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Oxygen supplier Afrox threatens to cut off government hospitals

● Provincial health department owes Afrox more than R6m

Mpumzi Zuzile and Mkhusele Sizani

One of the largest providers of medical oxygen to the Eastern Cape has threatened to stop its supply to government hospitals and health facilities in the province next week because of unpaid bills.

Africa Oxygen (Afrox) has threatened to halt deliveries to its facilities if the provincial department does not pay more than R6m — the value of invoices more than a year old.

According to the World Health Organisation, oxygen is an essential treatment for respiratory illnesses such as Covid-19 and pneumonia.

It is also essential for surgery and trauma. Vulnerable groups like the elderly, pregnant women and newborn babies need regular oxygen.

Provincial health spokesperson Yonela Dekeda acknowledged that health has a debt of R6m to Afrox.

"Arrangements are made as required with our creditors — the department has already processed a R4-million payment in May as means to reduce the outstanding amounts," she said.

Dekeda said the department had another service provider for oxygen should Afrox stick to its guns, but did not want to name the company.

"The department continues to engage Afrox and hopes to reach amicable terms to settle older invoices related to the equitable share."

The Democratic Nurses Association of SA (Denosa) said it was being kept in the dark.

"We only hear about them in the media, but if the department stops paying, patients will blame us," Denosa provincial secretary Velile Sinqana said.

"We hope the MEC will engage with the suppliers and resolve this."

Afrox spokesperson Nolundi Rawana confirmed that letters of notice had been issued to the provincial health department and individual medical facilities requesting accounts be brought up to date as per contractual terms, which is 30 days from statements.

"Failure to meet contract terms will result in a stopped supply, which could begin as soon as next week."

This week, the Daily Dispatch reported that the health department owed a number of service providers as well as its sister departments, transport, justice and public works and infrastructure.

Reliable sources in the health department painted a bleak picture of how the department's budget for these essential services is depleted halfway through the financial year.

"The situation is so bad that Aspen, Afrox and other major suppliers are refusing to deliver medicine until a portion of their invoices have been paid," one source said.

"We have been sitting with the problem of accrual and payables [unpaid invoices] for the past eight to 10 years and we don't see a solution," the source said.

Three doctors — at Cecilia Makiwane Hospital in Mdantsane, Mthatha General Hospital in Mthatha and Livingstone Hospital in Gqeberha — all confirmed they are shelving minor operations to concentrate only on major operations due to shortages of anaesthetics.

Written responses by health MEC Nomakhosazana Meth to the DA in the provincial legislature, dated June 8, show that



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the department owes pharmaceutical companies, suppliers of medical implants and medical equipment, suppliers of oxygen and other anaesthetic gases, sister departments and other categories of creditors, more than R3bn.

The department owes pharmaceutical medicine suppliers more than R985m, and security companies guarding all health facilities are owed more than R102.6m.

Eastern Cape health also owes the national and provincial departments of justice, transport and public works a combined total exceeding R1bn.

Last month, Meth told the Eastern Cape legislature that her department was working tirelessly to ensure that all supplier accounts were settled, starting with those that were recorded as part of the accruals at the end of March.

She said stock levels would be maintained, and further improved stock levels attained by the end of last month.

"The national economic situation and budget constraints of the department also have an impact on our ability to ensure that all medicines are available at all material times."

She said the provincial health department would continue to prioritise the availability of medicines for chronic conditions, including vaccines, for the expanded programme for immunisation, HIV, TB and

other communicable diseases.

Meth told the legislature that the main factors that led to the stock out of certain line items in depots and some facilities were the delayed payment of suppliers due to the impact of accruals and payables and the impact of Nehawu's strike on depot functionality in March.

In addition, she said, several buildings in Gqeberha had undergone maintenance, including the supply depot, which had been closed for the duration.

National Health Laboratories Services (NHLS) spokesperson Mzi Ngcukumana said that the department had been servicing this debt.

"The debt is mainly historic and dates back to previous financial years, but it also includes debt from invoices that have been settled in the current financial year," he said.

Staff at a government clinic in Buffalo City said they had run out of chronic medication for hypertension and mental health disorders.

Dekeda acknowledged medicine supply challenges and said the department fully appreciated the challenges facing medicine supplies earlier in the year.

"The head office, pharmaceutical depots and facility pharmacy personnel have been working hard to address the challenges of medicine availability in the province"

"The department's depots responsible for distributing medication to facilities were also severely affected by the disruptions caused by the strike action, not only certain facilities," she said.

In March, Nehawu went on a two-week strike, which crippled government departments' operations.

