

Open Letter to Dr Zweli Mkhize and Mr Tito Mboweni,

As civil society organisations, SECTION27 and the Institute for Economic Justice congratulate you on your appointment to the portfolios of Minister of Health and Finance respectively. We wish you courage and fortitude as you take on these critical portfolios at a difficult time in our nation's development.

As economic and social justice organisations we wish to support you in your vision to achieve a long and healthy life for all South Africans. In our view, this objective cannot be met under the current inadequate and inefficient health resourcing – both financial and human. Correcting this will require improving how resources are utilised in the public sector, much greater sharing of resources with the private sector, as well as additional resource injections from the state, where needed.

Austerity is undermining health care

As we pointed out in a recent [fact sheet](#), the implementation of austerity budgets by government during the 5th democratic administration severely undermined the public health system and the *viability* of National Health Insurance (NHI).

Spend per uninsured person increased by **only 1% on average** annually between 2015/16 and 2019/20, 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.

The NHI White Paper recognises that expenditure will have to double if quality healthcare is to be provided to all. Yet the most recent February 2019 budget proposed total spending on health that is **R700 million less** than what was proposed in the previous October's Medium Term Budget Policy Statement. Taking stagnant economic growth into consideration, the Davis Tax Committee's projected **R72 billion shortfall in NHI funding by 2025** is likely to be significantly understated.

Access to medicines

In South Africa, the government has the opportunity to negotiate fair and better prices for cancer medicines in the same way that they dealt with the issue of Antiretroviral therapy. That is to say, by showing political will and putting enough resources into healthcare, lives can be saved. There are hundreds of people dying everyday due to the fact that they cannot afford to pay the price of life-saving medication. Cancer patients bear the brunt of unaffordable medicines. For instance, someone diagnosed with Multiple Myeloma, would have to pay R900,000 for a year's worth of medication. Despite the fact, that there are medicines available to treat Myeloma, many people are dying in their homes simply because the medicines they need are unaffordable and inaccessible.

Human resources for health

Shortages of specialists and other staff in the public health sector have been at crisis levels for some time. These were exacerbated during the past five years due to budget cuts. What the numbers don't always show however is the experience of ordinary people on the ground. For instance, In Keimoes Hospital in the Northern Cape, there are only two nurses and their assistants to keep the 28-bed hospital running. Patients admitted to the beds (including the six-bed "maternity" ward) are left to fend for themselves. A health worker who asked not to be named for fear of victimization, admitted to SECTION27 that they mostly have to ask family members to come to bath and feed patients. There are very few other health workers or staff such as cleaners.

In May 2018, **38 000 public health posts were vacant** as a result of the implementation of wage expenditure ceilings – one of the tools which the National Treasury has used to curb expenditure – at an avoidable cost to lives. Provincial departments of health have faced difficult choices as a result: cut non-personnel budgets or reduce headcounts.

As Ministers of Health and Finance, it is ultimately **your responsibility** to ensure that the health sector receives the budgetary support that is necessary to maintain and improve services. The new cabinet must ensure that funds to fill vacant posts in the health sector are utilised and based on a long-term vision for quality health care – rather than continue to enforce damaging and highly arbitrary wage expenditure ceilings.

In this regard, it is urgent that the Department of Health produce a **new Human Resources for Health Strategy**, since the existing strategy is now two years out of date.

Austerity is a vicious cycle

Ministers, you will be cognisant of the fact that chronic underfunding of health and staffing shortages contribute to service failures which have played a role in the **rising burden of medico-legal claims**. These more than tripled from **R28.6 billion in 2015 to R80.4 billion in 2018** during this period of budget cuts, and now amount to more than half of some provincial health budgets. This is clearly unsustainable.

Case studies have shown that short-term austerity can debilitate a generation and hamper economic development, as undermining health services destroys human potential. For instance, in Greece, cases of HIV infection leapt by 52% between January and May 2011 when the government cut its budget for a needle-exchange programme targeting drug addicts.

The human cost of austerity is high and the only way to avert the repercussions it is through a properly funded and performing health system.

Invest in health infrastructure to restore dignity

Twenty-five years into democracy, there remains an urgent need to build new and fix existing facilities in areas that were ignored during apartheid. Yet in many such areas, the health ombudsman, the office of health standards compliance and the media continue to report horrifying stories such as patients sleeping on hospital floors, no equipment, staff shortages and even infrastructure collapses at clinics and hospitals.

A recent investigation conducted by Spotlight, a joint publication of the Treatment Action Campaign and SECTION27, revealed that about a year ago, the old De Aar hospital in the Northern Cape was suddenly closed and moved, almost overnight and. Over five or six months, the facility which is said to have been earmarked to be converted into staff accommodation was looted.

Reconstructing this facility will now cost more than had been planned by the department and there will be greater costs incurred by health care givers. This additional spend could have been invested in other infrastructure projects.

After **three years of spending cuts to the Health Facility Revitalisation Grant**, in 2018 the government announced that it would prioritise the upgrading and maintenance of health infrastructure. Despite this commitment, the 2019 budget reduced expenditure on facilities management and maintenance in real terms by -2.7%.

Protect the most vulnerable

The Life Esidimeni tragedy was symptomatic of a failing health system beset by unaccountable officials and unfit MECs. Such disasters are also more likely to occur in under-resourced health systems where budgets are constantly strained.

We urge you to act on the findings and recommendations of the [Life Esidimeni Arbitration](#) and [SA Human Rights Commission Report](#) on Access to Mental Health Care Services to ensure adequate and effective funding of mental health care so that the tragedy of Life Esidimeni will never be repeated.

Making public funds go further: the example of Patent Law reform

Last year we welcomed cabinet's adoption of Phase 1 of South Africa's new intellectual property law policy. We urge you, in your roles members of the Inter-Ministerial Committee on Intellectual Property, to help ensure that the new administration urgently passes the agreed-to reforms of the Patents Act, which will provide a better balance between the right of access to healthcare and the private interests of pharmaceutical companies.

Fund improvements to public health care for a successful transition to NHI

Ministers, a collaborative effort – as the President has described it – is needed to develop and implement a health financing strategy that will more appropriately define how money will be raised, allocated and spent on improving health care outcomes and achieving Universal Health Care.

We urge you to listen to civil society's voice as we report on progress and failures and offer solutions to the challenges faced in our health sector.

We are committed to NHI, but we urge you to take our specific concerns with the current NHI Bill seriously. Matters such as the role of provincial health departments and protecting NHI funds from corruption are just two examples of critical questions that require clarification.

Complete and implement the findings from the Health Market Inquiry

NHI will not be achieved without significant private health market reform. We urge you to support the finalisation of the Competition Commission's Health Market Inquiry and to give serious consideration to implementing its recommendations. We are in agreement with most of the recommendations in the draft report and believe it provides a realistic pathway toward more efficient health spending in the private sector, while also helping to put in place some of the infrastructure required for NHI.

Yours Sincerely,

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+SECTION27
catalysts for social justice



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The Institute for Economic Justice and SECTION27 have produced a Fact Sheet on health care budgets in South Africa that is available at:

<http://section27.org.za/wp-content/uploads/2019/05/2019-IEJ-S27-Health-Fact-Sheet.pdf>.

Spotlight NSP has outlined five policy priorities for the health sector for the new administration to get on with, visit:

www.spotlightnsp.co.za/2019/05/22/five-health-policy-priorities-for-the-new-administration