

**BUDGET VOTE 2023/24 SPEECH BY MINISTER OF HEALTH, DR JOE PHAAHLA**  
**CAPE TOWN**  
**DATE: 09 May 2023**

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Honourable Speaker/Chairperson

My Colleague, Deputy Minister Dr Dhlomo

Ministers and Deputy Ministers present

Chair of the Portfolio Committee on Health and Members of the Committee

MEC's present

Honourable Members of the National Assembly

Ladies and gentlemen

I wish to thank the speaker for this opportunity for us to present the Budget Vote for Health 2023/24.

Our budget vote takes place just five days after the DG of WHO Dr Tedros Ghebreyesus announced that the International Health Regulations (2005) Emergency Committee in its meeting of 4<sup>th</sup> May 2023 had come to a determination that Covid-19 no longer constitute a Public Health Emergency of International concern. This was determined on the basis of declining infection rates, hospital admissions and deaths. The WHO had declared the Covid-19 a PHEIC on 30 January 2020 and a pandemic on 11<sup>th</sup> March 2020.

The lifting of the PHEIC status of Covid-9 brings closer to the end of the most devastating global health emergency in over a century since the Spanish flu of 1918. What this means is not that the virus and the disease are over, but just that it has become more endemic, it is still a high risk for vulnerable population especially those of advanced age and with comorbidities. It is still advisable that those of us in these categories including those who are immunocompromised should get on boosters on average after every six months.

I want to take this opportunity to thank all those who played a major role in saving lives at the peak of the pandemic. We thank our health workers who stayed the course even at

the times when everybody else was staying home. We thank our scientists and researchers, those who availed themselves to serve on various Ministerial Advisory Committees. I also want to thank the leaders of business, labour civil society, religious and traditional leaders who helped to stabilise society and promote vaccination. Lastly I want to thank President Ramaphosa for leading a whole of government and all of society response including in the continent and the world. Our task now is to join forces with other players in the world in getting ready for future pandemics.

### **Hon Chair and Members,**

Our budget vote takes place at a time when our country's economy is not doing well following the COVID-19 pandemic and now loadshedding. The financing of public health is seriously negatively affected by this situation.

The 2023/24 budget allocation for National Department of Health shows a decline of R4,4bn from R64.5bn in 22/23 to R60.1 billion in 2023/24. Even though the R4.4bn decline can be attributed to discontinuation of conditional grants which were allocated for the fight against Covid-19 including vaccination, the fact of the matter is that there is not even inflation adjustment and there are also reductions in allocations to existing programs. National Treasury acknowledges that the health sector is under-funded to a minimum of R11bn, but we believe commutatively it is much higher. 89.2% of our budget is transferred to provinces and in the current budget the transfers and subsidies to provinces are at R56.2bn of the R60.1bn. R10m per year over the next two years will go to the no fault scheme to cover adverse events following Covid-19 vaccination.

Notwithstanding several challenges progress has been made on several fronts.

### **Human Resources for Health**

#### **Hon Chairperson**

Over the last 10 years there has been significant increase in the training of doctors by our medical schools and added on by graduates from Cuba. As a result, the number of medical interns increased from 500 in 2015 to 2625 in 2022 while medical conserves increased from 1322 to 2369 over same period. The problem is that provinces have sometimes not been able to absorb the medical officers after conserve due to budget

constraints. We are working with SAMATU to make sure that doctors who want to work in the public sector are assisted to get posts. Over the MTEF R7.8 billion has been allocated to support provinces for the interns and conserves. A further R8.7 billion within the HR grant is allocated for specialists training over the three years.

Nursing colleges in all provinces are implementing the new curriculum. The South African Nursing Council (SANC) and the Council on Higher Education (CHE) are finalising agreement on the articulation of previous diplomas into Higher Education so that they can qualify for postgraduate studies.

A Human Resources for Health Plan has been finalised and is being regularly reviewed and costed, the challenge being the continued reduction in funding. Currently we are concerned that the salary agreement is expected to be funded from savings meaning reduction in headcounts.

## **Health Infrastructure**

### **Hon Chairperson**

Our exit out of COVID-19 as a health emergency and pandemic enables us to focus on improvement of services from Primary Health Care up to specialised care. A key ingredient of that is suitable infrastructure. It is common course that many of our facilities need attention for maintenance, refurbishment, upgrades, or replacements but we also need new infrastructure.

To support provinces in this regard we have R7.2 billion over 3 years for direct transfer based on approved plans. Also, under NHI grants we have R1.4 billion which is implemented by the NDOH in provinces on agreed projects from PHC's up to tertiary services. Implementation of the Limpopo Academic Hospital which starts later this month falls under this budget. The Siloam Hospital in Limpopo is already more than 10 months under construction and also is Zithulele and Bambisana hospitals in Eastern Cape and Dihlabeng hospital in Free State. Clinics, Community Health Centres in all provinces are also benefitting from the conditional grants.

Our infrastructure team have been instructed to look at ways in which we can reduce the delivery timelines and also reduce costs of implementation without compromising quality. We are also looking at alternative methods of funding to increase pace and scale of delivery. Acquisition and maintenance of equipment is also under the spotlight where we are also looking at faster turnaround times and reliable maintenance plans.

## **Health Systems**

### **Hon Chairperson and Members**

Primary Health Care (PHC) is at the centre of improving access to and quality of health services. The drive towards all our PHC facilities attaining Ideal Clinic status was derailed by the COVID-19 pandemic but is gaining momentum again. In the 2023/24 financial year we expect 200 more PHC's to attain ideal status bringing the number to 2400 and increase pace in outer years. To improve Patient Records management, the HPRS has been rolled out in 3211 Public Health facilities, out of which 267 HHCs and 2870 are clinics and 74 hospitals. Building on the learnings from the development and roll-out of the Electronic Vaccination Data System (EVDS) we will this year introduce the first module of the Electronics Health Records focussing on HIV and TB. Our team is working with all provinces to make sure that ICT support is given including connectivity in the remaining 256 clinics.

Emergency medical services is an important component of PHC and therefore we are assessing all provinces for compliance with emergency medical services regulations. One of the issues which we have to fight out with National Treasury is the transversal contracts for acquisition and maintenance of vehicles which taken long for purchasing and even worse for repairs.

We currently have just under 50000 Community Health Workers (CHW) in service and we are aware that ideally we need more. Our HR team is working through PSB Council to find a lasting solution for long term or permanent engagement of CHW's.

Hospital services are key to the improvement of quality of health services because that is where we end up when prevention and early treatment has not succeeded and therefore at our most vulnerable state. It is therefore not surprising that when something goes wrong

here it drives anger and emotions. Over and above infrastructure, equipment and staffing, there are other factors which determines the quality of care. Performance in areas such as management of records, cleanliness, security, availability of pharmaceuticals and other medical consumables, management of linen and of course some of our hospitals have been in the news due to shortage of food. Overall central to the efficiency of our hospitals is competent managers with the support of provincial offices. We should be able to revive the Albertina Sisulu Health managers training program which was very useful. Properly managed referral systems are very important for the efficiency of our health system.

The tertiary services grant which in 2023/24 is R14 billion is used as a subsidy for highly specialised medical services which are provided in 31 tertiary and central hospitals, mostly in urban areas. They are assisted for referral services from district and regional hospitals. The grant is also used to build capacity to reduce long distance referrals such as in Oncology where e.g Mpumalanga and Limpopo provinces are being assisted to build their own capacity.

## **Communicable and Non-Communicable Diseases**

### **Hon. Chair**

We have made significant strides with the fight against HIV and AIDS, TB and STI's, but COVID-19 caused significant reversals. We have not been able to attain our 90/90/90 targets as agreed by all countries under the auspices of UNAIDS by 2022. The current global target for 2025 is 95/95/95 and we are currently at 94-76-92 which indicates that our biggest shortfall is in the middle of 90 of getting those who are positive on treatment and retaining them. All provinces have reached the first 90 but only 6 have reached the middle of 90 of which 4 are in KZN and one in Free State and Mpumalanga. We have developed an acceleration plan which identified 100 facilities in 17 districts in all 9 provinces with high burden of HIV/AIDS. By focussing on these areas, we hope to reach 95-95-95 by 2025 and the elimination of HIV and AIDS as health threat by 2030.

A major challenge for our country remains new infection of young people especially adolescent girls and young women. Through our Youth Prevention strategy called Zikhala Kanjani we hope to reduce HIV and STI's for the 15-24 years age by 40% by 2025. To

increase efficacy and viral suppression we have made the drug TLD more accessible for adults and adolescents and a number of new, safer and effective treatments have also been added. A very effective treatment for children called Paediatric Dolutegravir (DTG) has been approved by SAHPRA. All these new medicines will increase safety and efficacy.

TB remains a twin infectious disease and cause of mortality in the world and in our country. Like HIV and AIDS we also lost ground in testing and treatment for TB. TB screening is done at health facilities when clients come for other services. We have missed our target of TB success rate of 90% by 2022 and we are at 76% after covid-19. We hope to catch up through our recovery plan approved by SANAC and by introduction of the new shorter treatments which will see Drug Resistant TB treatment moving from 9 months from a previous 2 years before 2018 to a new 6 months treatment. Treatment of children with drug sensitive TB will reduce from 6 Months to 4 months.

On Malaria -we remain committed to elimination and believe it is doable working with our neighbours.

Cholera outbreak has been curtailed, remained in Gauteng and no new cases.

Measles outbreak has also been curtailed through rollout of immunization.

Reproductive Health Services were reduced by lockdown and resulted in increased teenage and at school pregnancies, but we are on recovery path.

### **Hon Chairperson**

Non-Communicable diseases remain a challenge to our country, and they are rising. My colleague Deputy Minister will deal more with the challenge. We need to put more effort into prevention, early detection, and treatment. We need to invest more into mental health prevention and early detection of cancer.

### **National Health Insurance**

#### **Hon Chairperson and Members**

This government is committed to the reform of our current health system which mirrors the inequality and inequity of our economic and social systems. We are committed to the progressive realization of Section 27 of our Constitution. We believe that the current two-tier system, one system for the rich and one for the poor is unsustainable. We also believe that health should be a common good and not for profit, especially at the point of service.

The NHI bill which is currently in your hands and is simply an instrument for the realization of the goal of equity. We support trading in commodities such as medicine, diagnostics and equipment but with due regard to lifesaving and therefore temper with patents, but we should not trade with point of care, here we need solidarity between the rich and the poor.

We hope that all MPs in the NA will support the NHI bill. In the meantime, we are building foundation in the department through the NHI branch. In this branch we are recruiting experts to work on:

- a) Health System Digital Information
- b) Health Care benefits and Provider
- c) Risk and Fraud Management
- d) User and Service Provider Management
- e) Business Intelligence and Data Analytics

Through the various grants under this branch, we are putting the building blocks for a resilient health system.

### **Hon Chair and Members**

Let me take this opportunity to thank many South Africans, many of them highly experience professional who continue to offer their services in various entity boards and councils reporting to us. I want to take this opportunity to thank Prof Malekgapuru Makgoba who is about to complete his term as our first Health Ombud. He has laid a solid foundation.

### **Hon Chair**

As we move towards 30 years of our freedom and democracy let us all commit to the progressive realization of the aspiration of our constitution through the implementation of Universal Health Coverage.

My word of thanks goes to Deputy Minister Dhlomo, Chairperson of Portfolio Committee and its members, Director-General Dr Buthelezi, Department Team, Boards and Heads of our Entities, Ministerial Advisory Teams and all partners, for support in this demanding responsibility.

**I THANK YOU!**

**KE A LEBOGA!**