

Free medical care for all!

National Health Insurance System

The ANC Conference in 2007 endorsed a National Health Insurance (NHI) System. Yet few people understand how an NHI will work. The National Education Health and Allied Workers Union (Nehawu) has begun intensive work on promoting NHI and **Farieda Dollie** gives background, and explains Cosatu's demands.

South Africa inherited a fragmented health system in 1994 with 14 departments of health that catered for different 'race groups'. This fragmentation was necessary to the Nationalist government to ensure a skewed distribution of health-care resources in favour of the white minority. The majority black population, especially those on the white farms and in the former homelands, were condemned to poor health-care services.

The ANC's National Health Plan of 1994 called for the provision of free health care, in the long term, for all citizens of South Africa and shortly after the institution of a democracy, the right to health was enshrined in South Africa Constitution.

RIGHT TO HEALTH

The right to health is comprehensively provided for in several sections of the Bill of Rights. The principal provision in section 27 (1) states, "Everyone has the right to have access to health care services including reproductive health care."

Other sections of the Bill of Rights guarantee that no one may be refused emergency medical treatment and it protects the rights of vulnerable groups such as children and prisoners. Section 28 states that, "Every child has the right to basic health care services" and section 35 provides for adequate medical treatment at the state's expense for all arrested, detained and accused people and to be visited by a medical doctor of their choice.

The Constitution places an obligation on the state to progressively realise the right to health within its available resources. This also applies to the underlying means to good health such as the right to adequate housing, food, access to safe and drinkable water and social security.

So the state bears the primary responsibility for health-care delivery and must respect, protect and fulfil this right. The obligation to protect the right implies that the state has to ensure that third parties, such as private health-care providers do not

violate the right of anyone to access health-care services.

PUBLIC HEALTH REFORM

Since 1994, the government has introduced significant changes to reform the health sector. The most important one was the introduction of a single national, public health system falling under the Department of Health.

The focus of public health shifted from a curative to a preventative model. As a result of adopting a primacy health-care approach, government provides free health services to children up to the age of six, pregnant women, and people with disabilities.

Other achievements include, revamping of hospitals, increasing the roll-out of antiretroviral therapy for HIV/AIDS, improvements in providing pharmaceutical goods, building of many clinics including in the rural areas, and establishing a legislative and regulatory framework for the medical schemes industry.

Recently, the government introduced a social health insurance (GEMS) to cater for public servants and to make health care accessible for lower income earners.

TWO-TIER SYSTEM

Besides inheriting a fragmented health system, the post-apartheid government also inherited a private health industry. This resulted in a two-tier system of health provision for the nation.

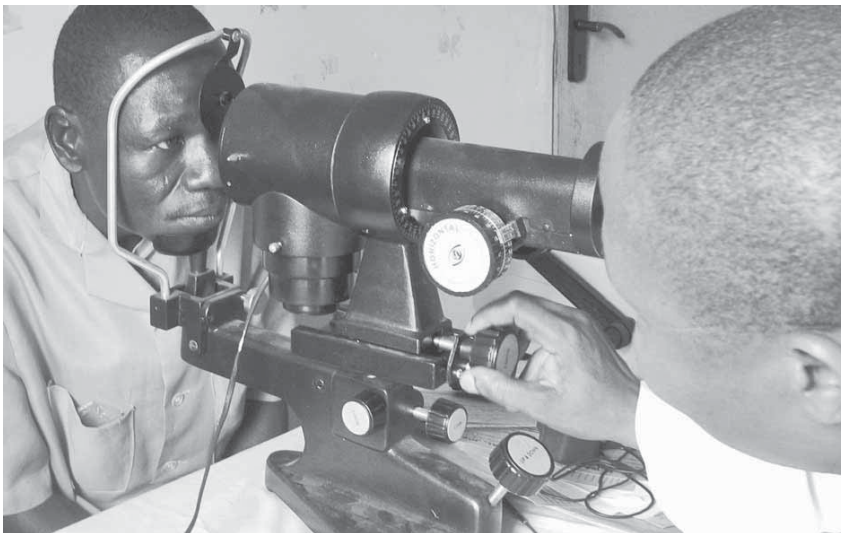
Historically, the private sector was small and catered to the rich. But there was a big growth in the private sector which has worsened previous

inequalities between the rich and the poor. The poor have no health insurance and the wealthier do.

The inequalities in this two-tier system have in recent times increased to alarming levels. Recently increases in medical aid tariffs have sky rocketed to a level that has made it unaffordable for some middle-income earners which has resulted in a decline in medical aid membership. Membership has declined from 17% in 1992 to 14.8%

constant, while the private sector spending per person has doubled in the past decade. Furthermore, per person spending has barely kept up with inflation, but health-care costs in the private sector has sky rocketed beyond the current inflation rate.

The two-tier system has in recent years widened the gap between the rich and the poor, between the private sector and public sector. The private sector spends around R65.8-



in 2005. Clearly these high tariffs cannot continue in the private sector.

South Africa, as a middle-income country spends around 8.5% of its Gross Domestic Product (GDP) on health. Of this government's expenditure amounts to 3.5% while private sector expenditure is around 5%. The inequality in the distribution of finances is evident when you look at public/private distribution. About 40% of total spending takes place in the public sector which serves 85% of the population, while 60% of health spending is dedicated to 15% of the population that has access to private health care.

The health care costs per person in the public health sector remain

billion and the public sector around R56-billion.

This unequal distribution of funding is mirrored in the distribution of resources, in human, equipment and capital resources. The majority of health-care personnel work in the private sector: 65% of doctors are in the private sector, 80% of specialists are in the private sector, and the distribution of nurses is slightly higher in the public sector.

This mismatch of resources in the public and private health sectors relative to the size of the population, and inefficiencies in the use of resources have contributed to the poor health of most South Africans.

DECLINING HEALTH IN SA

In spite of the many gains due to policies and programmes of the Department of Health, the health of the nation has declined when we measure it against universal national health indicators.

The infant and maternal mortality (death) rates have increased and life expectancy has fallen to 48 years. This is in spite of government spending 8.5% of its GDP on health. The poor health in South Africa is worse than in countries with similar levels of economic development. This is because of the massive inequalities in the distribution of resources as well as the poor delivery of services. Clearly, the current two-tier health-care system has failed to deliver quality health care to all as the Constitution requires.

The quality of care in the public sector has dropped to unacceptable levels. Reports by monitoring bodies such as the Human Rights Commission, and in research done by Naledi for Nehawu and other organisations have identified some of the challenges facing the public health sector. These include poor management and supervision, lack of accountability, poor working conditions, inadequate health-care staff, vacant posts in key sectors and lack of maintenance of equipment. This results in poor delivery of quality care to the majority of people.

As a result of intense lobbying by Nehawu and Cosatu (Congress of South African Trade Unions), the watershed 52nd Congress of the African National Congress (ANC) adopted a resolution to implement a NHI and to strengthen the public health system. Cosatu has been in the forefront of introducing a NHI system and played a critical role in the adoption of the resolution at the ANC's 2007 Congress in Polokwane.

NHI PRINCIPLES

Cosatu's position paper on a NHI embodies the following principles:

- Health is a constitutionally guaranteed human right.
- The state bears a constitutional obligation to provide health services for everyone without discrimination on any grounds including on the basis of economic status.
- Health services must be decommodified (health has been made into a product that can be bought and sold for profit instead of it being an essential human right and service).
- Social solidarity, with cross subsidisation. The rich need to subsidise the poor and the young and healthy need to subsidise the elderly and sick.
- Provision of free necessary medical services at the point of service such as at hospitals and clinics.
- Health services for all with no out-of-pocket expenses.

WHAT IS NHI?

A NHI system means a single state administered system in which organises finances aimed at ensuring that everybody, irrespective of his or her financial status has free health care at the point of service. This will ensure effective planning, rational investments and equal distribution of health resources by pooling all the resources from the private and public sectors.

Under NHI there will be a single payer system rather than a multitude of medical aid schemes. This will result in savings and a pooling of resources.

The NHI will be for everyone and will end the paying of fees and out-of-pocket expenses.

NHI will provide a comprehensive basket of services which cover preventative and immediate medical



A rural clinic visited by a doctor once a month

needs as well as long-term care.

Funding for NHS will come from general tax revenue and progressive taxation (the more you earn the greater the percentage of taxation) based on employer and employee contributions. The government should raise the health budget from the current 10.5% to 15%.

The provision of health care must be carefully costed by government using reliable data. There will be a single agency where health services can buy goods which will make services more affordable.

Government will need to introduce a transitional plan when it moves to a NHI system. This will be necessary to minimise the difficulties with changing over to a new system and to ensure that private sector workers are able to serve in the expanded public system. All stakeholders including the private sector will need to participate.

PROGRESS TO DATE

The national health insurance initiative is spearheaded by Cosatu and Nehawu and they are forming a technical working committee (TWC) to take the process forward. The TWC consists of members of other sister unions organising in the health sector such as Sadnu, Sama, Ceppawu, Samwu and Sasawu.

They meet on a biweekly basis.

Cosatu has developed a position paper and its main tenets have been adopted by the ANC's sub-committee on Health and included in the Election Manifesto.

Other activities include engaging a high-level research team to develop a funding model for NHI that is feasible. Work on developing a Cosatu position paper on a human resources development plan to strengthen the health-care sector is in progress and it will be presented to the ANC's task team for consideration.

A plan for transitional arrangements will also be developed and it is hoped that a NHI act will be passed in 2009. In addition, the Cosatu TWC is planning a national campaign on NHI to inform union members and the public of the benefits of a NHI system.

The introduction of a single, NHI system that provides free health care will be welcomed by workers as well as the general public since it caters for their rights and their health needs. The poor who cannot afford contributions will be subsidised by government. LE

Farieda Dollie is a health policy specialist in Nehawu. This is the first of three articles on a NHI System.