

# Sustainability of NHI

## – does the economy adjust or does the health sector adjust?

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The policy discourse on the implementation of the 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. The BHF's choice of conference theme can therefore only be commended. However, as we ponder this programme, we need to be conscious of the context within which the debate and planning are 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, which goes: 'The quality of any policy is as good as its implementability'. What this means is that whatever policy we pursue, it ought to pass the tests of:

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

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

This is in line with the underlying philosophy of the NDP, which is:

- Optimising within existing resources
- Efficiency gains invested towards strengthening delivery and new programmes.

It is instructive to note that South Africa is spending about 8% of GDP. This is in line and in many cases higher than its peers, for a lower return or service quality. The 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 South Africa is experiencing its tightest economic and fiscal conditions since 1994, as well as in the context of gaping economic inequalities.

This state of economy and social imbalances, force dire policy choices. A balance of need and efficient resource allocation will prevail.

### NDP TARGETS

- Raising life expectancy to 70
- Ensuring that the generation of under 20s is HIV free
- Significantly reducing the burden of disease
- Reducing infant mortality to less than 20 deaths per 1000 live births
- Delivering an under-five mortality rate of less than 30 per 1000.

### CANONS OF THE NHI

The key objective of the NHI ought to be that of giving South Africans health-care 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'.

This is where the policy starts being challenged, as society grapples with issues of:

- Supply and demand of health services
- Efficiency of the delivery mechanism in both private and public sectors.

The irony of the policy consideration is that NHI will give effective demand to

members of public that 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 have we fared?' Work that has been done by the NPC reveals that we have fared poorly; where we record health outcomes that are worse relative to South Africa's expenditure levels and experience of 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;
- Low staff morale.

**Increased reliance on the private sector;**

- Which gives 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, over capitalised and being supply-driven.

These imbalances have had far-reaching consequences, among which are:

- High cost of services, owing to poor demand/supply conditions
- Poor access for rural and poor communities.

**POLICY RESPONSE**

If not well managed, 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 take the following into account:

- An emphasis on efficiencies in both sectors;
- That public service delivery needs to be prioritised and precede full implementation;
- The role of an effective health standards office;
- That funding ought not be the only focus, but also 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.
- The need to change attitudes.

**WHAT THE NDP SAYS?**

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 infra-

structure backlogs across the health system need to be strengthened. 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.

The NDP then challenges us with a vision against which we should test all our decisions. It sets aspirational targets of:

- Raising life expectancy to 70
- Ensuring that the generation of under 20s is HIV free
- Significantly reducing the burden of disease
- Reducing infant mortality to less than 20 deaths per 1000 live births
- Delivering an under-five mortality rate of less than 30 per 1000.

**CONCLUSION**

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

- Meaningful public private partnerships
- Prioritisation of management over simply throwing money at the problem
- Enhanced public sector capacity
- Focus on complementing the implementation of the NDP, as well as the private sector using its power for good. ■