

# **Policy Assessment and Recommendations Report of the Select Committee on Health and Social Services on Budget Vote 18: Health, Annual Performance Plan of the Department of Health, Dated, 16 May 2023**

The Select Committee on Health and Social Services (henceforth, the Committee), having considered and deliberated on Budget Vote 18: Health, together with the 2023/24 Annual Performance Plan (APP) of the Department of Health (henceforth, the Department) on 02 May 2023, reports as follows:

## **1. INTRODUCTION**

Section 5(2) of the Constitution of South Africa and Section 27(4) of the Public Finance Management Act (No.1 of 1999) set out the role of Parliamentary committees in overseeing the performance of government departments and entities. As part of conducting Parliamentary oversight, Committees have the constitutional mandate to scrutinise the budgets of the Executive. In this regard, the Committee considered the APP and budget allocation of the Department of Health.

This report summarises the presentation received from the Department of Health focusing on the 2023/24 Annual Performance Plans and, as well as allocations over the medium-term expenditure framework (MTEF) period. This report details the deliberations, observations and recommendations made by the Committee relating to Budget Vote 18.

## **2. STRATEGIC PRIORITIES**

### **2.1 Vision, Mission and Mandate**

The Department envisions a “long and healthy life for all South Africans”. The Department aims to realise its vision through the prevention of illness, disease and the promotion of healthy lifestyles. In addition, it aims to consistently improve the health care delivery system by focusing on access, equity, efficiency, quality and sustainability.

### **2.2 Policy Priorities**

The policy priorities of the Department are aligned with the Constitution of the Republic of South Africa (1996). The Constitution gives effect to the right of everyone to have access to equality (Section 9) and health care services (Section 27) including children (Section 28). In addition, Schedule 4 of the Constitution reflects health services as a concurrent national and provincial legislative competence.

The Department’s Strategic Plan and APP are derived from the National Development Plan (NDP): Vision 2030, United Nations Sustainable Development Goals (SDGs) and the mandate from the 2019-2024 Medium Term Strategic Framework (MTSF).

The NDP identifies demographics, burden of disease, health systems and the social and environmental determinants of health as the key areas for intervention required to improve the health system in the country. Nine goals for health have been identified in the NDP, namely:

- Average male and female life expectancy at birth increased to 70 years;
- Tuberculosis (TB) prevention and cure progressively improved;
- Maternal, infant and child mortality reduced;
- Significantly reduced prevalence of non-communicable chronic diseases;
- Injury, accidents and violence reduced by 50% from 2010 levels;
- Health system reforms completed;
- Primary Health Care (PHC) teams deployed to provide care to families and communities;
- Universal health coverage achieved; and
- Health posts filled with skilled, committed and competent individuals.

The planned National Health Commission is aimed at preventing and reducing the burden of communicable diseases. The Department envisages a number of health system reforms, including improved health facility planning, Health Management Information System, and quality of care.

In addition to the NDP, the health sector is also guided by the health sector Ten Point Plan and the United Nations (UN) Sustainable Development Goals 2030 (SDGs). The Department's Strategic Plan consists of two impact statements derived from the 2019-2024 MTSF, which are linked to 18 outcomes. Figure 1 shows the 2019-2024 MTSF Priority related to the Department's five-year strategic goals.

**Figure 1: MTSF Priority 3 (Education, Skills and Health) impact statements**

MTSF Priority 3 (Education, Skills and Health) - Impact Statements	
A. Life expectancy of South Africans improved to 66.6 years by 2024 and 70 years by 2030.	B. Progressively achieved universal health coverage for all South Africans. All citizens protected from the catastrophic financial impact of seeking health care.

The key policy priorities of the Department include the following:

- **National Strategic Plan (NSP) for HIV, TB and STIs (2023 – 2028):** The fifth generation of the NSP was launched in 2023. This NSP will ramp up efforts to reach the 95-95-95 goal. This includes all provinces scaling up paediatric HIV treatment that is more effective and easier for care-givers to administer. TB remains the leading cause of death in the country. More focused measures will be implemented to tackle both TB and HIV in order to transition to the 95-95-95 targets set for both TB and HIV.
- **Reduce Non-Communicable Diseases (NCDs):** The 2022–2027 NSP for the Prevention and Control of NCDs will be implemented to reduce the rapid growth in NCDs including, amongst others, cancer, diabetes, and mental health. Changing behaviour, raising awareness of status regarding hypertension, diabetes and cholesterol, as well as preventing complications that result in disabilities, are key priorities. The Department is also prioritising a multi-sectoral approach to the communities' reproductive needs, with a focus on younger women.
- **Facilitate the implementation of the National Health Insurance (NHI) service.** The Department will continue to prepare for the implementation of the proposed NHI. The Department is still in the process of developing and implementing the Electronic Health Record (EHR) that will collate all the patient's health data and information into one digital record, providing complete and up-to-date information at the point of care.
- **Improvement of health system infrastructure:** The Department will continue to implement the 10-year National Health Infrastructure Plan, which includes maintenance and refurbishment of health facilities.

### 3. BUDGET ANALYSIS FOR 2023/24

#### 3.1 Consolidated Health Budget 2023/24

The public health budget spans across the national department, its entities and the provincial Departments of Health. The consolidated budget for 2023/24 totals R259.2 billion, down from R259.4 billion in the previous financial year. Table 1 provides a breakdown of the 2023/24 budget, by functional and economical classification.

**Table 1: Consolidated spending by functional and economic classification, 2023/24**

	Compensation of Employees	Goods and Services	Capital spending and transfers	Current transfers and subsidies	Interest Payments	Total

R billion	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
<b>Consolidated Health</b>	163.6	63.1	76.1	29.4	13.3	5.1	6.2	2.4	0.0	0.0	259.2
<b>Total Expenditure</b>	701.2	31.3	305.2	13.6	192.8	8.6	685.0	30.5	349.5	14.4	2 242.6

Table 1 shows the following:

- A significant segment of the consolidated health expenditure, 63.1%, is dedicated to *compensation of employees (COE)*, which totals R163.6 billion, up from R159.6 billion.
- Consolidated health expenditure on *goods and services* totals R76.1 billion, down from R78.9 billion, which constitutes 29.4% of overall health expenditure.
- Consolidated health expenditure also makes provision for R13.3 billion (5.1%) allocated to *capital spending and transfers*, and R 6.2 billion (down from R6.4 billion in the previous year) for *current transfers and subsidies* (2.4%).
- There is no allocation for *interest payments*. However, given that Provinces are known to run high levels of accruals, this is likely not accurate - suppliers are probably charging interest for late payment.

### 3.2 Financial Assessment of the Department's Budget (2023/24)

As shows in Table 2, the Department receives R60.1 billion, down from R64.6 billion in 2022/23. This represents a decrease of 6.9% in nominal terms (11.2% in real terms). This reduction is the result of the once-off allocations for the coronavirus (COVID-19) response in 2021/22 and baseline reductions effected over the 2021 MTEF period.

**Table 2: Overall 2023/24 budget of the Department by programme**

Programme R million	Budget		Nominal Increase / Decrease in 2023/24	Real Increase/ Decrease in 2023/24	Nominal % change in 2023/24	Real % change in 2023/24
	2022/23	2023/24				
Programme 1	786,1	800,9	14,8	-22,6	1,9%	-2,9%
Programme 2	1 534,1	1 542,6	8,5	-63,6	0,6%	-4,1%
Programme 3	26 916,7	24 641,7	-2 275,0	-3 426,0	-8,5%	-12,7%
Programme 4	5 153,6	3 007,4	-2 146,2	-2 286,7	-41,6%	-44,4%
Programme 5	22 641,6	22 582,0	-59,6	-1 114,4	-0,3%	-4,9%
Programme 6	7 523,5	7 536,8	13,3	-338,8	0,2%	-4,5%
<b>Total</b>	<b>64 555,7</b>	<b>60 111,4</b>	<b>-4 444,3</b>	<b>-7 252,2</b>	<b>-6,9%</b>	<b>-11,2%</b>

Source: National Treasury (2023)

The two largest programmes, namely Programme 3: *Communicable and Non-Communicable Diseases* (R24.6 billion) and Programme 5: *Hospital Systems* (R22.6 billion), jointly constitute 78.6% of the total budget allocation.

Programme 4: *PHC Services*, declines 41.6% from R5.2 billion to R3.0 billion. The smallest budget item (constituting only 1.3% of the total budget) is Programme 1: *Administration*, which increases by 1.9% from R786.1 million to R800.9 million.

In terms of economic classification, the bulk of the NDoH budget (R56.3 billion or 93.4 per cent) consists of transfers and subsidies. This figure includes R54.2 billion to Provinces and municipalities,

R189.8 million to Non-Profit Organisations (NPOs), and R1.9 billion to departmental agencies and accounts.

- Current payments constitute a total value of R2.6 billion, which represents 4.3% of the total budget allocation.
- Compensation of employees declines from R812.1 million, to R682.1 million. This 16% decrease is of concern.
- Most of the current expenditure (R1.9 billion) is allocated to Goods and Services, constituting approximately 73.1% of the total current payments.
- The largest share of expenditure goes to Contractors at R601.2 million.
- Expenditure items that also receive a large share of the Goods and Services budget are Inventory: Medical supplies R115.7 million, and Consultants: Business and advisory services R303.2 million.
- Operating leases amount to R105.5 million. Travel and subsistence is at R139.2 million.
- Capital assets is allocated R1.3 billion. Buildings and other fixed structures are allocated R1.2 billion, and Machinery and Equipment is allocated R112.4 million.

### **3.2.1 Spending priorities for 2023 MTEF**

Over the medium term, the Department will continue to focus on the prevention and treatment of communicable and non-communicable diseases, overseeing PHC services, phased implementation of the NHI, supporting tertiary health care services, investing in Public Health Infrastructure and developing the health workforce.

- Phased implementation of the NHI continues. Over the MTEF, R8.8 billion is allocated for NHI activities - the NHI Indirect grant is allocated R6.5 billion. R2.1 billion is allocated to Provincial Health Departments through the Direct NHI grant. This will be used for contracting PHC doctors, and mental health and oncology service providers. R174.2 million is earmarked for capacitating the Department's NHI unit and building its health technology assessment.
- The District Health Programmes grant (previously known as the HIV, TB, malaria and community outreach grant) is allocated R25.0 billion per year over the medium term to fund the prevention and treatment of HIV and TB. The target is for 7 million people per year to receive ARV treatment by 2025/26.
  - R10 million per year in 2023/24 and 2024/25 are allocated to the Communicable Diseases sub-programme in order to provide for the COVID-19 no - fault compensation scheme.
- *Overseeing PHC services:* Port Health Services' function will be shifted from the NDOH to the newly established Department of Home Affairs (DHA) entity, the BMA. R162 million will be shifted in 2023/24, R171.1 million in 2024/25 and R178.9 million in 2025/26. Approximately 295 employees will be shifted to the BMA. The NDOH will continue to provide policy guidance to the BMA on port health services. The reasons and mechanism for the shift of the Port Health function needs to be examined by the Committee.
- *Investing in health infrastructure:* About R22.2 billion will be transferred to Provinces through the Health Facility Revitalisation grant. R4.7 billion is managed by the Department on behalf of Provinces through the health facility revitalisation component of the NHI grant. These grants are aimed at accelerating the construction, maintenance, upgrading and rehabilitation of new and existing health system infrastructure, as well as providing medical equipment required to render health services. This will include the on-going construction of the Limpopo Central Hospital, which will be the first central hospital in the province.
- The National Tertiary Services grant is allocated R14 billion in 2023/4, and R14.7 billion in 2024/25 and R15.3 billion in 2025/26 in Programme 5: Hospital Systems. The grant compensates provincial departments for providing tertiary services to patients from elsewhere. The grant has a developmental component earmarked to establish tertiary services in provinces with limited access to them. In this regard, oncology services will be rolled-out in Mpumalanga and Limpopo to reduce referrals to Gauteng hospitals.

- *Developing human resources for health.* Under Programme 6: Health System Governance and Human Resources additional allocations are made to the statutory human resources component of the Human Resources and Training grant to ensure students can complete their medical internships and community service. This grant now totals R7.8 billion over the MTEF. For further development and training of existing health workers, the training component of the grant is allocated R8.5 billion over the same period.

### 3.2.2 Conditional Grants

In terms of direct grants, the Department administers R54.2 billion in 2023/24. The largest grant is the District Health Programmes grant, which receives R26.9 billion, followed by the National Tertiary Services grant with R14.1 billion, and the Health Facility Revitalisation grant with R7.1 billion.

With regard to the indirect grants, the NHI indirect grant is allocated R2.5 billion.

## 3.3 Programme Analysis

### 3.3.1 Programme 1: Administration

The purpose of this programme is to provide leadership, management and support services to the Department and the sector. Table 2 shows how the budget is allocated in this Programme.

**Table 3: Administration Programme budget allocation**

Programme R million	Budget		Nominal change in 2023/24 (Rand value)	Real change in 2023/24 (Rand value)	Nominal % change in 2023/24	Real % change in 2023/24
	2022/23	2023/24				
<b>Ministry</b>	44,0	42,0	-2,0	-4,0	-4,5%	-9,0%
<b>Management</b>	10,2	10,1	-0,1	-0,6	-1,0%	-5,6%
<b>Corporate Services</b>	391,4	428,3	36,9	16,9	9,4%	4,3%
<b>Property Management</b>	163,7	168,9	5,2	-2,7	3,2%	-1,6%
<b>Financial Management</b>	176,9	151,6	-25,3	-32,4	-14,3%	-18,3%
<b>Total</b>	786,1	800,9	14,8	-22,6	1,9%	-2,9%

Source: National Treasury (2023)

Programme 1's budget increases by 1.9% in nominal terms (and decreases by 2.9% in real terms) from R786.1 million in 2022/23 to R800.9 million in 2023/24. Corporate Services is the largest sub-programme, of which its allocation increases by 9.4% in nominal terms and by 4.3% in real terms. Financial Management decreases, from R176.9 million to R151.6 million, representing a 14.3% decrease in nominal terms and 18.3% decrease in real terms.

In terms of economic classification, 98.5% of the budget is allocated to *current payments*.

*Compensation of employees* amounts to R249.4 million, down from R250.1 million in the previous financial year. Approximately R539.3 million is allocated to *goods and services*. This includes R126.6 million for *operating leases*, R56.2 for *property payments* and R51.0 million for *travel and subsistence*.

### 3.3.2 Programme 2: NHI

The purpose of this programme is to achieve universal health coverage by improving the quality and coverage of health services through the development and implementation of policies and health financing reforms.

**Table 4: NHI Programme budget allocation**

Programme R million	Budget		Nominal change in 2023/24 (Rand value)	Real change in 2023/24 (Rand value)	Nominal % change in 2023/24	Real % change in 2023/24
	2022/23	2023/24				

<b>Programme Management</b>	6,9	7,1	0,2	-0,1	2,9%	-1,9%
<b>Affordable Medicine</b>	56,0	56,0	0	-2,6	0%	-4,7%
<b>Health Financing &amp; NHI</b>	1 471,2	1 479,5	8,3	-60,8	0,6%	-4,1%
<b>Total</b>	1 534,1	1 542,6	8,5	-63,6	0,6%	-4,1%

Source: National Treasury (2023)

This programme's budget increases by 0.6% in nominal terms (decreases by 4.1% in real terms). A total of R793.1 million is allocated for *current payments*, of which R700.1 million is for *goods and services*, and R554.3 million or 70.0% of the goods and services budget is spent on contractors. In terms of *transfers and subsidies*, R694.7 million is transferred to *provinces and municipalities*. *Capital assets* is allocated 54.8 million.

### 3.3.3 Programme 3: Communicable and Non-Communicable Diseases

The purpose of this programme is to develop and support the implementation of national policies, guidelines, norms and standards, and the achievement of targets for the national response needed to decrease morbidity and mortality associated with communicable and non-communicable diseases. Develop strategies and implement programmes that reduce maternal and child mortality.

**Table 5: Communicable and Non-Communicable Diseases Programme budget allocation**

Programme R million	Budget		Nominal change in 2023/24 (Rand value)	Real change in 2023/24 (Rand value)	Nominal % change in 2023/24	Real % change in 2023/24
	2022/23	2023/24				
<b>Programme Management</b>	7,9	7,9	0	-0,4	0	-4,7%
<b>HIV, AIDS &amp; STIs</b>	24 568,2	24 379,8	-188,4	-1 327,2	0,8%	-5,4%
<b>TB Management</b>	27,6	28,6	1,0	-0,3	3,6%	-1,2%
<b>Women's Maternal &amp; Reproductive Health</b>	17,4	17,6	0,2	-0,6	1,1%	-3,6%
<b>Child, Youth &amp; School Health</b>	28,3	28,0	-0,3	-1,6	-1,1%	-5,7%
<b>Communicable Diseases</b>	2 151,3	60,5	-2 090,8	-2 093,6	-97,2%	-97,3%
<b>Non-Communicable Diseases</b>	83,9	86,6	2,7	-1,3	3,2%	-1,6%
<b>Health Promotion &amp; Nutrition</b>	32,2	32,6	0,4	-1,1	1,2%	-3,5%
<b>Total</b>	26 916,7	24 641,7	-2 275,0	-3 426,0	-8,5%	-12,7%

Source: National Treasury (2023)

This programme budget decreases from R26.9 billion to R24.6 billion, ostensibly due to the R2.1 billion reductions in the Communicable Diseases sub-programme after the COVID-19 interventions in the previous years.

Approximately 98.9% is allocated to the *HIV, AIDS and STIs* sub-programme, amounting to R24.4 billion in 2023/24. This represents a nominal decrease of 0.8% (a decline of 5.4% in real terms). The *Communicable Diseases* sub-programme allocation decreases by 97.2% (97.3% in real terms). The remaining six sub-programmes combined receive approximately 1.1% of the programme's budget.

This includes the *Tuberculosis Management; Women’s Maternal and Reproductive Health; Child, Youth and School Health; Non-Communicable Diseases; and the Health Promotion and Nutrition* sub-programmes.

### 3.3.4 Programme 4: Primary Health Care (PHC)

The purpose of this programme is to develop and oversee the implementation of legislation, policies, systems, norms and standards for a uniform, well-functioning district health system, including emergency, environmental and port health services.

**Table 6: PHC Programme budget allocation**

Programme R million	Budget		Nominal change in 2023/24 (Rand value)	Real change in 2023/24 (Rand value)	Nominal % change in 2023/24	Real % change in 2023/24
	2022/23	2023/24				
Programme Management	7,0	6,9	-0,1	-0,4	-1,4%	-6,0%
District Health Services	4 909,9	2 951,1	-1 958,8	-2, 096,6	-39,9%	-42,7%
Environmental & Port Health Services	228,4	40,8	-187,6	-189,5	-82,1%	-83,0%
Emergency Medical Services & Trauma	8,4	8,6	0,2	0,2	2,4%	-2,4%
<b>Total</b>	<b>5 153,6</b>	<b>3 007,4</b>	<b>-2 146,2</b>	<b>-2 286,7</b>	<b>-41,6%</b>	<b>-44,4%</b>

Source: National Treasury (2023)

This Programme’s budget declines by 41.6% in nominal terms from R5.2 billion to R3.1 billion. The *District Health Services* sub-programme decreases from R4.9 billion in the previous year, to R3.0 billion in 2023/24, a reduction of 39.9% nominally, and 42.7% in real terms.

*Environmental and Port Health Services* declines by 82.1% (R187.6 million) from R228.4 million to R40.8 million in 2023/24. R162 million is shifted from this programme as the Port Health function is moved to the BMA, a newly created entity in the Department of Home Affairs.

### 3.3.5 Programme 5: Hospital Systems

The programme’s purpose is to develop national policies and plans for all levels of hospital services to strengthen the referral system and facilitate the improvement of hospitals. Ensure that the planning, coordination, delivery and oversight of health infrastructure meet the country’s health needs.

**Table 7: Hospital Systems Programme budget allocation**

Programme R million	Budget		Nominal change in 2023/24 (Rand value)	Real change in 2023/24 (Rand value)	Nominal % change in 2023/24	Real % change in 2023/24
	2022/23	2023/24				
Programme Management	5,0	5,0	0	-0,2	0%	-4,7%
Health Facilities Infrastructure Management	8 320,6	8 542,5	221,9	-177,1	2,7%	-2,1%
Hospital Systems	14 316,0	14 034,5	-281,5	-937,1	-2,0%	-6,5%
<b>Total</b>	<b>22 641,6</b>	<b>22 582,0</b>	<b>-59,6</b>	<b>-1 114,4</b>	<b>-0,3%</b>	<b>-4,9%</b>

Source: National Treasury (2023)

The total budget for Programme 5 remains stagnant, declining 0.3% in nominal terms and by 4.9% in real terms.

The 2023/24 allocation to the *Health Facilities Infrastructure Management* sub-programme increases by 2.7% in nominal terms from R8.3 billion in 2022/23 to R8.5 billion in 2023/24, which is a decline of 2.1% in real terms.

The *Hospital Systems* sub-programme decreases by R281.5 million from R14.3 billion in 2022/23 to R14.0 billion in 2023/24, representing nominal decrease of 2.0% and a 6.5% decline in real terms. Approximately 97.5% of programme funding is transferred to provincial departments through the Health Facility Revitalisation and National Tertiary Services (conditional) grants.

### 3.3.6 Programme 6: Health Systems Governance and Human Resources

Policy and systems development for the planning, managing and training of health sector human resources, and planning, monitoring, evaluation and research in the sector is this programme's purpose. In addition, the programme provides oversight to all public entities in the sector and statutory health professional councils in South Africa.

**Table 8: Health Systems Governance and Human Resources Programme budget allocation**

Programme R million	Budget		Nominal change in 2023/24 (Rand value)	Real change in 2023/24 (Rand value)	Nominal % change in 2023/24	Real % change in 2023/24
	2022/23	2023/24				
Programme Management	8,2	8,1	-0,1	-0,5	-1,2%	-5,8%
Policy & Planning	7,1	7,3	0,2	0,1	2,8%	-2,0%
Public Entities Management & Laboratories	1 954,6	1 936,7	-17,9	-108,4	-0,9%	-5,5%
Nursing Services	10,3	10,1	-0,2	-0,7	-1,9%	-6,5%
Health Information, Monitoring & Evaluation	71,9	72,5	0,6	-2,8	0,8%	-3,9%
Human Resources for Health	5 471,3	5 502,0	30,7	-226,3	0,6%	-4,1%
<b>Total</b>	<b>7 523,5</b>	<b>7 536,8</b>	<b>13,3</b>	<b>-338,8</b>	<b>0,2%</b>	<b>-4,5%</b>

Source: National Treasury (2023)

Programme 6 remains stagnant increasing by only 0.2% in nominal terms and decreasing by 4.5% in real terms in 2023/24. The *Human Resources for Health* sub-programme receives R5.5 billion, which is an increase of 0.6% in nominal terms from the previous financial year's total, a real decrease of 4.1%. The *Public Entities Management* sub-programme receives R1.94 billion, a decrease by 0.9% in nominal terms (that is a 5.5% decrease in real terms) from the previous year's allocation of R1.95 billion.

The *Nursing Services* sub-programme decreases by 1.9% in nominal terms from R10.3 million to R10.1 million in 2023/24, a decline of 6.5% in real terms.

## 4. MEASURING SERVICE DELIVERY AND FINANCIAL PERFORMANCE

Overall, the Department's APP responds to key diagnostics provided by the Presidential Health Summit Compact; recommendations from the Lancet Quality Commission; recommendations by the Health Market Inquiry; and the South African Demographic and Health survey.



However, following resource constraints that were exacerbated by the COVID-19 pandemic, it is concerning that the Health Budget declines by 6.9 percent in the 2023/24 financial year. The health budget is expected to grow by only 0.4 percent over the MTEF, compared to average growth rate of 8.3% between 2019/20 – 2022/23. This is due to baseline reductions in the 2021 Budget, which included the HIV and AIDS and Tertiary Services conditional grants. Notwithstanding, the COVID-19 vaccine programme which was a prominent part of the health budget previously is now integrated into the Department's routine services.

#### 4.1 Overall Performance Targets

Over the 2023 MTEF, the Department's focus will be on:

- Preventing and treating communicable and non-communicable diseases;
- Overseeing PHC services and the shift of port health from the PHC programme to the newly established Department of Home Affairs entity, the Border Management Authority (BMA);
- Strengthening the health system and preparing for NHI;
- Supporting tertiary health care services;
- Investing in health infrastructure;
- Supporting tertiary health care services in provinces; and
- Developing the health workforce.

#### 4.2 Legislation

In respect of legislation, the Department reported the following to the Committee:

- There is notable progress in the processing of the NHI Bill. Oral submissions on the NHI Bill took place and the clause-by-clause review by the Portfolio Committee on Health has been completed.
- Legislation to manage medico-legal claims will be developed.

### 5. COMMITTEE DELIBERATIONS

Having considered the APP and the budget of the Department, this section summarises the Committee deliberations.

- The Committee enquired whether there were mechanisms in place to assist provincial health departments with better audit outcomes.

*The Department reported that it provides support through the CFO Forum and it works closely with SAICA to assist provincial departments with financial management and audit outcomes. In addition, there are regular meetings with the Auditor-General's office and the Department monitors the roll-out of grants.*

- The Committee noted with concern that there have been severe budget cuts especially with PHC services.

*The Department reported that it has reprioritised its budget and look into surgery and oncology backlogs.*

- The Committee requested a status update on the construction of the Limpopo Academic Hospital. *It was reported that a contractor has been appointed and is setting-up the site. Construction is envisioned that work will start within two months. The work permit has been granted and the project is estimated to create many jobs. The anticipated deadline is 2028.*

- The Committee enquired how the patient registration system.

*The Department stated that individual registrations recorded on the HPRS between 2014-2023 is 65million across 3 000 health facilities. Patients are given a unique registration number (master patient index), which enables the health practitioner access to their medical records across facilities. The numbers may be inaccurate due to deaths, undocumented persons as well as those immigrating. There is continuous consultation with the Department of Home Affairs in this regard before scaling it up. The Department is still embarking on the journey of having a standardised and shared electronic health record. Equipment is being purchased and rolled-out. The electronic health record will take approximately five years to implement. It is very costly to develop and implement. The model will be*

*applied to TB and HIV patients first. Currently the Medical Aid Schemes Act does not allow for the sharing of information, so those on medical aid cannot be seen on the public health register.*

- The Committee enquired about what the Department will do regarding infants and young children suffering from malnutrition, the backlog in mental assessments and increase in medico-legal claims. In addition, the Committee wanted to know the status of surgery backlogs and what plans are put in place to overcome this challenge.

*Forensic observation is the responsibility of the South African Police Service (SAPS) and the Department of Justice and Correctional Services. However, it is unlikely that the mental assessments backlog will end.*

- The Committee noted with concern the various services lacking at the Robert Mangaliso Sobukwe Hospital in the Northern Cape province, which include the loss of files, long waiting periods for cancer treatment, backlogs in obstetrics, and lack of materials and human resources. *The Department noted the many challenges at the hospital and is committed to working with the Northern Cape to address them. In addition, the Department reported that the hospital has an HPRS. It was highlighted that it is important for health service users to make use of the suggestion boxed in health facilities, and make suggestions of how services should be improved.*

- The Committee enquired on how much COVID-19 vaccines were lost due to them not being used or expired, and total cost thereof.

*It was reported that 21 million Johnson & Johnson doses were procured. In addition, 7.7 million Pfizer doses were procured. No stock was written off and no new vaccines were procured. The total cost is about R1.9 billion. The Department is still dealing with the initial contracts as it had procured in bulk. Around 33.8 million doses have been issued.*

- The Committee noted with concern the lack of available medications at clinics and small hospitals for chronic patients (that is, anti-retro viral treatment and hypertension, diabetes medication).

*The Department requested names of health facilities where medication (chronic) is not available, as it is the opinion of the Department this is not the case. The Department has up-to-date medicine visibility system. At times there are pockets of shortages which are addressed speedily so that pharmacists can cope with the demand.*

- The Committee enquired as to why NHI indicators were reduced and what the impact of COVID-19 was on the NHI and an update on NHI spending.

*The previous NHI indicators depended on the NHI Bill being passed. Currently the NHI Bill is going through the parliamentary process. The office of the Auditor-General advised the Department to focus on two measurable indicators (as the previous ones were unreliable). The NHI grant will prepare the health system for the new functions.*

*In addition, the Department indicated that the capitation system is going to the backbone aimed at testing some of the interventions that will be undertaken to ensure that the NHI is implemented according to plan, and ensure that suitable people are employed.*

- The Committee noted with concern the issue of strikes and the impact of the recent labour unrest on the public health sector.

*The Department noted the constitutional right for workers to strike and thus withdraw labour. However, noted that essential services/frontline workers staff are obliged not to. The Department then emphasised the importance of implementing law for the benefit of the vulnerable public and avoid issues that lead to grievances from the workforce.*

- What is the progress in refurbishing Charlotte Maxeke Hospital?

*At Charlotte Maxeke Hospital, five work packages were introduced. The dry package was completed last April. The second packages, which included detailed structural damages, was completed last March, in partnership with Stellenbosch University. Temporal access to parking was completed last year, and remedial works in blocks 4 and 5 will be completed at end of 2023. Facility-wide prevention of fires is additional work that will be completed in 2026.*

- The Committee requested the cost for infrastructure of hospitals and clinics in KwaZulu- Natal.

*The maintenance budget includes infrastructure, the upgrades and refurbishing as well as renovations. 2023/2024 budget of R3.4billion. R22.3billion is budgeted for the next 3 years. Provinces comply by means of DOH inspections. All phases are monitored for performance of contractors and ensuring quality work.*

- The Committee sought an update on the North West health department, which was placed under administration.

*A close out report was tabled in Parliament, and guidance is awaited.*

- The Committee noted with concern the issues regarding backlogs in the forensic services *The backlog is being reduced. This involves the work of the department of Justice and SAPS. the DOH assists where it can.*

- The Committee noted with concern the decreased budget of the Department, which would have a negative impact on the delivery of health services.

*The DOH is working to address these budget issues.*

- The increase on the burden of communicable and NCDs remains a concern to the Committee. *Hypertension and diabetes are behavioural diseases. Changes in behaviour are advised as a starting point. The Committee can assist communities by encouraging them to walk, exercise, stop smoking and drinking alcohol, lessen their salt intake, which can greatly assist.*

- The Committee enquired about the steps the Department has undertaken to mitigate the impact of the fire at Charlotte Maxeke Hospital and the restoration of oncology services.

*Five work packages were created to deal with the hospital, ie, dry store, structural damage, access to parking (block 4 &5), facility compliance and block 1 completed.*

## **6. COMMITTEE RECOMMENDATIONS**

The Select Committee recommends that the Minister of Health should consider the following:

- *Consult regarding budget constraints:* The Department should engage the National Treasury in order to address the budget constraints.
- *Strengthen human resources for health:* The Department should provide a report on the placement of interns and community service doctors. In addition, the Department should brief the Committee on its strategy to retain critical human resources.
- *Strengthen inter-governmental relations (IGR) and public-private partnerships (PPP):* The Department should collaborate with provincial departments in prioritising the procurement of essential health technology for cancer management and a
- *Address service backlogs:* The Department should furnish the Committee with a report from the National Health Laboratory Service (NHLS) on the forensic chemistry test backlog. In addition, the Department should submit a progress report on Charlotte Maxeke Hospital following the fire and the restoration of oncology services. In addition, the Department should provide a detailed report on the obstetric and oncology backlogs at Robert Mangaliso Sobukwe Hospital.
- *Reduce medico-legal claims:* The Department should provide the Committee with a detailed report on its efforts to strengthen the management of medico-legal claims. In addition, the Department should provide a report on how it is assisting provincial departments in this regard.
- *Address infrastructure challenges:* The Department should provide infrastructure technical support to provincial departments in order to develop their capacity to plan and manage health infrastructure delivery. The Department should furnish the Committee with an action plan aimed at addressing infrastructure backlogs and existing gaps. In addition, the Department should provide a detailed report, including the cost thereof, of all planned infrastructure projects.

- *Ensure quality rural health services:* The Department should ensure the implementation and investment on strategies aimed to mitigate the impact of load shedding on the delivery of health services and report to the Committee quarterly.
- *Provide support to provincial departments:* The Department should furnish the Committee with a report of the support it has been providing to provincial departments in relation to financial management. In addition, the Department should facilitate a two to three day session with affected provincial departments to review the progress and challenges faced in implementing quality health systems and good financial management.
- *Strengthen monitoring:* The Department should strengthen its monitoring of the implementation of the Auditor-General's findings on key areas of internal controls and financial management, target-setting, implementation of plans and reporting thereof.

## **7. CONCLUSION**

The Committee commended the work of the Department whilst cautioning it to put systems in place at health facilities, in response to the nation-wide blackouts. The Committee encouraged the Department to strengthen inefficiencies that can negatively affect the implementation of the NHI, and improve oncology services in the country.

Unless otherwise indicated, the Department of Health should respond to the Committee recommendations in three months from the day the report is adopted by the House.

**Report to be considered.**