



**GAUTENG PROVINCE**  
HEALTH  
REPUBLIC OF SOUTH AFRICA

## **MEDIA STATEMENT**

**TO: All Media**

**ATT: News Editors, Health Reporters**

**For immediate release: Revised Statement**

**Monday, 14 September 2020**

### **ACTING HEALTH MEC JACOB MAMABOLO WELCOMES IMPROVED REVENUE COLLECTION AS DEPARTMENT COLLECTS OVER R523 MILLION FROM RAF CLAIMS**

The Gauteng Acting MEC for Health, Jacob Mamabolo has expressed satisfaction at the strides made by the Gauteng Department of Health (GDoH) in the past three years when it comes to the supplier medical claims recoveries from the Road Accident Fund (RAF).

The department has been experiencing an upward trajectory with regards to the collection of revenue, which resulted in a total collection of over R523 million from RAF claims for the period under review.

MEC Mamabolo reflected on the progress made in this regard during a recent meeting with the management of the Batsumi Claims Management Solutions, the service provider appointed to assist the GDoH with administering, processing and recovering claims from road accidents in respect of medical supplier claims.

Due to the complex nature of the claims process, which requires legal skills and investigative capacity and at times the claim process extending over multiple financial

years, the Department has been working with Batsumi who have extensive capacity and expertise in this area.

“The process to collect from RAF is quite involved. It requires visiting and analysing the accident scene, compiling official accident reports, statements from witnesses in case of a multiple accidents, amongst others. The Department has no inhouse skills to do such work,” states MEC Mamabolo adding that it also makes business sense to outsource this service given the risks involved.

After the department has treated a road accident patient it has to submit a claim to RAF to recuperate costs incurred. The collection service is based on risk and it is commission based. The GDoH only pays the service provider on an agreed commission rate which is only paid once the recoveries have been received by the GDOH and from what the company has been able to claim from RAF after meeting their stringent claims criteria.

Batsumi which was represented by their CEO Mr Nkululeko Madungandaba who took the opportunity to update the Acting MEC on the work they have been doing for the Department.

MEC Mamabolo welcomed and appreciated the fact that in the course of engagements the Department and Batsumi were able to verify and reach consensus on the information relating to the amounts collected and commission paid to the service provider and the company’s performance in the last three financial years which led to increased revenue collection. He furthermore encouraged the two organisations to enhance their information sharing and improve their operational relations so that more revenue can be generated for the Department.

From the R523 million from RAF claims of the past three financial years Batsumi was paid 18% commission when accrual payments are excluded.

The breakdown of the revenue collected, and payment made including accruals is as follows:

	<b>2017/2018 Fin Year</b>	<b>2018/2019 Fin Year</b>	<b>2019/2020 Fin Year</b>	<b>Total</b>
<b>Revenue Generated</b>	R152 611 505.26	R222 168 315.54	R149 158 411.40	<b>R523 938 232.20</b>
<b>Batsumi payment</b>	R38, 247, 316.94	R74, 444, 886.75	R33, 205, 359.92	<b>R145 897 564.61</b>

MEC Mamabolo pointed out that given the fact that Gauteng is South Africa's economic hub and its boast some of the largest road network in the continent, there is a high volume of cars on our roads traveling within the country and into other parts of the continent. This results in road accidents in which people require medical attention through the province's healthcare system.

"Our ability to successfully lodge medical supplier claims has a bearing on whether we are able to sustain our services to people that fall victim to road accidents, hence it is important that attention is paid to area of work," points out MEC Mamabolo.

**Ends/**

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