

## ***Money for HIV and TB, but NHI finance document still delayed***

DESPITE the tight fiscal environment, the health sector is to get extra funding over the medium-term to compensate for a reduction in US donor support for HIV/AIDS programmes, expand HIV treatment and improve the diagnosis of tuberculosis. Consolidated government health expenditure is to rise from R138bn in the 2013/14 fiscal year to R148bn in 2014/15 and R157bn in 2015/16. An extra R800m has been allocated to the baseline for the provision of AIDS drugs over the medium-term expenditure framework, with the government planning to put an extra 500 000 people on treatment each year. Another R484m has been allocated to offset the anticipated decline in funding for HIV/AIDS programmes supported by the US President's Emergency Plan for Aids Relief (Pepfar). An additional R338m has been allocated to provinces to purchase more GeneXpert machines for diagnosing TB.

### **NHI document delay**

Meanwhile, the Treasury's delayed discussion document on financing mechanisms for the National Health Insurance (NHI) scheme, originally due for publication last April, is now only expected to be published for comment later this year. Finance Minister Pravin Gordhan said ahead of his budget speech in Parliament that the delay was to ensure all important stakeholders had been consulted. The government wants to introduce NHI to deal with the inequalities in the health services available to rich and poor in South Africa. Exactly what form NHI will take and how the country will pay for it are questions the government has yet to answer. The budget review said the discussion document to be published later this year will "examine arrangements for risk and revenue pooling, mechanisms for the purchasing of health services - including the size of the cost of the health benefits package - and the mix of public and private provision of healthcare". Gordhan said the initial phase of NHI development would not place new revenue demands on the fiscus. Over the longer-term, however, Gordhan said it was anticipated that a tax increase would be needed, adding that the affordability of the NHI hinged on the growth of the economy. Econex economist Mariné Erasmus said the fact that there was no significant increase for the NHI was not surprising, since the government had yet to release its funding paper. She said it was positive to hear the Minister saying there would not be any major tax changes if it was not necessary, adding that it looked like the government was really trying to see if it could fund it for the most part by moving fiscal resources around. University of the Witwatersrand health economist Alex van den Heever said the health component of the budget was merely "shuffling the deckchairs" and was unlikely to have any significant impact on provincial health departments' capacity to spend money efficiently. He said the government had to improve its governance structures in health districts and hold public health sector employees accountable for their actions. Van den Heever said his analysis showed provincial health departments had received a 58 percent real increase in funding between 2006 and 2013 to about R127bn, yet in many parts

of the country patients were still unable to get quality healthcare. Funding for the medical schemes industry had increased about 26 percent over the same period, he said, to R114bn.

### **Money for health priorities**

The 2013 budget set out additional allocations for the following health priorities:

- R800 million in 2015/16 for boosting the provision of antiretroviral treatment.
- R100m in 2014/15 and R384m in 2015/16 to partly offset the decrease in funding over the medium term from the US President's Emergency Plan for Aids Relief (PEPFAR). This programme has contributed roughly R4 billion a year towards the South African national HIV and Aids and tuberculosis response, but the amount is likely to decrease by 50 percent over the next five years.
- R90m, R100m and R250m for the Medical Research Council to strengthen its research capabilities and infrastructure and to support partnership projects on high priority diseases, such as HIV and Aids, tuberculosis and malaria, with development partners.
- R15m, R31.5m and R31.5m to strengthen the National Institute of Communicable Diseases and address the decrease in PEPFAR funding support.
- R30.1m, R30m and R30.3m, most of which comes from internal reprioritisation and savings, for the infrastructure unit systems support programme, that provide capacity-building support to the department and provinces.
- R15m in 2015/16 for the National Aids Council for HIV and Aids programmes.
- R22.1m, R28.3m and R41m for improved conditions of service to cover high personnel costs.
- R6m in 2013/14 for emergency medical services during the 2014 African Nations Championship.

*Tamar Kahn: Business Day, 28 February 2013*

*Vuyo Mkize: The Star, 28 February 2013*