

Increase public health funding, civil society urges government — Business Day 18 June 2019

Institute for Economic Justice and Section 27 say that despite high medical inflation and rising disease burden funding for health has been cut

Two civil society organisations have called on finance minister Tito Mboweni and new health minister Zweli Mkhize to increase public sector funding for health, arguing that the government's goal of achieving "a long and healthy life for all" cannot be met with the available resources.

In an open letter to the ministers released on Tuesday, the Institute for Economic Justice (IEJ) and Section 27 said the implementation of austerity budgets in the previous administration severely undermined the public health system and the viability of National Health Insurance (NHI).

"Spend per uninsured person increased only 1% (in real terms) on average annually between 2015-2016 and 2019-2020, despite a rising burden of disease and high medical price inflation. This is not enough to address the historical and current inequalities that persist in healthcare," they wrote.

The organisations said the NHI white paper, which spells out government's policy for universal health coverage, recognised that healthcare spending had to double, yet the February budget trimmed R700m from the spending plans set out in the October 2018 medium-term budget policy statement.

"Taking stagnant economic growth into consideration, the Davis Tax Committee's projected R72bn shortfall in NHI Funding by 2025 is likely to be significantly understated," they said.

Cost in lives

"Shortages of specialists and other staff in the public health sector have been at crisis levels for some time. These were exacerbated in the past five years due to budget cuts. In May 2018, 38,000 public health posts were vacant as a result of the implementation of wage expenditure ceilings — one of the tools the Treasury has used to curb expenditure — at an avoidable cost to lives. Provincial health departments have faced difficult choices as a result: cut non-personnel budgets or reduce headcounts," they wrote.

The health department had not responded to Business Day's request for comment at the time of going to press.

The February budget set aside R208.8bn for consolidated health spending in 2018-2019, with spending plans that grew by an average of 7% over the medium term to reach R255.5bn in 2021-2022. The Treasury projected at the time that inflation would rise by 5.2% this year. The budget also saw the Treasury move R2.8bn in unspent money from the NHI indirect grant to fund critical healthcare posts over the next three years.

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