



POLICY DEBATE ON BUDGET VOTE - 18
DR AARON MOTSOLEDI, MINISTER OF HEALTH
NATIONAL COUNCIL OF PROVINCES (NCOP)
17 JULY 2024, 16H00

Honourable Chairperson

My Colleague Deputy Minister Joe Phaahla

Chairperson of the Select Committee on Health and Social Services,
Ms Desiree Fienies, and Members of your Committee

Honourable Members

Distinguished Guests

Ladies and Gentlemen

Greetings.

It gives me great pleasure to present the 2024/2025 Budget of the National Department of Health to this House, and to also outline our plans for the 2024/2025 Financial Year of R62 218 899 000.00. This is a 3,5% increase from R60,1 billion of the last financial year.

The details of how this money is going to be spent are well elaborated in the Annual Performance Plan (APP) of the Department. Hence I will move to other very important matters.

House Chairperson, it is not an exaggeration to aver that the topical issue on health in our country is NHI (National Health Insurance).

Debates started raging furiously after the President assented to the NHI Act, and signed it into law on the 15th May 2024 – the President did this publicly by the way, something that he does not usually do, this signifying the importance of this piece of legislation.

I have listened to many such debates in our media and other fora, including legislature houses across the country. I could not help but conclude that many get involved in these debates based purely on what they read in the print media or what they hear over the electronic media. This is very unfortunate.

It is for this reason House Chairperson that I have decided that today in this debate, these matters need to be clarified, and I will start right from the beginning.

According to the World Health Organisation (WHO), a health system anywhere in the world consists of six (6) building blocks. You may call them six pillars of Health if you wish. These are:

1. Leadership and governance;
2. Access to essential medicines and other Commodities;
3. Health workforce (Human Resources)
4. Health systems financing
5. Health information systems
6. Health service delivery

Anyone of these six building blocks should not shake and be found wanting, because if that happens, the whole healthcare system will be on a shaky foundation.

As you can see, one of these six building blocks is Health Systems Financing. In our country we call it NHI and it has generated a lot of heat and every fury in some quarters.

This is not surprising. NHI is a health financing system that is designed to be an equalizer between the rich and the poor.

Everybody agrees that South Africa is the most unequal society in the world - there is no debate about that!!

But the moment a proposal is made on how to deal with the inequality, that is when the well-to-do show their true colours. Sharing with the poor or giving the poor their place under the sun becomes somehow an insult to the rich.

This is happening in most parts of the world but its roots seems deeply entrenched in our country. This is because in South Africa poverty and black actually seem synonymous, hence the persistence in the gross inequality.

On the 23rd May 2012, the former Director General of the WHO, Dr Margaret Chan, officially opened the 65th Session of the World Health Assembly in Geneva, Switzerland.

The World Health Assembly is an annual gathering of all health ministers and health experts under the auspices of the World Health Organization.

It is a supreme Health policy-making body only surpassed by the United Nations (UN).

Dr Chan chose Universal Health Coverage as her theme for that particular World Health Assembly. She mentioned seven (7) structural problems of healthcare around the world.

Two of these structural problems relate to Health Systems Financing or Universal Health Coverage or NHI in the case of South Africa. She quoted:

“costly private care for the privileged few, but second-rate care for everybody else”.

“schemes for financing care that punish the poor”

House Chairperson, if you want to see costly private care for the privileged few, but second-rate care for everybody else, you come to South Africa.

If you want to see schemes for financing care that punish the poor, you also come to South Africa.

No way can we, with a straight face continue in this manner.

I am painfully aware that in this House, I am standing in front of human beings who fall within one category of a privileged few who receive costly private care at the expense of the poor. Painful to say but unfortunately true.

Honourable Members, time to change has arrived.

Ironically, it is actually we the privileged few who are called upon to usher that change.

House Chairperson, as public representatives we dare not claim not to know the history of our country.

Our country has been seeking a solution for an equitable financing of health for the past 96 years – Yes, 96 years I said. This is recorded history and cannot just be erased.

History records the 1928 Commission of Old Age pension and NHI, the 1941 Collie's Committee of Inquiry into NHI, the 1943 African Claims that proposed equal treatment in the Scheme of Social Security, the Dr Henry Gluckman National Health Services Commission of 1943 to 1944 proposal for NHI, the Freedom Charter as adopted by the Congress of the People in 1955, the 1994 Ministerial Committee on Healthcare Financing, the 1995 Ministerial Committee of Inquiry into NHI (Broomberg and Shisana Report), the 1997 Social Health Insurance Working Group, the 2002 Committee of Inquiry into a Comprehensive Social Security System (The Taylor Committee).

House Chairperson, what we have been doing for the past 96 years was to keep on sharpening the spear for change, but not using it. In isiZulu they say “Umkhonto we gwala, o phelele lejeng”.

Even today, we are going to argue that we are not yet ready to implement. We are going to argue that the spear must continue to be sharpened and that we need another Commission to tell us what is wrong with our system.

Hon House Chairperson, we know what is wrong but we are just not willing to tackle that because we belong to the group of the selected few. We are beneficiaries of a wrong system and we dare not meddle with our own comfort.

House Chairperson, in order to understand just how important healthcare financing is, read the editorial of *The Lancet* of September 2013.

The Lancet is a British medical journal, one of the four best highly recognised medical journals in the whole world.

The Lancet argues that since human beings started populating this planet we call Earth, health has undergone only two (2) global transitions.

The first health transition is called –

- 1. Demographic Transition**

It began late in the 18th Century and changed the planet in the 20th Century through public health improvements – clean running water, basic sewerage and sanitation. This helped to reduce premature deaths greatly

The Second health transition is called:

2. **The Epidemiological Transition**

It began in the 20th Century and eventually reached even the most challenged countries in the 21st Century. This is what today we call immunisation or vaccination. Communicable diseases, starting with smallpox which annihilated more than 300 million since 1900 alone, were vanquished or controlled on a scale never imagined.

The Demographic transition and the epidemiological transition changed the planet irreversibly.

Now *The Lancet* goes on to say the 3rd transition is upon us. It is called

3. **Universal Health Coverage (UHC)**

The Lancet argues that this 3rd great transition seems to be sweeping the Globe, changing how healthcare is financed.

This *The Lancet* said eleven (11) years ago but there seems to be a big push-back from the rich as it is happening now in our country.

What is wrong with the present health financing in our country?

The WHO has declared that for a country to have a good healthcare system for everyone regardless of their financial status, a country needs to spend at least 5% of its GDP on health. This is not 5% of a budget of a country, it is the GDP, the total Health of a country.

In South Africa, we have far surpassed that recommended 5%. We are at 8.5%. On average. European countries are at 9%. This means that our health system was supposed to be as advanced as countries in Europe. As is evident that is not the case. The question is WHY?

Here today, we will provide many reasons that make us feel comfortable and feel less guilt. But the fact remains that there gross inequality in which this many is divided:

- 51% of it goes to serve only 14% of the population and the nearly meagre 49% goes to serve a whooping 86% of the population. Everybody agrees that we are the most unequal society in the whole world.

If you want to see that gross inequality, come to the healthcare system and you will understand what inequality is all about.

House Chairperson, this ought to stop. It must end and end now.

No one here is going to stand up and say: “I do not support UHC”. But you are going to stand up and say “I support UHC but not in the form that it is now – not in the form of NHI”.

Fair enough, but we cannot throw the baby away with the bathwater. Let us discuss which areas need to be ironed out but let us now be obstacles to what poor people have been waiting for for close to a century.

House Chairperson, we hear a lot that the money supporting private healthcare is private money, that comes only from pockets of individuals, and that the State has no business meddling with it. Really? Just how private is this money? Let me give you figures: Our government, the State, subsidized private healthcare for the rich in a way unimaginable. A total of 1,3 million public servants, plus all Members of Parliament and Legislatures, and all judges of our country, are subsidized by the fiscus, to the tune of R70 billion per annum. This is done by subsidizing them individually in the medical schemes they have joined.

Any person in our country who is on a medical aid, regardless of who they work for, receives tax rebates from SARS. I am made to understand that this tax rebates, amount to approximately R30 billion.

Hence House Chairperson, no less than R100 billion moves annually from the fiscus to subsidize the rich, which money poor people are not entitled to.

We will have to start implementing NHI in phases, as we are already in Phase 2.

The rest of the building blocks of health will easily fall into place.

House Chairperson, let me conclude by thanking my colleague the Deputy Minister, Dr Joe Phaahla, the Director-General Dr Sandile Buthelezi and the officials of the National Department of Health.

Finally House Chairperson, I hereby submit the National Health Budget of 2024/25 Financial Year, and pray for its approval by this House.

I Thank you