

**CLOSING REMARKS BY THE DEPUTY MINISTER OF HEALTH,
DR. MOLEFI SEFULARO, AT THE BOARD OF HEALTHCARE
FUNDERS ANNUAL CONFERENCE: SUN CITY
2ND SEPTEMBER 2009**

Programme Director,

Mr. Tom Borril, the Chairman of the Board of Healthcare Funders

Dr. Humphrey Zokufa, Managing Director of BHF

All the Directors of the BHF present

The CEO's of various medical schemes and administrators

Representatives from industry stakeholders

International and local delegates

Policy makers and legislators

Distinguished guests

Ladies and gentlemen

Dumelang!

I once again wish to express our gratitude to have been invited to be part of this all important conference of the Board of Health Care Funders.

I am not able to make this address in person as I am unfortunately in Parliament today representing the Minister in long-standing Parliamentary obligations. I have requested Dr Aquina Thulare to

tender my sincerest apology for not being able to make this address and to read these remarks on my behalf.

Distinguished guests, we are genuinely facing a time of renewal for our health care system. The future that we are planning is entirely a new dimension to what has been the norm so far.

The 10th Annual Conference of the BHF has been an important event. We commend and congratulate the BHF for organizing such a successful conference at this important stage of our history and at a time when we continue transforming our health care system. Sincere thanks to all the speakers and participants for bringing such important insights into the debate around health in general and the National Health Insurance in particular. Congratulations to all the newly elected office bearers of the BHF.

As I had indicated in the opening address on behalf of the Honourable Minister of Health, Dr. Aaron Motsoaledi, it is indeed gratifying that over the years the BHF has adopted a proactive and constructive approach in its engagements with the National Department of Health through creating internal structures that enable it to effectively analyse regulatory interventions and propose position papers on a number of key public policy issues. Undoubtedly, this has allowed the organisation to service its membership on an operational level as well as to influence policy through effective lobbying on health policy issues that affect the funding industry.

When I opened this conference three days ago, we presented to Conference the broad health policy direction for South Africa. We have issued a clear and strong invitation to the BHF and to all of you, as South Africans, to be active implementers of the Health Program of Action. We have emphasized the fact that you have a responsibility to play meaningful roles in the delivery of health care in this country. We are committed to provide space for all stakeholders and role players to contribute meaningfully to the project of strengthening the National Health System.

We therefore re-state our request that you visit the website of the South African Government Communication and Information System (GCIS) to access the Program of Action (POA) of the Human Development Cluster, which provide the details of the 2009 Health POA. Study that and identify your roles and opportunities. Also use the POA to hold us accountable for delivery.

We have made it clear that our POA is being implemented within the context of the National Health Insurance (NHI). A major aspect of this policy direction is the need to create a national health insurance that is based on the principles of universal coverage, social solidarity and efficient of public administration .

Conference has over the past few days received insightful and informed presentations from distinguished experts on their understanding of a National Health Insurance. Of critical importance in these presentations, is that we have not received dissent over the

moral and social imperatives of implementing the NHI as well as the Constitutional obligations of the State on the right of citizens to equitable and accessible quality health care. There is also a consensus from the presentations that the current inequitable, two-tier health care system is unsustainable. This means we acknowledge that problems besetting health care requires interventions both at the public and private sectors.

It was also most interesting for me, and I am sure for many in the audience, to listen intently to Professor Di McIntyre's presentation on "*Making NHI Affordable*". The cost escalation depicted thoroughly and logically by Professor McIntyre shows that the health system as it stands is not sustainable.

It is time for government to take a leadership role in the functioning of the national health system through the creation of social safety net that will ensure that people have financial risk protection from catastrophic healthcare expenditures and that they will enjoy access to good quality and affordable health services when they need them. This is what forms the basis of the proposal to implement a national health insurance in the country.

The broad objective of pursuing a national health insurance is to ensure that the majority of the country's health funds flow through NHI which will enable all South Africans to access quality and comprehensive health services, which will be free at the point of service. It is within this context that the present dominant role of

medical schemes in health care funding needs to be reviewed. The current concentration of health care resources in one sector that benefits the few is not what we envisage.

The proposed national health insurance model calls for key adjustments that have to be made in the national health system in relation to four equally important areas, namely the revenue collection and pooling of funds, purchasing of services and the provision of these services to the general public.

The intention is that the national health insurance will be funded from two sources of revenue, namely general tax revenue and an earmarked mandatory contribution. All the employed individuals will have to make an appropriately determined mandatory contribution into a national health insurance fund which will be publicly administered and managed.

Treasury and the SARS will take a lead in advising the government on the best funding mechanism. We believe that the final determination will be a better alternative to the current deficiencies.

Innovative mechanisms are being considered with regards to the processes of quality assurance and quality improvement systems to ensure that these two core elements become inculcated as routine processes that will help ensure sustained quality improvement and assurance in both the public and private health facilities.

Ladies and gentlemen, I have on many occasions encountered a variety of stakeholders, especially in the private healthcare industry asking, *“What role will they play in the whole process of the envisaged health reforms and within the NHI”* once it is implemented.

I indicated in the opening address and I re-emphasise here that it is clear from the onset that the implementation of a NHI system is a complex and demanding exercise, and that it represents a watershed moment for the future of our national health system. The roles and responsibilities of various entities, private and public including the national, provincial and local spheres of government will have to change with regards to how health policy is appropriately formulated, funded and implemented.

We are convinced that the private sector has the essential role of sharing their experiences with government on their achievements and challenges in the management and administration of private health insurance schemes. This is necessary to ensure that the publicly administered and managed NHI Fund is appropriately poised to gain from the experiences of the past and to learn how to best address the challenges that it may encounter, especially with regards to controlling costs escalation, managing and preventing fraud and expanding access to those most in need of financial risk protection against catastrophic health expenditures.

We acknowledge the proposals by the BHF. We will give these a serious thought as we continue with the formalities of government and parliamentary processes.

We also acknowledge the positive contributions made by Dr Humphrey Zokufa and Dr Clarence Mini to debates on health and the NHI. We hope that they will continue their good work.

Distinguished guests, I have no doubt in my mind that over the last few days that we have been gathered here, we all agree that we need a concerted effort to address the challenges that plague our national health system if we are to truly develop and implement appropriate mechanisms that are directed at improving access to healthcare for all our people. We all desire that the future of our national health system be sustainable and structured in a manner that effectively meets the needs of every South African.

In my conclusion, I would like to say that the path to realising the NHI principles of universal coverage, social solidarity and efficient public administration is a tedious and demanding one. However, it can be made less so by the combined efforts of the private and public sectors through the appropriate sharing of experiences, technical expertise and matters alike. It is only through working together that we can create a health system that is truly world-class, offers our people adequate and reliable financial risk protection and access to affordable, acceptable and equitable health services through an

integrated network of public and private providers and facilities that offer good quality care to all.

I implore all of us gathered here today to continue to endeavor to create a thriving health system that is based on a synergy among all stakeholders so that we can prosper in growing and improving the health care delivery system in our country to ensure a healthy and productive nation.

Working together we can do more!

Thank You.

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