health

Department:
Health
REPUBLIC OF SOUTH AFRICA

Reference No:	
Enquiries:	Ms K Jamaloodien
Office No:	D109A
Extension:	8530
Date:	15 April 2025

THE DIRECTOR-GENERAL

SUBJECT: REQUEST FOR DEVIATION FROM THE SUPPLY CHAIN PROCESSES THROUGH THE SINGLE SOURCE SELECTION FOR THE ONGOING TECHNICAL SUPPORT FOR THE UPDATING OF THE NATIONAL STANDARD TREATMENT GUIDELINES AND ESSENTIAL MEDICINES LIST AS WELL AS STRENGTHENING OF HEALTH TECHNOLOGY ASSESSMENT PROCESSES IN SUPPORT OF NATIONAL HEALTH INSURANCE, FOR THE PERIOD ENDING 31 MARCH 2026

PURPOSE

1. To request the Director-General of Health to grant the Chief Directorate: Sector Wide Procurement (SWP) approval to deviate from procurement processes through the single source selection for the ongoing technical support for the updating of the National Standard Treatment Guidelines (STGs) and Essential Medicines List (EML), as well as strengthening of Health Technology Assessment (HTA) processes in support of National Health Insurance, for the period ending 31 March 2026.

SUMMARY

2. In South Africa, the National STGs and EML are continuously updated by the ministerially appointed National Essential Medicines List Committee (NEMLC) and supporting Expert Review Committees (ERCs). This work is currently supported by only two Pharmaceutical Policy Specialists in the Essential Drugs Programme (EDP) of the Affordable Medicines Directorate (AMD), National Health Insurance Branch. In addition, the EDP is supporting the work related to strengthening of HTA processes in support of NHI.

3. Given the volume and complexity of the technical work related to both the updating of the STGs and EMLs and strengthening of HTA processes in South Africa, additional technical support was provided through the United States Agency for International Development/United States Presidency Emergency Plan for AIDS Relief (USAID/PEPFAR) appointed support partner. There was, however, an abrupt termination of the services provided by the support partner in February 2025.

4. It is recommended that the Director-General of Health grants the Chief Directorate: Sector Wide Procurement, approval to deviate from standard procurement processes through the single source selection for the ongoing technical support for the updating of the National STGs and EML, as well as strengthening of HTA processes for the period ending 31 March 2026.

5. This is an urgent, medium-term intervention aimed at supporting improved access to essential medicines, the availability of the most up-to-date clinical guidance and building the foundation for the formalisation of HTA processes in South Africa, until the longer-term intervention for clinical guidelines and health products is implemented through NHI.

STRATEGIC FOCUS OF THE SUBMISSION (APP AND STRATEGIC PLAN)

6. Promote the rational selection and use of medicines and related items to be used in South Africa and to ensure the availability of quality medicines. To promote HTA by providing an accountable mechanism to support decision-making relating to the funding, cost and use of health interventions, technologies and services in South Africa funded under NHI.

DISCUSSION

7. The EDP was established under the National Drug Policy (1996) to ensure that affordable, good quality essential medicines are always available, in adequate amounts, in appropriate dosage forms, and to all South African citizens. Healthcare demands are continually growing in the resource-limited environment in which the South African public health sector operates.

8. The EML is the approved list of medicines that are defined as satisfying the priority health care needs of the population and are selected with due regard to disease prevalence and public health relevance, evidence of clinical efficacy and safety, and comparative costs and cost-effectiveness. The STGs serve as the implementation mechanism of the EML, offering guidance to healthcare professionals on the use of listed medicines. These clinical guidelines include a collection of disorders linked to medicines, background information, treatment regimens, and other relevant details, structured by level of care.

9. In South Africa, the National STGs and EML are continuously updated by the ministerially appointed NEMLC and the ERCs. This work which is currently supported by only two Pharmaceutical Policy Specialists in the EDP. The EDP is supporting the work related to strengthening of HTA processes in support of NHI. This includes the development of the draft HTA Strategic Plan, HTA Methods Guide and establishment of the Ministerial Advisory Committee on HTA.

10. Given the volume and complexity of the technical work related to both the updating of the STGs and EMLs and strengthening of HTA processes in South Africa, additional technical support was provided through a USAID/PEPFAR appointed support partner. There was however an abrupt termination of the services provided by the support partner in February 2025.

11. With the HTA framework now in place, the EDP intends to implement it by establishing HTA capacity and enabling the evolution of the existing medicine selection structures to the standardised use of HTA processes across all health technologies associated with healthcare benefits. This is a strategic priority for the National Department of Health (NDoH), as the country moves toward NHI following the signing of the NHI Act (Act No. 20 of 2023).

12. The NDoH requires individuals with specific skills and expertise to strengthen the EDP and NEMLC processes, as well as build systems for HTA. These individuals provide secretariat and technical support to the ministerially appointed NEMLC and ERCs through the EDP as the Committee evolves the current review process for the STGs and EML. Support is also needed for the establishment of interim processes to support HTA, as well as strategic and policy development support to evolve the current NEMLC structures under NHI and implement HTA strategy.

13. Additionally, these professionals must have knowledge of the EDP and NEMLC review processes in order to be familiar with the complexities involved and have existing knowledge to continue uninterrupted support to the EDP.

14. The STGs and EML, and the evolving HTA methodology, are the solid foundation on which HTA strategy is being implemented and the future position of HTA within the context of NHI is being considered. It is important to ensure a continued review of essential medicines on the EML, maintaining the robust process, whilst in parallel building a resilient HTA unit.

15. As South Africa moves towards strategic purchasing under NHI, the need for a reliable and trusted process for evaluating all components of the health system will grow. The HTA model is expected to evolve iteratively, piloting health technology evaluations on priority interventions. This will lead to a fundamental embedded and compulsory component of the evaluation and adoption of all new health technologies nationally.

16. This is an urgent, medium-term intervention aimed at supporting improved access to essential medicines, the availability of the most up-to-date clinical guidance and building the foundation for the formalisation of HTA processes in South Africa, until the longer-term intervention for clinical guidelines and health products is implemented through NHI.

Confirmation of Resource and Skills Gap

17. To minimise risks and ensure immediate continuation of services, a team of consultants with the following skills is required:
    - In depth knowledge of the EDP and NEMLC processes, with broader a understanding of the wider healthcare ecosystem under NHI;
    - Experience in developing strategies and policies to inform the development and maintenance of the STGs and EML, as well as HTA;
    - Technical expertise in evidence-based medicine; and
    - Business analysis expertise to understand the needs of the NDoH.

18. A summary of the key responsibilities of the consultants will be to:
    - Support the updating of the nationals STGs and EMLs for all levels of care during the next review phase of the NEMLC and ERC including supporting the Committees, development of technical documents (medicines reviews, NEMLC reports, costing analyses);
    - Support the development and updating of policies and guidelines to strengthen HTA in the review of medicines and other health technologies;
    - Support the establishment, functioning and governance of the Ministerial Advisory Committee on HTA; and
    - Supporting HTA stakeholder engagement, including involvement in the planned HTA symposium.

19. Consultants will be required to apply ethical and professional standards and maintain confidentiality and conflict of interest as guided by the approved NDoH policies.

20. Given the need to promptly recommence the next review phase of the STGs and EML, as well as proceed with the work related to HTA as outlined in the NHI Act, the following consultants are recommended for appointments because the services they will provide represent a natural continuation of previous work carried out by the consultants through the USAID/PEPFAR-appointed support partner to whom they were contracted (all have provided support in this technical area of work for more than 5 years):
    - Ms Amanda Brewer;
    - Ms Kim McQuilkan; and
    - Dr Millidashni Reddy.

21. Single source procurement is required, as contracting for these services with different service providers poses a risk to the health system for the following reasons:
    - The consultants have firmly established knowledge of the EDP and NEMLC processes, as well as the broader NDoH and NHI ecosystem. Contracting these consultants will allow for continuity in existing service provision. In addition, this will allow a seamless evolution of the NEMLC processes and transition for the expansion of HTA processes to other health technologies.

- Contracting the consultants will be a continuation of previous work done and enhance the reliability of services due to the exceptional ability of the consultants, as well as long-term track record of providing good quality, timeous services.
- Onboarding new consultants unfamiliar with EDP and NEMLC processes would negate prior investments and demand excessive time from EDP members.

22. Hence, it is recommended that the Director-General of Health grants approval to deviate from procurement processes.

RELEVANCE TO THE NATIONAL DEVELOPMENT PLAN

23. The vision for HTA in South Africa is anchored in the ideals of Universal Health Coverage. The measure of whether HTA is successful or not is the extent to which it contributes to healthcare outcomes.

CORPORATE SERVICES IMPLICATIONS

24. Not applicable.

MR PP MAMOGALE
ACTING HEAD: CORPORATE SERVICES
DATE: 22/04/2025

FINANCIAL AND SUPPLY CHAIN MANAGEMENT IMPLICATIONS

25. In terms of section 15.1.2 of the Supply Chain Policy of 31 March 2021, "Single-source selection may be appropriate only if it presents a clear advantage over competition (i) for services that represent a natural continuation of previous work carried out by the consultant, and continuity of downstream work is considered essential."

26. The consultants recommended for appointment previously provided the required service through the USAID/PEPFAR-appointed support partner. Their appointments will provide a natural continuation of previous work carried out.

27. Based on the Guide on Hourly Rates for Consultants published by the Department of Public Service and Administration in 2003 (refer to Annexure A), the consultants should be paid an hourly rate as Model B long Term, option B2.2 Partial overheads, no markup and at level 11 (refer to Annexures A and B).

28. In terms of the Category of Fee Earning Staff (Section 3 of the DPSA's Guide) these consultants have been identified as Professional/Technical staff, and the appropriate salary band would be Level 11.

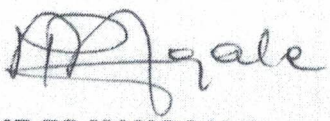
29. The financial implications are as follows:
    Three consultants, working eight hours per day for 22 days per month with an hour rate of R 735:
    Per consultant: 8 hours x 22 days x R735 = R129 360
    Total per month: R 388 080
    Total for 11 months: R4 268 880.00

30. Please find included in the submission:
    - Annexure A: Guide for Consultants published by the Department of Public Service and Administration in 2003.
    - Annexure B: Hourly Rates for Consultants – with effect from 1 July 2020 (latest available).
    - Annexure C: Curriculum Vitaes – Ms A Brewer ; Ms K McQuilkan ; Dr M Reddy.
    - Annexure D: HTA Budget Confirmation, BAS report April 2025.

31. Budget is available from the HTA budget as follows (refer to Annexure D):

Fund: HEALTH TECHNOLOGY ASSESSMENT
Objective: HEALTH TECHNOLOGY ASSESS
Responsibility: HEALTH FINANCING & NHI

Original Budget	**Available Budget**
R14 000 000.00	R14 000 000.00
Expected Expenditure for the period ending 31 March 2026	
HTA Technical Support Consultants x 3	R4 268 880.00



MR PP MAMOGALE
CHIEF FINANCIAL OFFICER
DATE: 22/04/2025

RECOMMENDATION

32. It is recommended that the Director-General of Health grants the Chief Directorate: Sector Wide Procurement, approval to deviate from procurement processes through the single source selection for the ongoing technical support for the updating of the National STGs and EML, as well as strengthening of HTA processes in support of NHI, for the period ending 31 March 2026.

CHIEF DIRECTOR: SECTOR WIDE PROCUREMENT **MS K JAMALOODIEN** K Jamaloodien **DATE:** 15/4/2025 **Recommended/~~Not recommended~~**	**DEPUTY DIRECTOR-GENERAL: PROF N CRISP** **BRANCH: NATIONAL HEALTH INSURANCE** Nicholas Crisp **DATE:** 15/04/2025 **Recommended/~~Not recommended~~**
DIRECTOR-GENERAL: HEALTH **DR SSS BUTHELEZI** **DATE:** 22/04/2025 **Approved/~~Not approved/amended~~**	