South Africa's universal health care plan falls short of fixing an ailing system

By Laettia Rispel

3 Jul 2018

South Africa's Health Minister Aaron Motsoaledi has finally gazetted the bill detailing an ambitious plan to roll out universal health care in the country through a National Health Insurance.

A patient collects her medication at a clinic in Khayelitsha, South Africa. Photo: MSF/Sydelle Willow Smith

The bill responds to a global campaign spearheaded by the World Health Organisation and linked to the UN's sustainable development goals to make sure that no-one is left behind in accessing quality health care.

There's no dispute that South Africa's health care system needs major reforms. There are considerable inequities in health care between urban and rural areas; between public and private health sectors and between primary health care and hospital care. And the country has a complex disease burden with heavy caseloads of HIV, TB and non-communicable diseases.

South Africa has poor health outcomes compared to other middle-income countries such as Brazil with similar health spending as a percentage of GDP. It spends more than R300 billion – or around 8.5% of its gross domestic product – on health care. But half is spent in the private sector catering for people who are well off while the remaining 84% of the population, which carries a far greater burden of disease, depends on the under-resourced public sector.

The health system performs poorly due to a combination of factors including the poor management of public sector hospitals, health professional shortages (particularly in rural areas), low productivity levels among staff, escalating private health care costs and poor quality of care.

But in its current form the proposed legislation won't be a silver bullet. There are still too many inconsistencies and unanswered questions for it to be the final roadmap to universal health care in the country.

For example, the bill focuses on curative services, missing an opportunity to take a public health approach that focuses on disease prevention, health promotion and health protection. In addition, it doesn't address the relationship between the public and private health sectors which is seen as a major impediment to fundamental change.

How it will work

The bill is informed by a vision of ensuring equitable access to quality health services, regardless of a person's ability to pay or whether they live in an urban or rural area. The proposed insurance fund envisages the consolidation of public and private revenue into one funding pool.

The idea is to enable a more equitable system through, for example, cross-subsidisation and ensuring that essential services are made available.

All people will have to register as users of the fund at an accredited health care establishment or facility (whether public or private). And the fund will decide on the health benefits that the facilities will have to provide. This will depend on what resources the facility has. People will be able to pay for complementary health service benefits not covered by the fund.

To be paid, health care providers, such as general practitioners and hospitals, will have to register with the fund. They will have to claim for each patient that they treat and will have to keep a record of diagnosis, treatment and length of stay.

The structure that's been proposed for the fund is raising concerns on two fronts: it appears unnecessarily cumbersome and there's a lack of clarity on lines of command.

Governance

The bill makes provision for the fund to establish an independent board that will report to South Africa's Parliament. But it makes no mention of how the board will engage with the health minister (political custodian) and public servants in the health department. Nor does it explain how the performance of the fund will be evaluated.

The bill also introduces two additional management layers: district health management offices and contracting units for primary health care. These units will provide primary health care services in specific areas. It includes a district hospital, clinics and community health centres as well as ward-based outreach teams and private primary care service providers. They will be contracted by the fund.

National, provincial, and municipal health departments will still exist.

But the bill fails to explain the relationship between the district health management offices and the contracting units and how they will engage with the national, provincial and municipal health departments.

Given that there are ten health departments operating in South Africa – a national department and one in each of the country's nine provinces – these additional offices and units could result in a more cumbersome bureaucracy. This could lead to more inefficiency and greater opportunity for corruption.

The new structure will also change the responsibilities of provincial health departments. Some of the proposals don't make sense such as the idea that municipalities should take control of managing communicable diseases. Ideally this should be a

national function, given the serious threat that is posed by some infectious diseases.

Many questions

Other parts of the bill are also unclear. These range from financing to how complaints will be managed.

Health financing and management: The bill doesn't explain what the tax implications of the national health insurance will be for citizens. It also doesn't set out the mechanisms that will be put in place to strengthen financial planning and monitoring systems, particularly in the public health sector. These are very important given current chronic overspending, inadequate financial management and corruption and lack of accountability in many provincial health departments.

Service provision: The bill says everyone is entitled to a comprehensive package of services at all levels of health care. But it doesn't spell out what these packages will include. Given budgetary constraints, it's obvious that there will inevitably have to be trade-offs and difficult choices.

The health workforce: South Africa doesn't have a comprehensive health workforce strategy with detailed norms and standards. This remains the Achilles heel of health sector reform in the country. The lack of detail remains a serious omission in the bill.

Complaints mechanisms: The bill introduces a new separate complaints directorate – the investigating unit. But it's unclear whether this will be the first level of complaints or whether it's a duplication of the complaints directorate in the existing Office of Health Standards Compliance. There also isn't clarity about where the Health Ombud fits in.

Ensuring that South Africa has a quality affordable health care system is critical. And the bill presents an important opportunity to think systematically about what needs to be done to fix the current health system. But there is still a long way to go.

This article was originally published on The Conversation. Read the original article.

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