of their engagements with providers via a mobile patient digital electronic record.

The pilot phase launched in September this year at Netcare Milpark Hospital and will be conducted in three wards before being rolled out throughout the hospital in early 2020.

“Thereafter, the intention is to roll out CareOn to a further four hospitals in 2020 and to the remainder of the portfolio in 2021 and 2022,” he explains.

The CareOn solution includes full digital integration of medical equipment in wards and theatres, pathology laboratories, radiology and the blood bank, providing doctors with 24-hour access to full patient records from any location within or outside Netcare hospitals.