BUDGET SPECIAL REPORT
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Provinces to get unspent NHI funds to fill critical posts in public healthcare
'We need simple, effective interventions. We need more doctors and nurses,' Tito Mboweni said in his budget review presentation in Parliament

IN A PRAGMATIC move to tackle one of the most pressing problems confronting public healthcare, the Treasury has shifted unspent National Health Insurance (NHI) funds to provinces so they can fill critical posts. The development is consistent with the emphasis President Cyril Ramaphosa has placed on tacking the crisis in healthcare, and suggests a pragmatism about NHI in the face of the problems gripping the sector. The Treasury said in its budget review that implementing NHI is a policy priority for the sector. However, the government needs to address staff shortages and other problems in public health facilities before the policy can be fully rolled out. Addressing journalists ahead of his budget speech, Finance Minister Tito Mboweni said one of the most pressing issues is the poor state of public hospitals. He said there is nothing difficult about getting a hospital to run properly - it's management. He struck a practical note in his speech when he turned to health, saying: "We need simple, effective interventions. We need more doctors and nurses." The Treasury has moved R2.8-billion out of the NHI indirect grant over the next three years to fill critical public healthcare posts, including interns and community service positions. This will be achieved through a new human resource capacitation conditional grant, which means the funds are ring-fenced and provinces cannot use them for other purposes. An extra R1-billion has been added to the provincial equitable share in 2021/2022 to fund the permanent appointment of interns, while a further R1-billion has been added to improve pay for community healthcare workers and bring their remuneration in line with the minimum wage.

The NHI indirect grant includes programmes for mental health, school health and contracting with private sector GPs. Barely 10 percent of the R2.3-billion allocation for 2018/2019 had been spent by October, and spending has remained slow since then, according to the Treasury's chief director for health and social development, Mark Blecher. The NHI indirect grant is, however, allocated an extra R1.4-billion over the medium-term to build a new academic hospital in Limpopo and improve existing tertiary hospitals in the province. The Treasury has restructured the comprehensive HIV, AIDS and tuberculosis (TB) grant to include malaria and community outreach programmes. The lion's share of this grant is directed to HIV/AIDS programmes, reflecting the scale of SA's epidemic, which had infected seven-million people by 2017, according to UNAIDS. By October, there were 4.3-million state patients, and the government aims to reach seven-million people by 2021/2022. The Treasury has set aside R75.9-billion for HIV/AIDS conditional grants over the medium-term. The malaria component of the grant is allocated R318.8-million over the next three years, which is intended to combat malaria in the three most affected provinces: Mpumalanga, Limpopo and KwaZulu-Natal. Part of the funding is intended for a project with the Mozambique government and the Bill and Melinda Gates Foundation. Blecher said there is no way we can eliminate malaria in SA unless we roll it back regionally. Consolidated health expenditure is set to increase from R208.8-billion in 2018/2019 to R222.6-billion in 2019/2020, and will then rise to R238.8-billion in 2020/2021 and to R255.5-billion in the outer year. The health budget thus grows at an average rate of 7 percent over the medium-term, slightly ahead of the Treasury's projection for inflation for 2019, which it puts at 5.2 percent.