



**Budget Vote and Policy Statement delivered by Dr Zweli Mkhize,  
Minister of Health  
on July 12, 2019**

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Speaker of the National Assembly  
Honourable Chair of the Portfolio Committee on Health and members of parliament  
My Colleague Deputy Minister of Health  
MECS of Health  
Heads of our Public Health Entities and Statutory Councils  
Deans of Faculties of Medical Sciences  
Health professionals who have joined us today;  
Distinguished guests;  
Fellow Compatriots  
Ladies and gentlemen

It is a pleasure to table the National Department of Health Budget for 2019/20 of R51.46 billion (R51,460,690, 000).

The President stated in the state of the nation address of the sixth parliament that we must attend to the capacity of our hospitals and clinics. To this end we have a social compact that emanated from the deliberations of the Presidential Health Summit held in October 2018.

This compact will be signed with the President of the Republic of South Africa to confirm the partnerships between government and the private sector, academia, health professionals, civil society including organised labour to build a health system for the country that will be ready to implement Universal Health Coverage.

We recently attended the joint session of the G20 meeting of Ministers of Health and Finance where we reconfirmed our commitment as part of our shared understanding to strengthen our health system and health financing with an aim to achieve universal health coverage.

In the case of South Africa, we are implementing National Health Insurance (NHI) as a way to achieve Universal Health Coverage. The Director-General of the World Health Organisation, Dr Tedros Adhanom Ghebreyesus, articulated well a case for the implementation of UHC. He said that the potential payoff of UHC is tremendous.

“It’s children who survive beyond their fifth birthday because they are immunised. It’s women who are able to start small businesses because they don’t spend all their capital on healthcare. It’s men who don’t die before their time from a non-communicable disease”.

It is against this backdrop that we have the confidence to commit to this cause despite the existing challenges of the shortage of staff and medicines, aging infrastructure, inequity of access and inadequate equipment amongst others.

We will use health as one of the critical levers to narrow the gaps and bring about the resolution of the country's woes of low economic growth, inequality, poverty and unemployment and prevent the recurrence of human rights violations such as the *Life Esidimeni tragedy*.

This is the basis on which our people through their President have issued strong messages demanding improved services and elimination of long queues in health facilities.

What people have raised is in line with the National Development Plan and the Sustainable Development Goals which will be our guide as we address the health system challenges.

The major challenge of the health system is increasing burden of disease and the twin epidemics of communicable and non-communicable diseases.

Guided by the outcomes of the Presidential Health Summit, allow me to point out our plans that address the challenges contained in the nine pillars of the Health Summit compact. Progress on the plan will be reported upon periodically.

These are some of the interventions to help transform the health system, correct weaknesses and create a platform for NHI implementation.

National Health Insurance is a way of providing good healthcare for all by sharing the money available for healthcare among all our people. The health benefits that you receive will depend on how sick you are, not on how wealthy you are.

Under the NHI, health facilities and health workers will also be available to provide services to all, much more equitably. It all depends on our willingness to SHARE as ONE NATION. If we can feel and act in unity about sports, surely, we can do the same when it comes to matters of life and death, health and illness. National Health Insurance is a chance for South Africans to join hands in a way that really counts, regardless of race, gender or creed.

None of us would like a fellow human being to die, become disabled or live in pain just because he or she could not get decent healthcare. But this is happening in our country where poor people often have second rate healthcare while wealthier people can pay for good treatment. South Africans from all walks of life and all parts of our country have the power to change this tragic situation.

In my discussions with the health sector team, I have indicated that there are adequate reports and diagnosis of the problems in the health sector. We must now dive into the Implementation.

*NgesiZulu kunesho esithi umkhonto wegwala uphelela etsheni.*

*Loosely that means the spear of a coward gets destroyed by unending effort to sharpen it instead of getting on with the battle.*

*We must stop sharpening the spear now and march to battle and Implementation NHI.*

There will never be a perfect plan nor a perfect timing. Poorer countries have implemented NHI and poverty cannot be cited as a reason to delay NHI.

The following interventions to improve the health services should be implemented simultaneously with preliminary steps to introduce the NHI.

#### **1. Equitable Funding for the public health sector:**

In my consultation and briefings with provinces, serious concerns were raised about the public health sector being significantly underfunded. The current baseline is below the expected level of funding considering the population size, disease burden and the expected quality of services required. To this end, we are engaging National Treasury to explore various modalities to adequately fund health services. In the long term the investment in NHI will create funding mechanism that will permanently resolve underfunding. Expenditure in health must be seen not as wastage but as an investment in a healthy population and contribution to economic growth.

2. **Shortage of staff:**

The shortage of frontline service delivery staff needs to be eliminated once and for all. We have identified shortage of staff which require immediate attention. Of the 4143 required medical officer positions, we will fill 2680 in this financial year. A proportion of the nurses, Allied Health Professions and Community Health Worker positions will also be filled within the same period. We are undertaking to absorb all the qualifying 2625 medical interns, and 6786 community service health professionals, including anticipated 700 additional graduates from the Nelson Mandela Fidel Castro collaboration programme on training medical students in Cuba. The joint team of National Department of Health and National Treasury have met to reprioritise the budget for this focus with the view to permanently correct shortage of staff involved in caring for patients.

3. **Supply of medicines:**

The budget for medicines must be ring-fenced and protected to prevent stockouts. We are developing a mobile App (software Application) linked to a call centre that will allow instant reporting by patients or civil society every time that vital medication is not available in clinics and hospitals. This information will enable authorities at provincial and national level to immediately intervene.

Where there are global shortages of medicines, we will endeavor to timeously identify alternative global suppliers or therapeutic alternatives. We will pursue strategies for local production of active ingredients to ensure security of supply of medicine. The South African Health Products Regulatory Authority (SAHPRA) will be strengthened to ensure that the registration of medicines and capacity for local production of active ingredients as well as removal of application backlogs are accelerated.

We are also exploring procurement of available software for prescription and delivery of medication to centres closest to patients making it possible to eliminate the need to go to health facilities for the sole purpose of collecting medication.

We will be partnering with Non-Governmental Organisations to take advantage of IT systems that have already been piloted in the country. In this way we want to ensure that the entire health system can guarantee security of supply of medicine and timely delivery of chronic medication in areas including townships, informal settlements and rural areas.

I have instructed officials to identify areas where the system to improve supplies and eliminate shortages will be up and running within three months in all provinces. Thereafter provide a plan for wider rollout.

The impact of these two steps above will be reduced patient waiting time, less overcrowding and manageable patient workload on staff at health facilities.

4. **Quality improvement:**

We welcome the reports by The Global and National Lancet Commissions on quality care. The quality of healthcare in the government-run facilities must improve to make the public sector a service of choice in terms of access, affordability, availability and appropriateness, technical competence, skills, effectiveness, efficacy, respect and caring amongst others.

We will implement quality improvement in all our public health facilities to ensure compliance with standards set out by the Office of Health Standards Compliance (OHSC). Within the first year, 25% of our facilities will undergo interventions that will prepare them for certification by OHSC in readiness for accreditation for NHI.

Furthermore, client satisfaction surveys will be used to gauge and influence the quality of health services. I have directed that the department should develop a programme to run on mobile devices to empower the public to provide feedback on a few basic items such as quality of food, linen, cleanliness and attitude of staff to enable the department to effect corrective

measures. These are non-negotiable measures that are needed to support the delivery of health services.

This will assist in strengthening support systems such as laundry, patient meals preparation to ensure efficient delivery of health services.

**Office of Ombudsman.** The Office of the Ombud is a channel by which the public can raise their concerns about quality in our health facilities. This office will be strengthened to ensure that it plays its central role in improving accountability within the health sector.

A combined strategy of improved clinical care, efficient administration backed by strong legal interventions will be used to reduce **medicolegal lawsuits** by more than 50 %.

## **5. Improving Management and Governance:**

We intend to strengthen leadership at various levels in a way that will bolster service delivery and place the patient at the centre of care. A review of organograms will be undertaken, to eliminate bloated and inappropriate structures. Delegations will be adjusted to ensure appropriate levels of authority for effective decision making. This exercise should be completed in the next six months. Management systems will be strengthened to eliminate corruption and ensure efficiency. The intention is to promote ethical leadership and eliminate wastage of resources.

Consultation with the heads of specialist disciplines will be undertaken to strengthen clinical guidelines at tertiary and regional hospital level and build capacity of managers in all aspects including labor relations.

To improve governance in our health facilities, the department will ensure that all clinic committees and hospital boards are up and running by the end of this year. These structures will be trained to ensure that they are effective voices of the public to assist management to run the health system in a responsive manner and thereby improve the quality of health services.

## **6. Infrastructure Build:**

It will be impossible to convince the public about the virtues of NHI unless the *health* infrastructure is rebuilt as a matter of urgent priority. Currently, an amount of R19 billion has been set aside for the MTEF period to refurbish maintain and build 4 hospitals and 34 clinics for R6 billion, 85 hospitals and 120 clinics for R5.2 billion and maintain 485 clinics for R8.9Billion. While this is a significant amount, it is grossly inadequate.

The department has done an audit of all facilities and costed the entire program of infrastructure build.

A team of experts in finance and health and infrastructure from both National Treasury and Health has been established to seek creative financing mechanisms and alternative models of delivering of health infrastructure.

They have been given a clear directive to accelerate the refurbishment of all old hospitals and clinics and deliver new ones within 5 to 7 years. This is the basis on which NHI will be operating. Preliminary indications are that this is feasible. Based on the developed plan I will engage provinces and other stakeholders to rally support on this matter.

## **7. Strengthening PHC and reorganising the District Health System:**

The move towards Universal Health Coverage through the implementation of NHI will be based on a PHC approach. This will require that we strengthen community mobilisation in health promotion, screening, disease prevention, rehabilitation and early treatment of disease. An expansive network of CHWs and Community Care Givers serving a catchment population will be linked to support the delivery of PHC services in our communities. A well-organised referral system needs to be built to support the delivery of PHC services through referral to our clinics.

Medical Officers based at District Hospitals will be required to perform outreach services at clinics so that we reduce the need for patients to be referred to hospitals to access care.

We also plan to review the operating hours of Primary Health Care centres with the view to ensure that service are more accessible.

We also plan to expand the contracting of General Practitioners such that they could deliver services. This role is supported by various stakeholders such as the South African Medical Association, Unity Forum of Family Practitioners and Progressive Health Forum amongst others.

Work is advanced to define the role and relationship with traditional healers and various other complementary health professions as part of PHC.

This matter has been discussed with the leaders of the various professional councils as well as with the Health Professions Council of South Africa, Pharmacy Council, and Nursing Council, Interim Traditional Health Practitioners, Council and the Allied Health Professions Council. We appreciate their support, guidance and advice in strengthening our institutions in preparation for the NHI.

We value the safety of our health workers in our facilities and measures are being put in place in partnership with the SAPS to prevent ghastly attacks such as happened in Pelonomi hospital in Free State and other provinces.

#### **8. Stakeholder management:**

There is a strong need for cooperation between the public and private sector, civil society, patients' associations, academics, researchers including labour in transforming the health system. We intend to have a dialogue with a wide range of stakeholders to aid the flow of information amongst parties within the next six months. I have consulted with most of the stakeholder groups and encouraged by their support in strengthening the health system. We appreciate that many are represented in this budget hearing.

#### **9. Implementation of National Health Insurance:**

Cabinet has approved the NHI Bill for tabling in Parliament for public consultation. In the interim the structure of the National Department of Health will be reorganised to support the implementation of the NHI. The NHI Implementation Unit will be established while the legislative processes are underway. This unit will form the embryo of the National Health Insurance Fund and a platform for capacity building for staff.

As South Africa moves towards the implementation of the NHI we have developed the Health Patient Registration System. This system will form the backbone of an electronic health patient record. We have already registered 42,6 million users on the system and all South Africans will be registered by the end of this financial year.

We support the Department of Home affairs in the birth registration of babies in our hospitals as they will then be registered automatically on the NHI patient register. NHI will require a digital health information platform that will support the operations of the NHI Fund and work has already commenced in this regard.

In consultation with the Deans and heads of specialist disciplines we will strengthen service delivery by streamlining clinical guidelines to direct services at tertiary and regional hospital level to strengthen our health system.

We will also build capacity of managers to implement NHI utilising the bilateral agreements with Japan (JICA), UK (DFID), French government and EU funds amongst others. We have identified over 30 managers who will leave within the next four weeks to learn about NHI in different countries as well as anchors who will make implementation sustainable throughout the country.

The department of health will collaborate with academic institutions in building capacity for NHI including identifying academics and managers that will be trained abroad and using twinning arrangements to build sustainable local capacity.

**Health Programmes** – HIV/AIDS remains a high priority in public health with the aim to meet the 90/90/90 goals, Undetectable HIV Viral Load equals untransmissible and reduced illness and death rates. The department continues to work with the major donors PEPFAR (\$700m), Global Fund (\$635m, UNAIDS, WHO and Stop TB Partnership to meet the objective of Epidemic Control of HIV/AIDS and Tuberculosis.

Innovative strategies to increase the capacity of the National Health System, public and private will be scaled as a national priority. The investment from Government in the conditional grant for HIV/AIDS and TB treatment and Prevention is R22,038,994,038 for this financial year.

- In this financial year we will ensure that 90% of all people living with HIV know their HIV status (6.8 million people, including 195,000 children), **90% of all people with diagnosed HIV infection receive sustained antiretroviral therapy (6.1 million people, including 175,000 children)**, and 90% of all people receiving antiretroviral therapy are virally suppressed (5.5 million people, including 158,000 children).
- We will test 90% of all people with TB (408,600), treat at least 90% of them and ensure a 90% treatment success rate for drug-sensitive TB (and at least a 65% treatment success rate for multi-drug resistant TB).
- **We will Reduce TB incidence by at least 30%, from 834/100,000 population in 2015 to less than 584/100,000 by 2022.** We will also increase the detection and treatment of asymptomatic STIs by 50% in high HIV prevalence districts.
- We will ensure access to rehabilitation, psychosocial and mental health services for all, particularly people living with HIV and TB in every district. We will reduce new infections among youth from 1.2% to 0.7% and overall reducing new infections to below 100 000 by 2022.
- The National Health Laboratory Service, Tier data systems (TB) and HPRS will be merged to provide improved case management monitoring and evaluation, medicine supply chain, budget and planning.

The National Department of Health will contract General Practitioners to broaden capacity to manage HIV/AIDS and Chronic diseases.

**It is important for me to specify what will be in this initial critical package of services. In line with the Astana Declaration the PHC package will include the following services:**

- Maternal and child and neonatal health services
- Sexual, reproductive and adolescent health
- Services required by older people
- Rehabilitative care and palliative care
- Non-communicable diseases: We will tackle Non-Communicable diseases working with partners– we will screen and put people on treatment for diabetes, hypertension, cancer, and we will provide integrated mental health services
- We will accelerate our efforts on screening and early detection of cancers to ensure that we provide timeous oncology services
- We will continue to address risk factors and promote health and prevent these silent killers
- Mental health: strengthening community mental health services including community level interventions for substance abuse, psychosocial support especially
- Communicable diseases like HIV/AIDS, TB and Malaria will also be part of the initial critical package

Finally, I believe it's important to celebrate excellence in the public institutions as leaders in healthcare, innovation and academic training and research. I salute the hard working, upright and dedicated public servant whose lives are dedicated to doing good for the good health of our society.

I would also like to congratulate South African Medical Research Council on its 50<sup>th</sup> Anniversary; Dr Lindiwe Sidali from Inkosi Albert Luthuli Hospital on being South Africa's first African Female Cardiothoracic surgeon; and Professor Mashudu Tshifularo who became the first person in the world to transplant middle ear bones using 3D-printed technology at Steve Biko Academic Hospital.

I wish to call upon my colleagues, the fellow health workers and South Africans to join the government and all stakeholders in health on a journey to revamp the health system and renew our vows to our professions.

May I take this opportunity to thank the President for his guidance, the Deputy President as Chairperson of SANAC, Deputy Minister and other Cabinet colleagues, the Director General, DDGs and the entire department for all the support. The stakeholders in health in academia, statutory councils, labor and professional bodies, private sector and civil society, have all made immense contribution in crafting this budget speech. I salute you all.

This is not time for diagnosis and debates.

As President Ramaphosa has put it.

It is time to KHAWULEZA!!

I hereby table this budget vote for your approval. I Thank You!