

Ngcobo to handle private health sector competition inquiry

The Competition Commission has recently announced that Former Chief Justice Sandile Ngcobo will chair a five-member panel leading the market inquiry into the private healthcare sector in South Africa.

According to a Money web report, this inquiry is the first of its kind, after amendments that came into effect on April 1 2013 were made to the Competition Act, granting the commission formal powers to conduct market inquiries.

For instance, it now has powers to summon people to testify or provide documents. The panel's mandate is to prove the likely causes of "price increases and expenditures that tend to be above inflation in the private healthcare sector". It believes that the inquiry will assist in understanding how it can promote competition in the healthcare sector. The deadline for completion of the inquiry is November 30 2015.

There is a large amount of public interest in this process and whilst the various stakeholders are to still meet to decide the process, it is possible that there may be a public consultation process.

Interesting enough, it is reported that Netcare had applied for an interdict against KPMG earlier this month to prevent it from performing any work for the commission. The hospital group is concerned that there is a conflict of interest, since the professional services firm has done strategic and consulting work for it since 2011.

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