

SA healthcare system not punishing the poor

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THE way healthcare, hospitals and doctors are paid for in South Africa does not “punish the poor” as the NHI policy paper and financing paper suggests. This is according to a new report on healthcare financing by Econex. Econex, an economics research consultancy started by University of Stellenbosch economics professors, has used publicly available data on healthcare use and spend to analyse who pays for what in healthcare. They find the richest 40 percent of the country pays for 87 percent of the health provided in both private and state facilities, though their taxes, medical aid payments and cash spend. The paper was compiled in order to contribute to the NHI debate by ensuring facts on healthcare spend are accessible. It finds “relative to their financial contribution, individuals in poorer parts of the socio-economic distribution receive a far greater proportion of public healthcare benefits”. It concludes that “payment of healthcare cannot be considered a situation that “punishes the poor” as is put forward in the NHI White Papers of 2015 and of 2017. The poorest 40 percent of the country receive 41 percent of health benefits [doctors’ visits, hospital stays and medication] while contributing 6.28 percent of all the money spent. National Health Insurance, proposed by the ANC, wishes to change the way healthcare is financed – forcing all medical aids into a single state medical fund that will pay for hospital and doctors’ visits for everyone. This is to be completed by 2025. In the near future, the NHI proposes removing the medical aid tax breaks. The paper finds that the current situation does benefit the poor, but not enough. The top richest pay almost 87 percent of all health costs and receive 37 percent of all health treatment. The rich still have greatest access to hospitals and specialists, through the private healthcare sector. About 85 percent of all private doctor and private hospital visits are conducted by the richest 40 percent of the population. The poorest 60 percent contribute only 13 percent of the financing, but receive 44 percent of all healthcare treatment. However, the report said, this is still less than the 70 percent of the national healthcare need they comprise.

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