

A universal health system for South Africa: a few final words on NHI

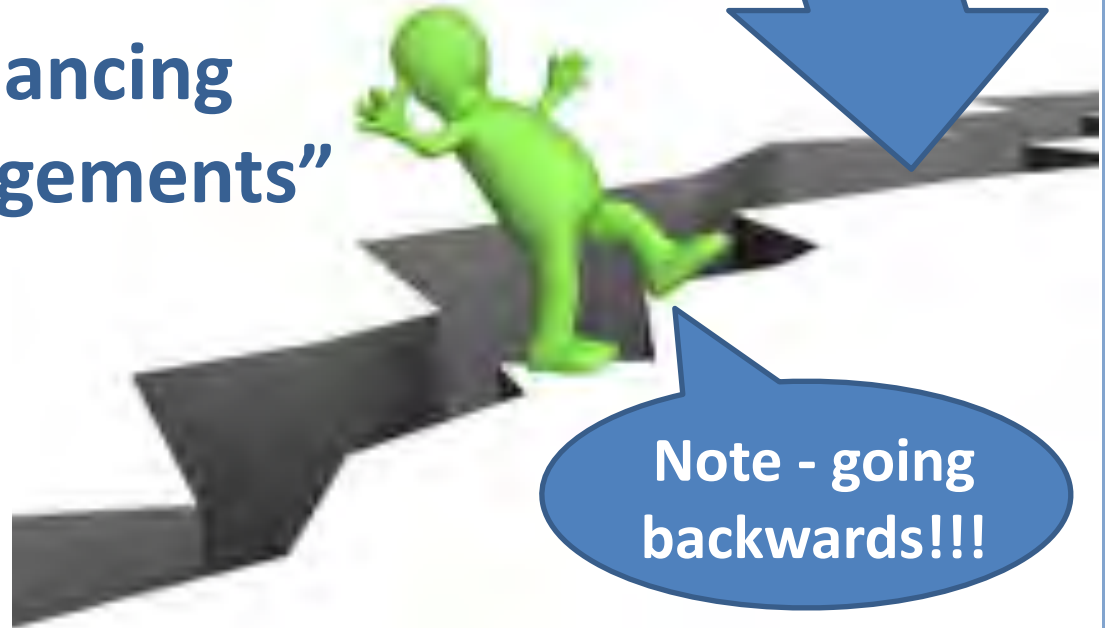
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U-turn to precipice

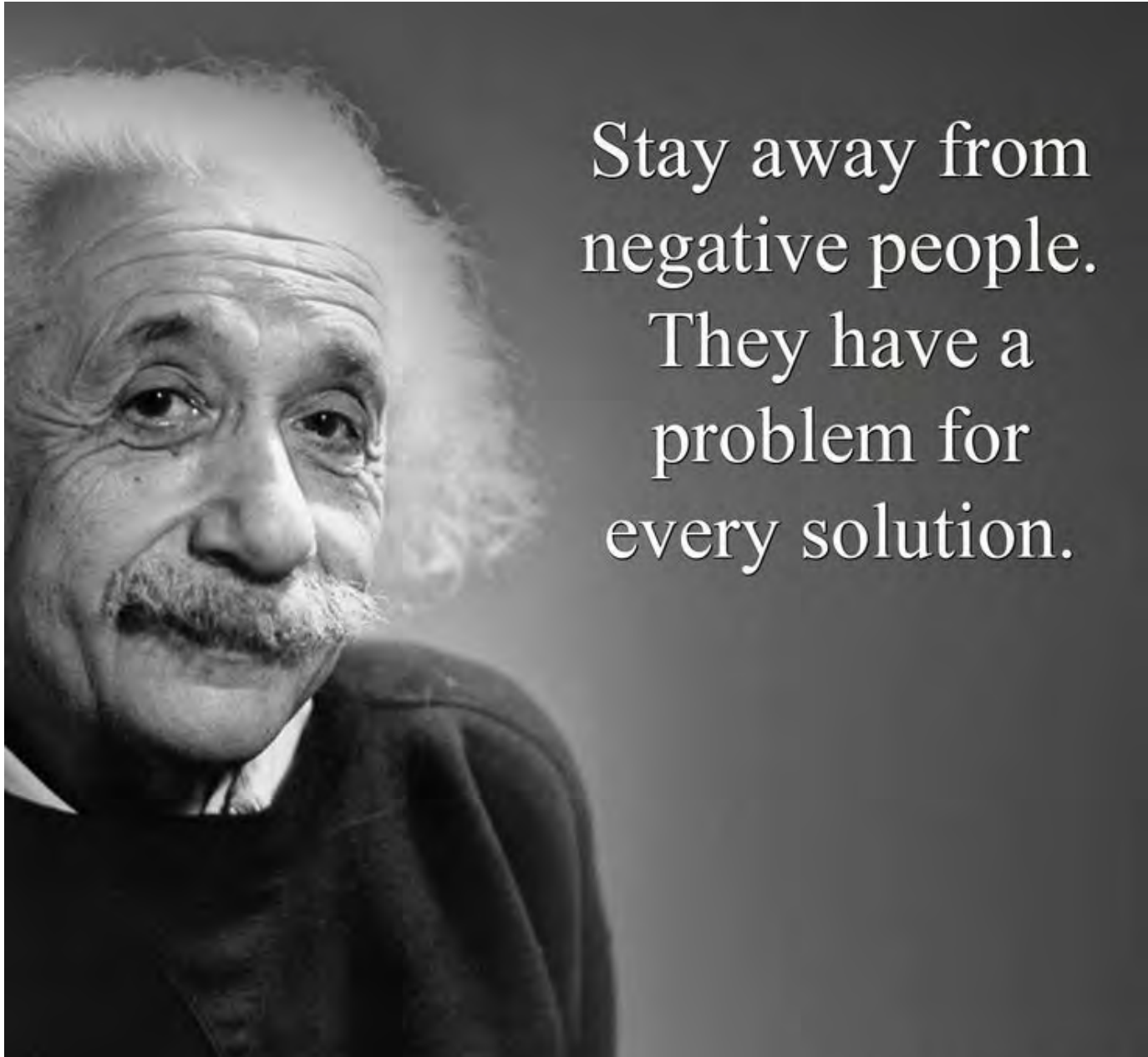


**“National Advisory
Committee on
Consolidation of
Financing
Arrangements”**



Noise and negativity





Stay away from
negative people.
They have a
problem for
every solution.

Shift focus to ...

- Being **explicit** about:
 - What you want to achieve / what goals
 - How to achieve these goals:
 - What changes
 - With what anticipated effect
 - Pathways from changes to achieving goals
 - Unpack assumptions – feasibility given context, what could go wrong, what needs to be done to stay on track

Universal health system

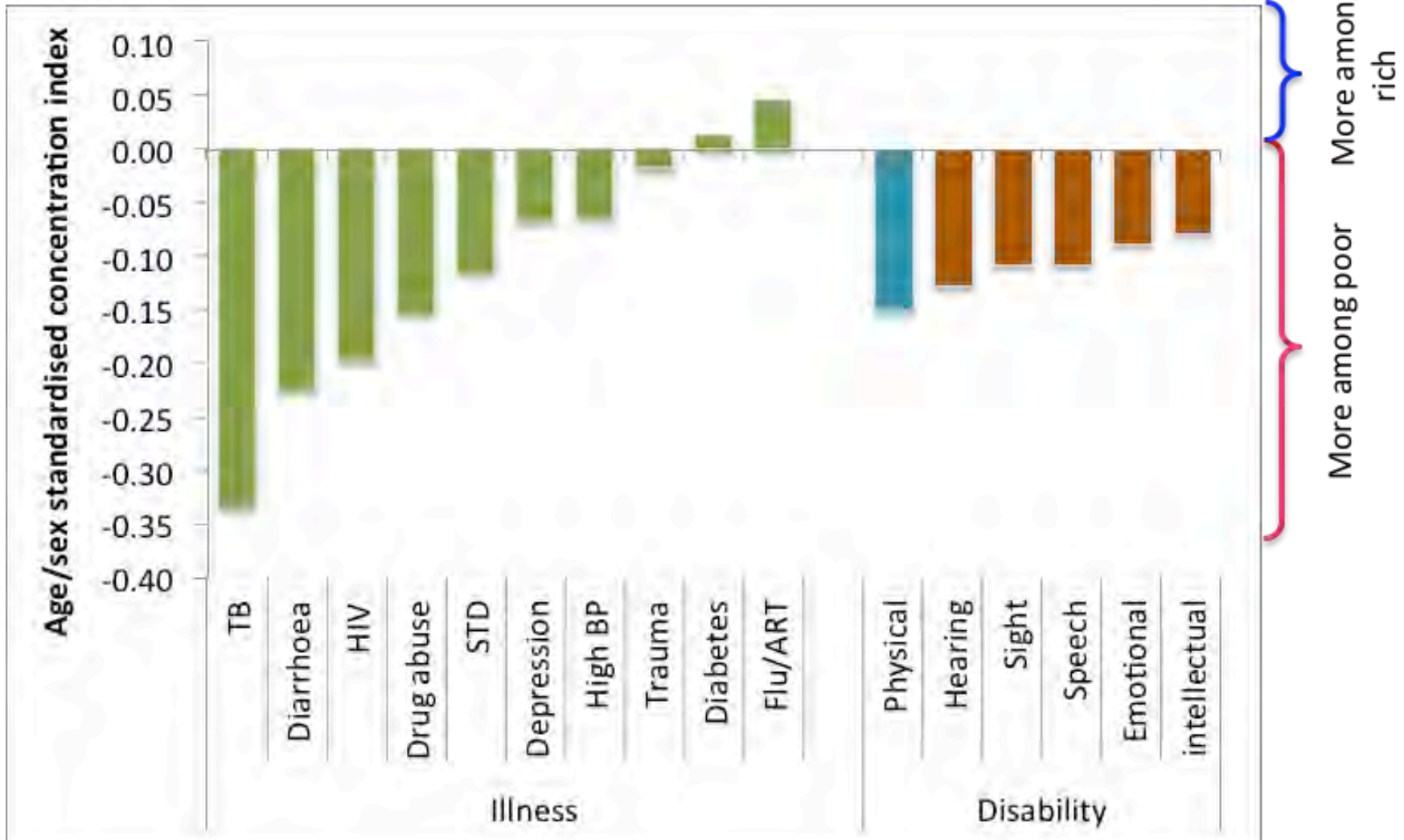
“Financing systems need to be specifically designed to: provide ***all*** people with ***access*** to ***needed*** health services (including prevention, promotion, treatment and rehabilitation) of sufficient ***quality*** to be effective; [and to] ensure that the use of these services does not expose the user to ***financial hardship***.”

2010 World Health Report

Underlying principles

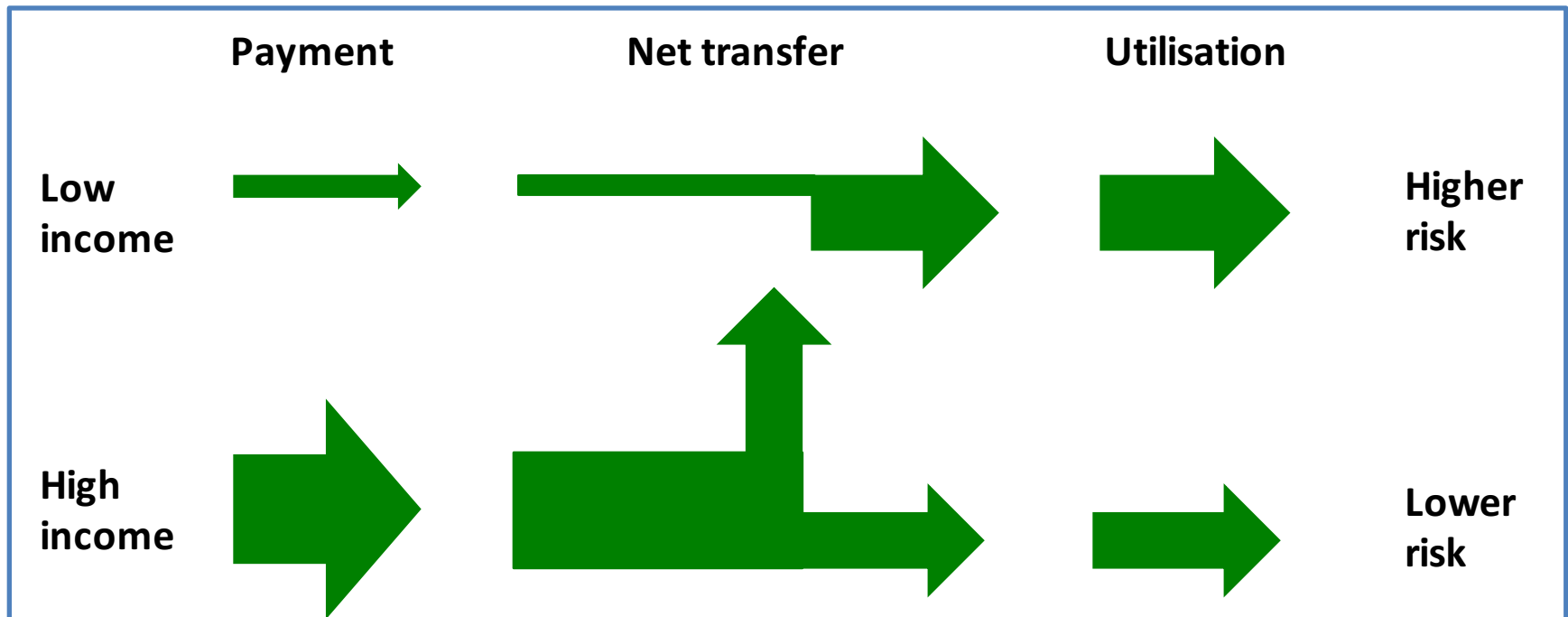
- Universalism
- Social solidarity:
 - Pay according to ability-to-pay
 - Benefit from use of health services according to need

Distribution of need



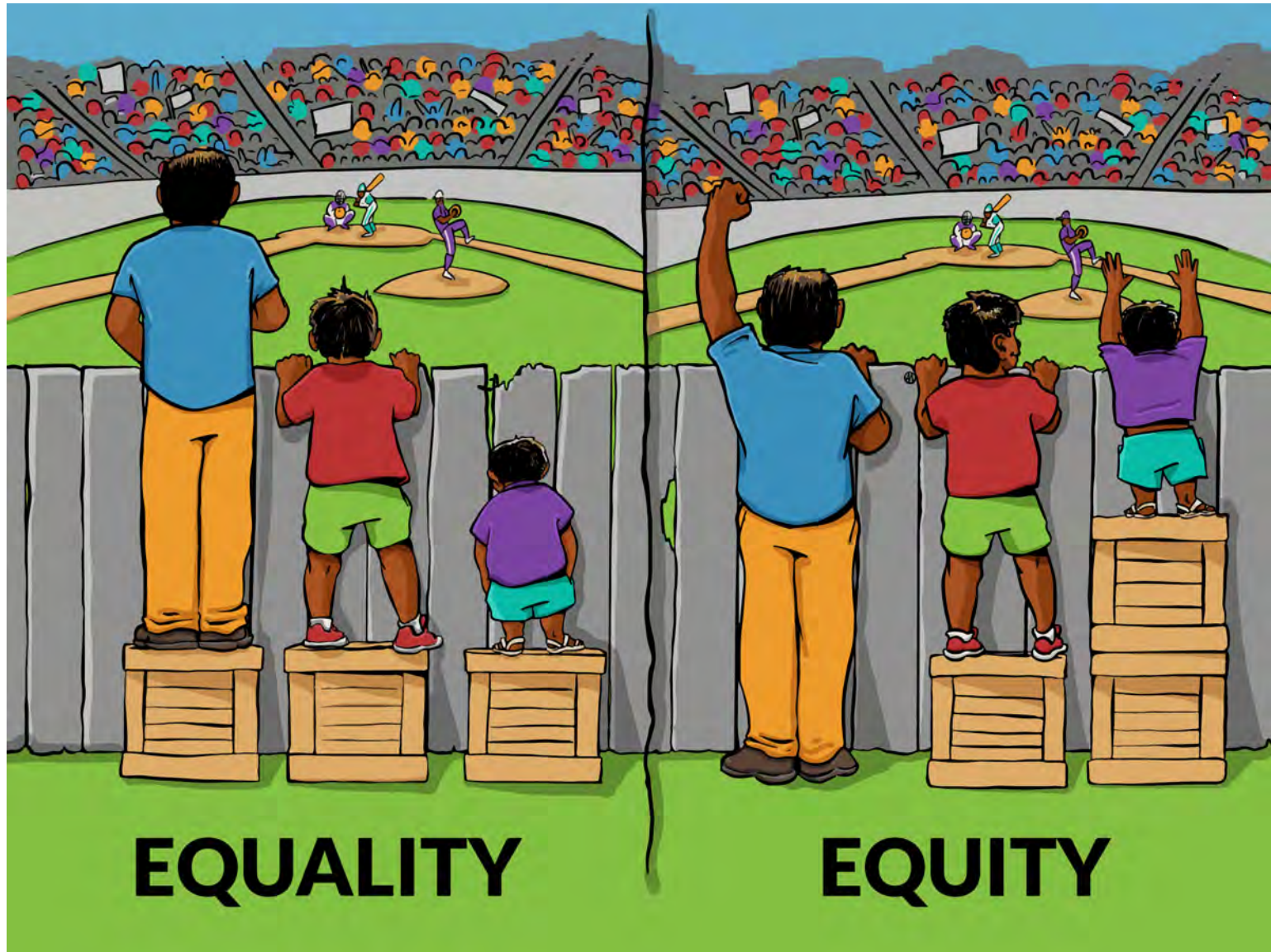
Underlying principles

- Universalism
- Social solidarity:
 - Benefit from use of health services according to need
 - Pay according to ability-to-pay





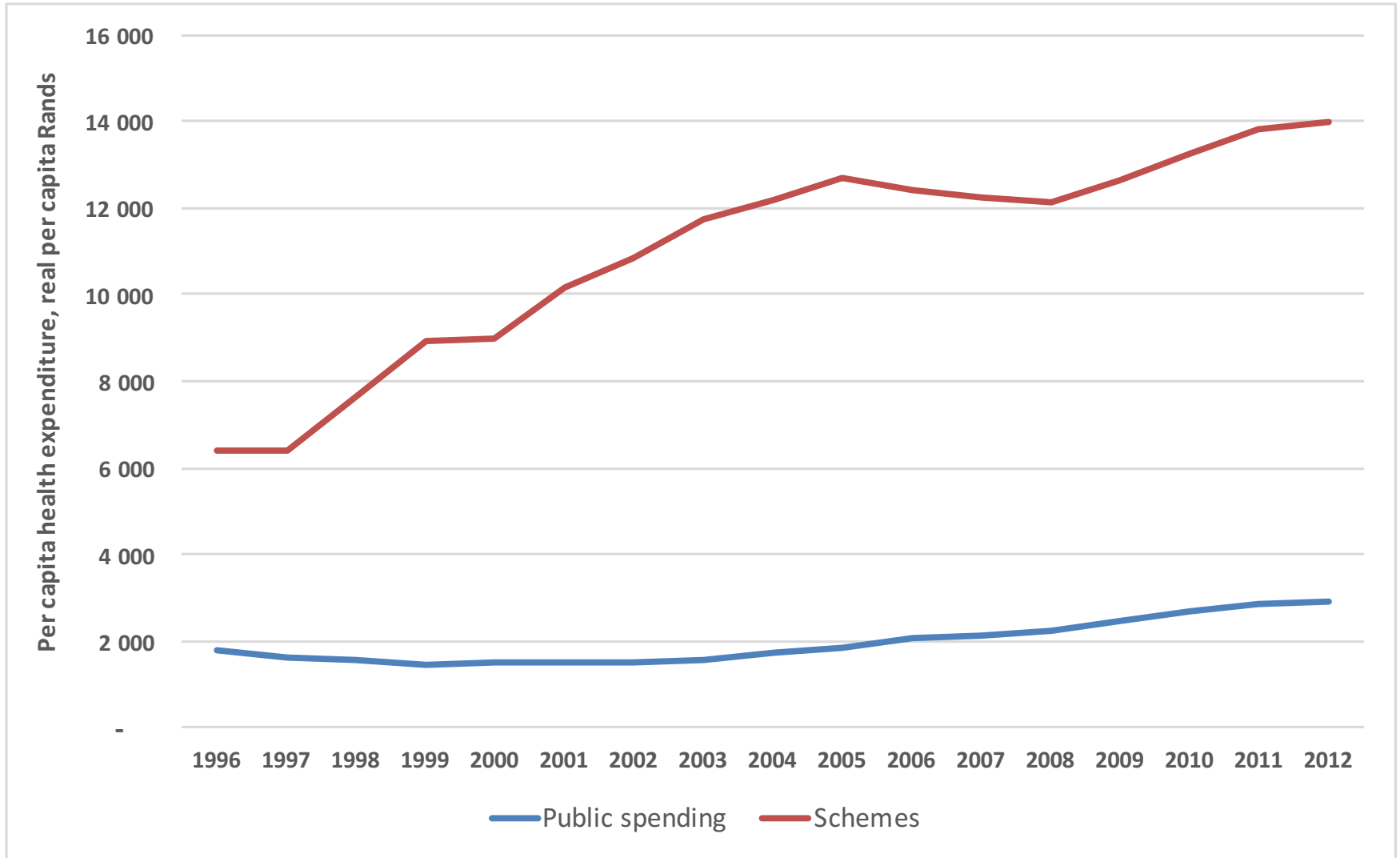
Explicitly redistributive



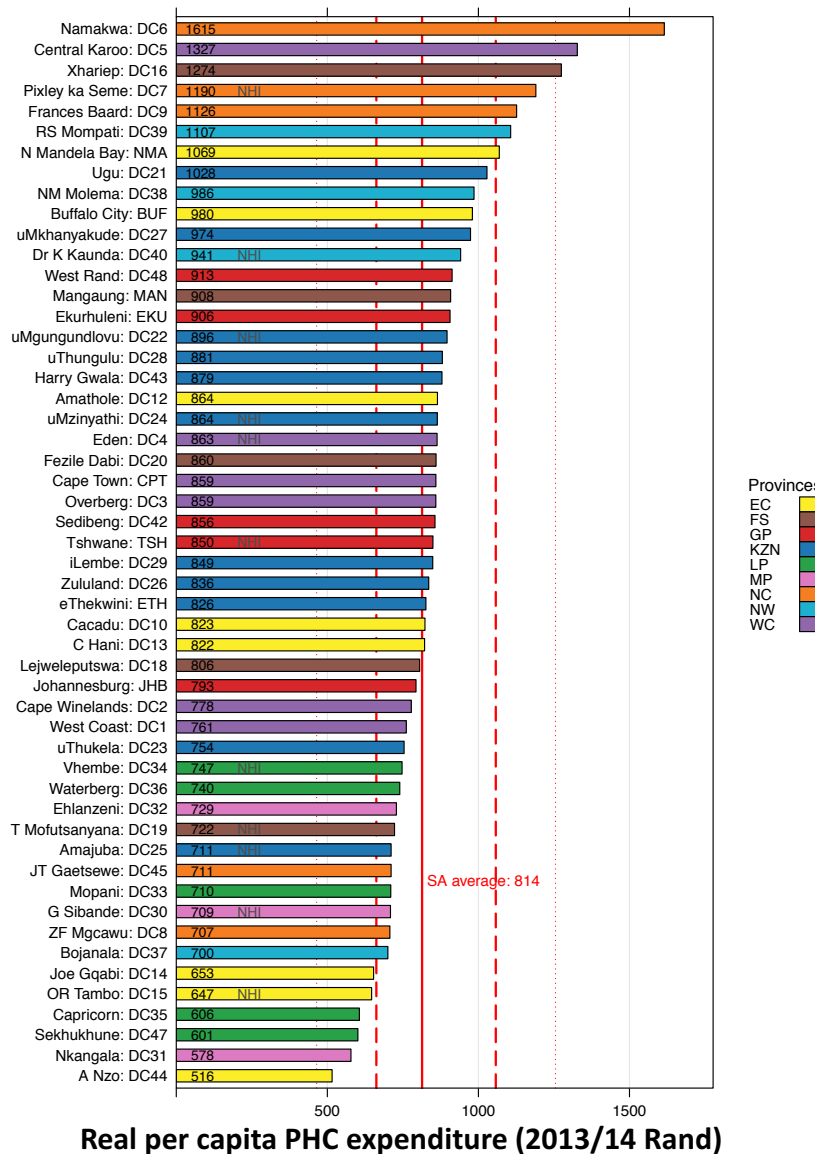
UHS in SA context

- In almost all countries, there are some differentials due to the rich buying what they perceive to be ‘better’ health care; in countries that are regarded as having a UHS, these differentials are *marginal*
- In the South African context, this requires a movement towards narrowing the differentials in access to quality health services over time

Socio-economic group differentials

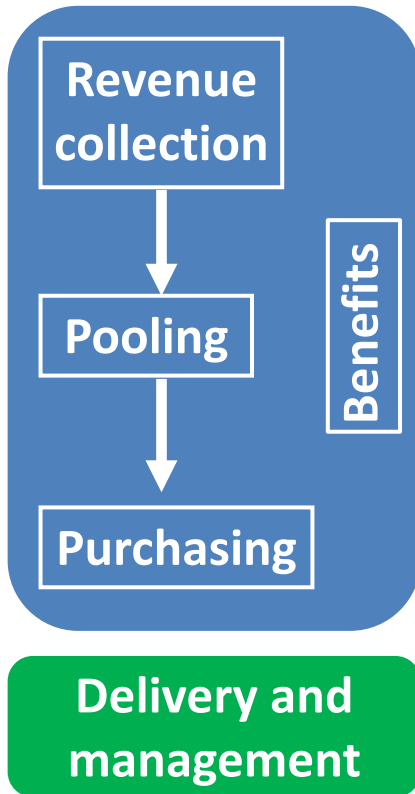


Geographic differences

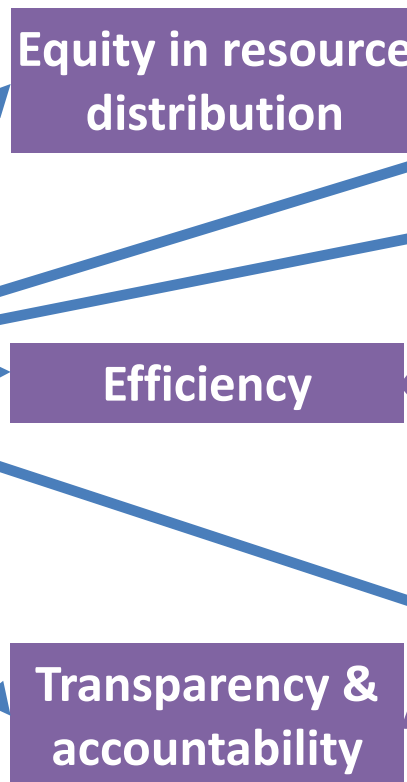


Pathways to UHS goals

Health financing arrangements



UHS intermediate objectives



UHS goals



→ Direct effect of financing

→ Indirect effect of financing

Fulfilling the redistributive potential of the South African health system

Di McIntyre and John Ataguba

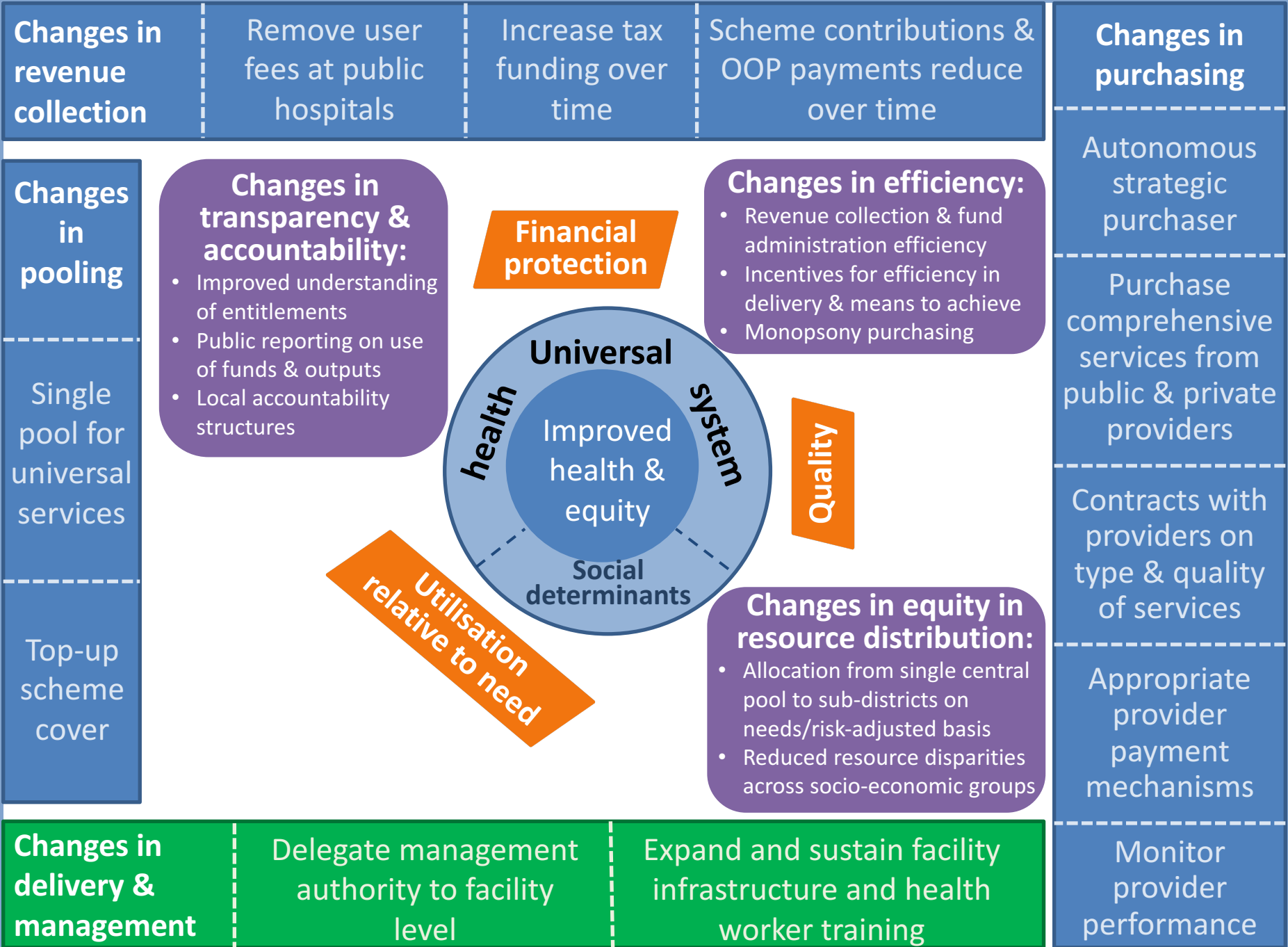
Health Economics Unit

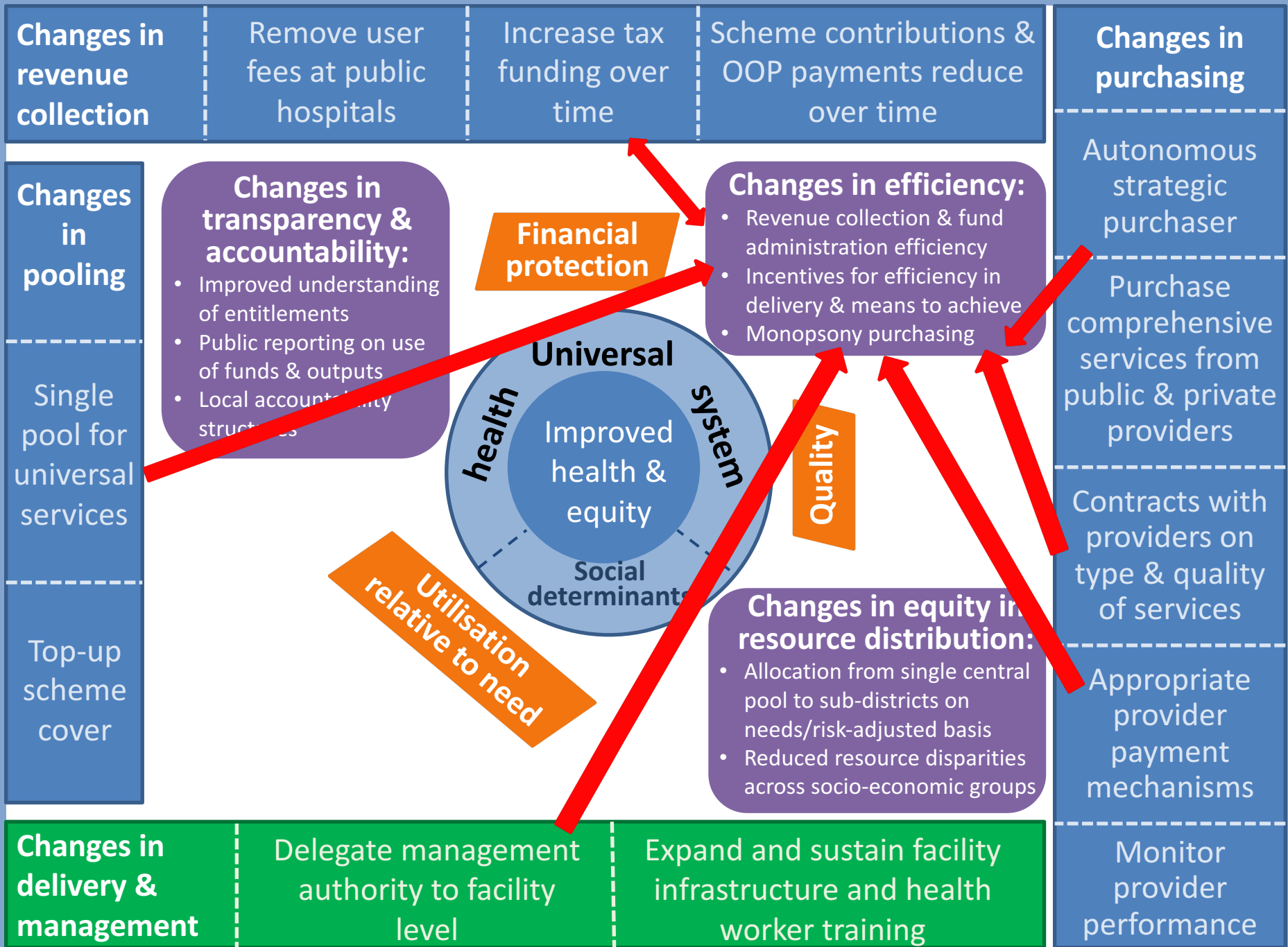
School of Public Health and Family Medicine

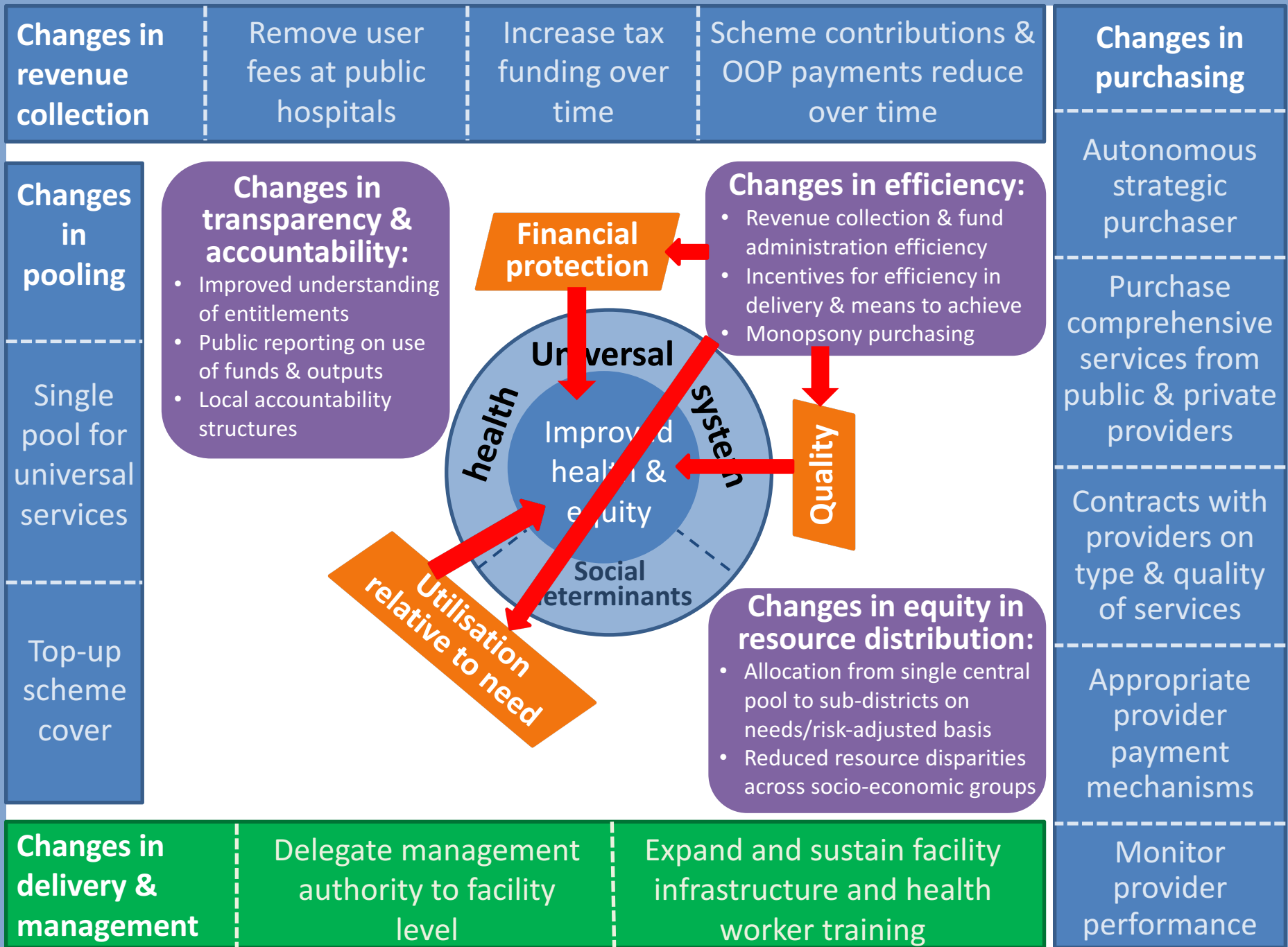
University of Cape Town

**Mandela Initiative SARChI Community of Practice
on Poverty and Inequality**

www.mandelainitiative.org.za







Can still move forward

- Pilot delegation of management authority to individual public hospitals and at sub-district level, with local accountability
- Improve access to and quality of services, e.g. CHW program, community distribution of chronic medicines
- Prepare for strategic purchasing, e.g. information systems

National Advisory Committee on consolidation (*sic*) of financing arrangements

- *Consolidation* of funding streams into 5 *transitional* funding arrangements:
 - a. The unemployed
 - b. The informal sector (such as taxi industry; hawkers, domestic workers)
 - c. Formal Sector employment (bigger business)
 - d. Formal Sector employment (SMEs)
 - e. Civil servants (including SOEs, Intelligence Agencies, Defence, Police Service)
- Mandatory scheme cover and contributions for all in formal employment & dependents

Changes in revenue collection	Scheme contributions, including from tax funds, increase dramatically	??? ??? ???	Changes in purchasing
Changes in pooling			Several different purchasers, and hence several parallel funding streams and limitations on purchasing power
Fragment across socio-economic groups			??? ??? ???
Changes in delivery & management	??????? ??????? ???????		??? ???

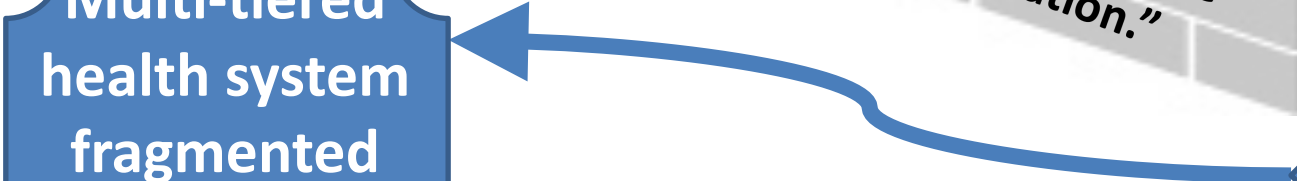
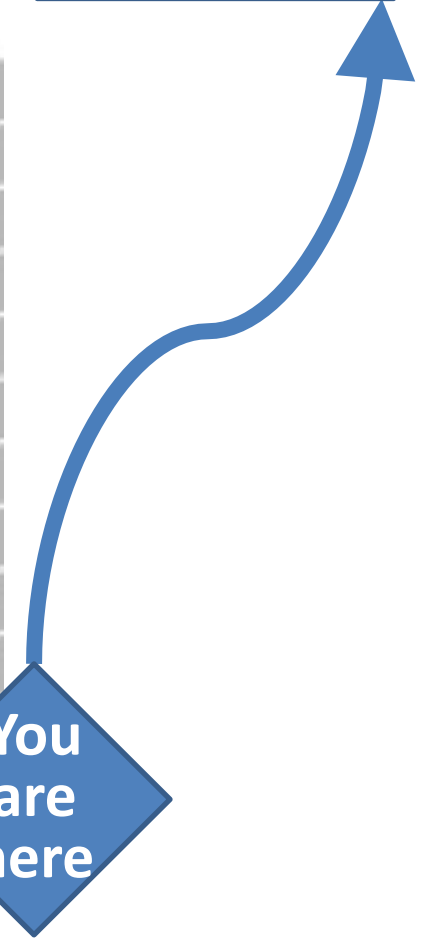


“where mandatory insurance schemes begin by covering the formal sector, they tend to concentrate resources on a relatively small and economically advantaged part of the population. Such schemes do not naturally “evolve” to include the rest of the population. Instead, the initially covered groups, who tend to be well organized and influential, use their power to increase their benefits and subsidies, rather than to extend the same benefits to the rest of the population.”
(Kutzin 2013)

Universal
health system

Multi-tiered
health system
fragmented
across groups

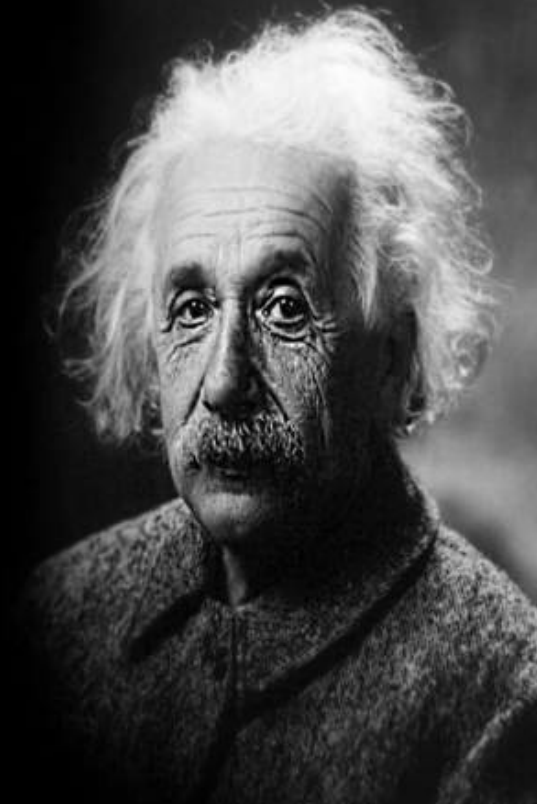
You
are
here



“It means South Africa has looked at the historical experience of many countries and seems determined to repeat their mistakes” (Anon)

“Insanity: doing
the same thing
over and over
again and
expecting
different
results.”

Albert Einstein



Appeal to Minister

“Universal means universal, so for any country, the appropriate unit of analysis is the **entire population** and **the system as a whole**. This is in contrast to being concerned only with financing schemes and their members. There is a difference between a new [or expanding an existing] insurance scheme designed for the purpose of making its members better off, and one intended to serve as an agent of change to improve equity in the use of services, service quality and financial protection for the entire population.”

(Kutzin 2013)