



DEBATE ON THE HEALTH BUDGET VOTE - 18
DR AARON MOTSOLEDI, MINISTER OF HEALTH
NATIONAL ASSEMBLY
11 JULY 2024, 10H00

Honourable House Chairperson

My Cabinet Colleagues and Deputy Ministers present

Chairperson of the Portfolio Committee on Health, Dr Sibongiseni Dhlomo, and Members of your Committee

Honourable Members

Distinguished Guests

Ladies and Gentlemen

Greetings.

Let me start by apologising for the absence in this debate, of the Deputy Minister of Health, Dr Joe Phaahla who is just arriving this morning in Johannesburg, from a work-related trip overseas.

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.

Since being appointed in this department eleven (11) days ago, various media houses have called to ask me to outline plans and priorities for the next five (5) years. Even up to today I am still having a series of interviews lined up. I guess my Cabinet colleagues in other departments are going through same.

For my part, I have given and will always give a standard answer, viz for the health sector, priorities and plans have been outlined years ago by the supreme body on Health, the World Health Organization (WHO). These outlined priorities of Health apply globally to any Minister of Health.

According to the 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

These building blocks have four (4) goals and outcomes which must be recognised and felt by all and sundry in a particular country. These are –

1. Improved health (level and equity)
2. Responsiveness
3. Financial risk protection
4. Improved efficiency

Five (5) of the six building blocks mentioned above seem acceptable to everybody and debates around them are straightforward and clear. But one (1) of them has generated a lot of heat and sometimes fury in some quarters. This is the Health Systems Financing.

In our country we have decided to call this NHI (National Health Insurance). Some believe it is a system of health which South Africa is not ready for. Others believe it is a vintage very expensive health system for which there is no money in the country. Let us clarify once more, NHI is health financing system, called Universal Health Coverage (UHC) by the WHO. It is a health financing system, which is meant to be an equaliser between the rich and the poor.

There is no debate at all, that South Africa is the most unequal society in the whole world. If you want to see what inequality means, come to the health sector in South Africa. Within the borders of the same country, some are getting a world class health care, while others get such poor healthcare you may believe we live in different countries.

We can no longer with our eyes open sustain such gross inequality. If there is something we can do, about it, we must do it here and now, and not in some distant ill-defined future.

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. She chose Universal Health Coverage as her theme. She outlined the global structural problems of healthcare systems. She mentioned seven (7) of these structural problems. She named two (2) of the seven as relating to Health Financing around the world, and I quote:

“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 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), not to forget the Charter on Health under the 1943

African Claims in South Africa, that had advanced for major transformation of the health system even under British colonisation.

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 whopping 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.

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

I Thank you