SPEECH BY MINISTER OF HEALTH DR M.J PHAAHLA: PRESIDENTIAL HEALTH SUMMIT , THURSDAY, 4 MAY 2023

I wish to thank President Ramaphosa for holding Health as a high priority since he assumed office in February 2018. The first Presidential Health Summit held from 19-20 October 2018 laid the foundation for the areas which the country needed to focus on, if we were to get any closer to our dream of providing good quality health services to our people.

The nine areas of focus which were subjects of discussion by the 9 breakaway groups ere transformed into pillars for implementation in the subsequent Presidential Health Compact which was signed by various partners on 25 July 2019.

The nine focal topics of the summit which subsequently became the compact pillars were not thumb sucked by the organizers but rather are well researched key performance areas which are critical if we are to turn our health system around for the better.

It is a well-documented fact that the evolution of modern or Western form of organized health service in South Africa has been bedeviled by being intertwined with our historic political system. Prior to the dawn of democracy in 1994 the health system was organized along the lines of colonial and apartheid policy with different facilities for Whites, Indians, Coloureds and Africans at the bottom end. By 1994 the private health sector was very small made out of mainly GPs, small number of private specialist and other allied professionals such as dentists, physiotherapists etc., few private laboratories and a much smaller number of private hospitals.

On the funding side as well, the growth of the Medical Aids industry can be traced to the dawn of democracy. Over the last 29 years while the racial segregation which determined the quality of health service one could access has been done away with, these has been replaced by differentiation by income and therefore your class in society. It was therefore correct that the 2018 Presidential Health Summit did not only focus on improving the public health system but also on how to close the

gap between the two with an acknowledgement that ultimately it is only the implementation of Universal Health Coverage which can create long lasting equity.

The Public Health System faces a number of challenges key amongst which is the high burden of disease leading to huge service demand while resources are continuously reducing as a result of poor economic performance leading to declining revenue collection.

Undeniably even with the limited resources many of our public health facilities could perform better if it was not for inefficiency, poor management, neglect of duty due to poor supervision and unfortunately even outright corruption.

Despite these serious weaknesses the public health system has proven to be resilient even under the most testing pressure of the COVID-19 pandemic.

While there were days especially at the peak of wave 1, 2 and 3 when both the public and private hospitals ran out of high care and ICU beds, the system did not collapse.

Ordinarily on any given day millions of South Africans receive acceptable service at many public health facilities. There are even pockets of excellence at many of our facilities from primary health up to specialised services, but these are drowned in the public domain by the negative experiences.

Comparison of deliveries in public and private hospitals:

Price Mshiyeni hospital in Durban delivers around 900 to 1000 babies a month, while a private hospital in the same area delivers a maximum of 60 to 80 babies an month with a 70% cesarean section.

In the Gauteng Province the Chris Hani Baragwanath Hospital delivers between 1500 to 1800 babies per month. This just goes on to show the difference in pressure of service between public and private hospitals.

As is well documented in the annual reports of the Council for Medical Schemes, the expenditure on private health excluding out of pocket expenditure is just slightly higher than the total expenditure of the Public Health budget, but only services about 15% of the population.

As unemployment grows more people are being pushed to depend exclusively on the public health system. Even those employed and on Medical Aids are suffocating under ever increasing contributions, and therefore are continuously making demands on their employers to increase the employer contribution.

Anybody who denies the fact that the current path of our two-tier health system is not sustainable is a denialist. Of course, for those who see health as simply another business opportunity it doesn't matter as long there will be opportunity to make a profit. The need for reform of the current trajectory should not be a matter of debate even where we may differ on details but to those who say leave the private sector alone and just fix the public health, we say this is disingenuous.

The COVID-19 pandemic which broke out just six months after the signing of the compact had the effect of derailing our focus on the systematic implementation of the pillars as well, energies were turned into the impact of the pandemic.

On the other hand, some aspects of the implementation of the pillars were accelerated by the necessary interventions against the pandemic as will indicate shortly. Without going into details, I will briefly reflect on some of the pillars.

Pillar 1: HUMAN RESOURCES FOR HEALTH:

I wish to take this opportunity, once more to express our gratitude as the whole of government and people of South Africa to our health workforce for putting their lives on the line in saving many lives at the peak of COVID-19

pandemic. We pay our respect to those who lost their lives on the line of duty.

The 2018 summit, correctly so, put sufficient and appropriate human resource for health at the centre of any improvement of quality. While there has been positive intervention e.g Presidential Stimulus package in 2018/19 and further cash injection at the height of COVID-19, sustainability has been undermined by continuous budget cuts. We appreciate additional funding which made it possible to stabilise the Internship/ Community Service employment. Breakaway groups will provide further assessment and further work. Some major issues to be dealt with include reviews of OSD and abolition of RWOPS.

Pillar 2: Improved Access To Essential Medicines and Vaccines and Product:

We know the difficulties we went through in accessing vaccines for COVID-19. Because of late acquisition we are now sitting with more than 25 million doses of COVID-19 vaccine because of hoarding by developed countries at height of COVID-19.

Thanks to leadership of our President, and today we are part of a number of initiatives to prevent this for the future including being an mRNA technology Hub as designated by WHO. While the situation is fluid based on appropriate procurement and financial management, we have not experienced any widespread shortages of any essential medicines over the past 5 years. We can improve the Stock Visibility System implementation. The CCMDD has been growing but needs stable funding.

Pillar 3: Execute Infrustructure Plan and Maintanance:

Ten year Infrastructure plan has been costed in consultation with National Treasury. Under COVID-19, funds were directed to put up a number of temporary structures, some of whom are being converted for regular long-term use. While there is ongoing rollout of new, replacement , upgrades and maintenance projects, it’s not enough.

There is agreement with National Treasury and Infrastructure SA that we need to urgently look at alternative financing model. The mode of delivery of infrastructure also needs urgent reform to increase speed, quality, while reducing wastage and high cost. The estimated cost of all Infrastructure needs done in 2019 was R70bn for hospitals and R12.6bn for Primary Health Care facilities.

Pillar 4: Engage Private Sector to Improve Access and Quality:

Some inroads were made when we were all under pressure of COVID-19, but there is still no sustainable solution due to high cost of both ordinary beds and worse with ICU beds in private hospitals.

The issue of training of nurses has been resolved with South African Nursing Council. From previous summit there, was a proposal for even training of medical specialists, although this is more complex.

What we need more urgently is access to clinical data from private hospitals which is a gap in all our annual clinical data. The Electronic Vaccination Data System had laid a foundation for a possible uniform Health Patient Record system. We are looking at the implementation of provision of National Health Act to enforce some key uniform standards also informed by the Health Market Enquiry report.

Pillar 5: Improve Quality, Satety and Quantity of Services especially PHC:

Since the decline o COVID-19 over the last 12 months we have been putting more attention on improvement of quality as indicated in earlier report.

PHC - Including Health Promotion and Screening for both communicable diseases such as HIV, TB, STI’s and NCDs are key.

Primary Health Care - facility upgrading through Ideal Clinic Realisation , a bit of setback during COVID-19.

Pressure is on quality in hospitals due to high volumes and poor management. Medical litigation remains a high risk, we are working with all provinces to have a coordinated response. Basic issues like proper record keeping and preservation makes a difference.

Pillars 6 & 7: Improve Financial Management and Governance:

The overall budget allocation to the health sector has been reducing over the last few years including the current financial year.

The 2018 summit identified areas needing attention to improve financial management including supply chain management. The management of PPE's exposed serious weakness leading to reputational damage.

A number of cases were investigated by the Special Investigating Unit leading to disciplinary processes. Incidents of poor financial management are still occurring, leading to non delivery of essential goods and services. An anti-corruption forum in the Health sector was launched in 2019 but its impact is still has to be felt. The overall audit outcomes of the health sector showed slight improvement in 2022/23.

A lot still need to be done to improve quality of management especially on health facilities.

Pillar 9: Develop An Information System:

Some progress has been made with regards to the development of integrated Health Information System e.g registration of more than 60 million individuals on the HPRS. There is progress in making sure systems used by provinces are interoperable. A lot still needs to be done to make sure that the private sector also has interoperable systems with the public sector for smoothness of services across.

We look forward to further interrogation of the progress report and proposals on how to accelerate further implementation of all pillars which will contribute positively to the implementation of Universal Health Coverage through the NHI

I thank you!