

Making healthcare work for all South Africans

9 August 2016

The policy discourse on implementation of the National Health Insurance (NHI) is one of the most topical in South Africa today, both as a fiscal consideration and because of the socio-economic need to deliver a better quality of life for all.

However, we need to be conscious of the context within which the debate and planning is taking place. It is also important to appreciate that whatever policy we consider as a country, we need to do so with a long-term view.

We are therefore reminded of an old principle and idiom that goes: “The quality of any policy is only as good as its implementability.”

What this means is that whatever policy we pursue, it ought to pass the test of:

- Acceptance and buy-in from society;
- Being transparent and predictable;
- Being efficient; and
- Being sustainable, which makes the affordability test paramount.

The NHI also has to pass these tests. If it does not, it will be difficult to implement.

It is instructive to note that SA is spending about 8% of GDP on healthcare. This is in line with and in many cases higher than its peers, for a lower return or service quality. The National Development Plan (NDP) calls for better use of resources and improved management, rather than throwing money at the problem.

Finally, cognisance needs to be given to the fact that this discussion takes place at a time when SA is experiencing its tightest economic and fiscal conditions since 1994, as well as in the context of gaping economic inequalities.

Because of the state of the economy and the social imbalances that exist in SA, government faces dire policy choices. A balance of need and efficient resource allocation will prevail.

Canons of the NHI

The key objective of the NHI ought to be that of giving South Africans healthcare access in a predictable and sustainable manner.

This noble objective relies on key characteristics of access being in place at all times: price affordability, appropriate quality and quantity, as well as geographic reach.

In principle, it is easy to reach consensus on these characteristics and how we understand access. But it is more difficult to agree on *whose responsibility it is to deliver on them*.

The irony is that the NHI will give effective demand to members of the public who never had effective demand. If this is not matched by supply increases, we will be back to square one.

A relevant question that follows from the above observation is how we have fared.

Research by the National Planning Commission reveals that we have fared poorly – we record health outcomes that are worse relative to SA’s expenditure levels and the experience of its peers. This is by all indicators, namely TB, HIV, infant/maternal mortality as well as life expectancy.

These are partly ascribed to suboptimal public sector delivery, which is in turn explained by:

- Centralised and top-down management;
- Poor governance and quality control;

- Feeble accountability;
- Marginalisation of clinicians; and
- Low staff morale.

The result has also been increased reliance on the private sector, giving pricing power to the sector. While optimality of private sector delivery is difficult to test for, it seems better than public delivery.

However, it fails society by being concentrated in urban centres, being over-capitalised and being supply-driven.

These imbalances have had far-reaching consequences, including the high cost of services (due to poor demand/supply conditions), and poor access for rural and poor communities.

Policy response

If not well managed, the NHI may worsen these imbalances. Therefore, it is essential that the policy design and implementation be aimed at bettering rather than cementing the status quo.

This design should for example take into account efficiencies in both sectors and not only focus on funding, but also on the management of the health service. There is substantial evidence that health outcomes are only partly explained by spending levels. In the absence of other integral interventions, higher spending remains ineffective.

Health is not just a medical issue. We need to deal with all its facets in a balanced and equitable manner. Human capacity and its deployment are key. Governance and the undoing of infrastructure backlogs across the health system need to be addressed.

The NHI needs to be implemented in phases, complemented by a reduction in the relative cost of private medical care.

Failure to adhere to this will create huge bottlenecks for economic growth and the improvement of quality of life.

To deliver on the vision and dreams of SA, we need an NHI that is premised on:

- Meaningful public-private partnerships;
- Prioritisation of management over simply throwing money at the problem; and
- Enhanced public sector capacity.

We should focus on complementing the implementation of the NDP, as well as the private sector using its power for good.

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