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High Level Panel –Health

Presentation to the Portfolio on Health
6 November 2018

Health Status of the population

- The health status of South Africans is rapidly improving, exceeding the targets set for 2014 by 2012.
- Life expectancy at birth has increased and exceeded the 2014 targets by 2012.
- Overall adult mortality has decreased much faster than the 2014 target, surpassing it by 2012.
- Under-five mortality, infant and neonatal mortality decreased by 10%.
- These dramatic changes are the result of the government's programmatic efforts that led to widespread availability of free antiretroviral therapy, free prevention of HIV transmission from mother-to-child programmes and free immunisation against pneumococcal pneumonia and rotaviral diarrhoea in infants.

Legislative issues relating to the cost and affordability of health care services

Constitutionally entrenched health rights

- Section 27: 'everyone has the right to have access to health care services, including reproductive health care'.
- …'the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights',
- …'no one may be refused emergency medical treatment'.
- Section 28: every child has the right to basic health care services

This form

Inequitable access to health care

- Use of health services is lowest among the poorest, despite the need. Utilisation of specialist referral services is particularly inequitable.
- The lowest socioeconomic groups and poorest provinces have the worst access to care.
- Challenges related to transport costs, out-of-pocket payments and the affordability of medical scheme contributions
- Staff morale and attitudes are of concern
- 16% of South Africans have medical aid

National Health Insurance

- Some submissions, particularly from COSATU, were made at public hearings to the effect that government needed to implement NHI as a matter of urgency, with those calling for this insisting that this was necessary to ensure that there were adequate resources available for the delivery of services to the poor.
- On the other hand, written submissions from FirstRand, Econex, the South African Institute of Race Relations and MediClinic, and comments in the public workshops from professionals in the private health care industry highlighted the significant risks and funding challenges inherent in the implementation of an NHI model set out in the White Paper

Consensus that NHI should seek to achieve the following principles

1. **Right to access health care:** NHI will ensure access to health care as enshrined in the Bill of Rights, Section 27 of the Constitution.
2. **Social solidarity:** NHI will provide financial risk pooling to enable cross-subsidisation between young and old, rich and poor, as well as the healthy and the sick.
3. **Equity:** NHI will ensure a fair and just health care system for all.
4. **Health care as a public good**: Health care shall not be treated as any other commodity of trade but as a social investment.
5. **Affordability**: Health services will be procured at reasonable cost
6. **Efficiency:** Health care resources will be allocated and utilised in a manner that optimises value for money
7. **Effectiveness:** The health care interventions covered under NHI will result in desired and expected outcomes in everyday settings
8. **Appropriateness:** Health care services will be delivered at appropriate levels of care through innovative service delivery models and will be tailored to local needs

2.16 Recommendation

- Parliament should express its support for the introduction of a system of universal health care coverage underpinned by the principles articulated in this chapter, which are abbreviated here for reference: access to health care as a right, social solidarity, equity, health care as a public good and social investment, affordability, efficiency, effectiveness and appropriate levels of care.

Need for national patient information system in the public and private sectors

- To monitor equitable service provision, there should be a national patient information system to track patients as they receive services across the country. The system should include items that will help to monitor service provision for different groups: race, sex, age, belonging to a medical scheme and/or insurance, locality type, public or private facility, and socioeconomic status.
- Data from the public and private sectors should be collected

Community health workers

- To improve PHC service delivery, institutionalise the Ward-based Outreach Teams (WBOTs; i.e. community health workers)
- Agree on the status of community health workers because international evidence demonstrates that they make considerable contributions to improved health outcomes.
- Community health workers are also key providers of preventive and promotive health services.
- The long-term sustainability of a universal health system is closely linked to the effectiveness of preventive and promotive interventions, particularly in relation to the growing burden of morbidity related to non-communicable diseases.

Recommendation 2.17

- The Panel recommends that Parliament introduces legislation to allow for community health workers to be formally employed within the public health system and be based at all PHC care levels.

Recommendation 2.18

To ensure that data is publicly available for the purpose of serving patients and planning, monitoring and evaluating services, the Panel recommends that Parliament should introduce legislation that would create integrated and comprehensive data on resources and services in the public and private health sector that is routinely updated and is publicly available. Confidential data that involves identifiers will not be publicly available

Recommendations

- Issue: Submissions made by medical aid schemes identified a number of factors which they believed raised the cost of medical insurance: the requirement that each medical aid retain 25% of annual expenditure in reserves
- The solvency requirements of medical schemes should be re-evaluated to establish whether risks can be more efficiently managed, capital utilised and fees to the consumer reduced.

Recommendations for reforming the health care system to improve quality

- Focus on building the institutional and management infrastructure and skill levels of the public health sector.
- Centralise allocation of health care resources, investigated.
- Establish public agencies outside of the Department of Health for strategic purchasing, quality assurance and other functions.
- Build more health care infrastructure such as hospitals and clinics.
- Allow and encourage the private sector to train and employ doctors and nurses within strict guidelines to alleviate the acute shortages.

Conclusion

- Although there is some improvement in reducing the triple challenge, apartheid legacy remains.
- Poverty has increased, inequality persists, wealth inequality is wider than income inequality
- The recommendations to reduce poverty focus on creating jobs.
- To create jobs requires growing the economy through manufacturing, agricultural development, tourism and supporting informal traders.
- Furthermore, to grow the economy requires improvement in the health and education of the population

Equitable access to quality health care

- Substantial differences in utilisation of health services across socioeconomic groups and geographic areas- lowest among the poor
- There are substantial inequalities in the availability of health services across socioeconomic groups and geographic areas…facilities, human resources, the essential medicines. The lowest socioeconomic groups and poorest provinces have the worst access in the availability dimension.
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Recommendation 2.19

- Build the institutional and management infrastructure and skill levels of the public health sector... decentralise management authority to individual public sector hospitals and health district or sub-district level for PHC services.
- Centralised allocation of healthcare resources.
- Establish outside the DoH public agencies for strategic purchasing, quality assurance and other functions.
- Build more healthcare infrastructure such as hospitals and clinics.

Current status on Medical Schemes

- Any person, regardless of employment status, can join open medical schemes and they are required to accept them.
- An employed person, whose employer does not have a designated medical scheme for employees, can join an open scheme of choice.
- An employed person can become a member of a scheme as part of his/her contract.
- It is common practice in the industry for the employment agreement for employees to offer a panel of schemes to choose from.
- In the employer/employee agreement, employees are entitled to negotiate whether cover should be mandatory or voluntary. Some agreements allow for voluntary membership while others are mandatory.

Should membership of medical schemes be voluntary or mandatory?

- Recommendation A: Medical schemes should be mandatory for the employed
  - the employed are compelled to pay for themselves and subsidise the poor while the proposed NHI Fund can focus on the poor. This is consistent with the proposed implementation framework that focuses on vulnerable groups (women, children, the elderly and disabled). This will speed up the achievement of UHC for all.

Recommendation for voluntary membership of medical schemes

- Evidence suggest that mandatory insurance for the employed leads to inequality between the employed and the unemployed and also within the employed population.
- The clear lesson for South Africa (and indeed other low- and middle-income countries with relatively low formal employment levels and growth rates) is that membership of health insurance for formal sector employees should not be made mandatory, unless South Africans as a whole are satisfied with ongoing disparities in access to quality health care. It is also important to note in this regard that a key element of the current emphasis on UHC is that the emphasis should be on creating a universal entitlement to financial protection and access to quality health services rather than an entitlement linked to employment status.

Recommendation 2.20

- The Panel recommends that Parliament sets up an independent task team of all relevant players in the public and private sectors to evaluate whether there should be legislation passed regarding voluntary or mandatory membership of medical schemes, for the implementation of the NHI to ensure that high-quality, affordable health care is delivered to all South Africans, regardless of race, income level or geography.

Maldistribution of health care professionals

- There is a large pool of health professionals in the private sector who could be drawn on to promote equitable access to quality health care. The greatest challenge in realising this potential is the distribution of private health professionals, many of whom are based in urban areas, particularly metropolitan areas.

Maldistribution of Community Pharmacies

- There are also major differences in the distribution of community pharmacies within provinces; most of them are in urban areas and less so in rural areas.
- The density of these pharmacies was eight times higher in the least deprived districts than in the most deprived ones.
- The disparities in the distribution of these pharmacies make it difficult to draw on private sector health professional resources to improve access in areas that are most underserved currently.

Recommendation 2.21

- Parliament should enact legislation that
- requires that the National Health Act regulations are developed and promulgated in order to introduce a certificate of need for newly certified professionals to ensure that underserved populations access quality health care, particularly medical specialists.
- regulates the licences for pharmacies to ensure that new ones are located where the need is. This can be achieved by amending the Medicines and Related Substances Control Act and the Pharmacy Act.