

## SA fares reasonably well in global NHI perspective

South Africans are often too introspective, forgetting to examine how the rest of the world has implemented widely-differing models of universal health cover, says healthcare actuary, Barry Childs.



Barry Childs

Contrary to popular local belief, a global map of the percentage of the population covered by universal health cover shows South Africa to be in the high 90%, comparing favorably to most of the developed world. The only other country that shines equally in sub-Saharan Africa is Ghana.

Healthcare spend in South Africa was at 8,5% of GDP - comparable to many South America countries, north America, Europe and Australia. From a universal healthcare point of view when South Africa was compared to other countries in terms of catastrophic out-of-pocket expenses, it actually performed very well, at a range of between 0-10%, the second lowest in sub-Saharan Africa.

Structurally-speaking, South Africa's system is set up to provide universal healthcare, using a means-based test for out-of-pocket payments while medical schemes provided for those who were did not have to rely on the public sector. However, this had not worked out from a resource and equity point of view. The private sector is expensive while the public sector is "not what it should be."

"Our problem is not so much structural, but much more about effectiveness of coverage and access to healthcare and the

lack of equity in the system,” Childs says.

According to data when comparing universal healthcare systems, divided into broad income groups of high, upper middle, lower middle and low income, South Africa lay in the upper-middle-income bracket, globally.

## **Ghana. an NHI African leader**

Childs says Ghana was a fascinating case study when it came to universal healthcare because it has embraced reforms and is the first in Africa to get acclaim for an NHI scheme. With a \$68 health expenditure per capita and healthcare spend at 4,4% of GDP, it had performed extraordinarily well, even though for many years the NHI ran at a deficit because of poor administration, poor registration of providers, payments and patients. “They underestimated the cost of services and should have been more thorough,” he says. Ghana then scaled back on services between primary and tertiary healthcare and focused fully on primary healthcare, incrementally adding service benefits over time.

With South Africa healthcare spending at 8,5% of GDP and healthcare expenditure at \$428 per capita, there was nevertheless a four- to five-fold difference in expenditure between the public and private sectors.

“We have great low out-of-pocket payments for the private sector. The other reality is that more than half of South Africans live in households earning less than R4,000 per month, so the National Department of Health (through the NHI) speaks for the entire population,” he says

A high-level observation from a global country health systems review revealed that mandatory participation was a prerequisite. Although many people said the government could not force them to join an NHI, they forgot that a decade ago the government wanted to force them to join a medical scheme, if they earned enough.

“So mandatory participation is important,” he says, adding that equity, efficiency, access and sustainability were challenges everywhere, “except perhaps for the Scandinavian countries, they’re all trying to fix what’s going on – all are critically introspective about their health systems.”

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