

Providing Affordable Healthcare In Our South African Setting:

*A Perfectly Pragmatic
Perspective?*



HEALTHCARE IN SA
a new dimension

The 10th BHF Southern African Conference
SUN CITY 30.08 - 02.09



Presentation Content:

- *Conclusion ala Dinokeng;*
- *Introduction-incl. SAMA position;*
- *Providing –What Healthcare ?;*
- *Providing Healthcare-To Whom?;*
- *Providing Healthcare-By whom?;*
- *Affordable– to Whom, and Who'll Pay?;*
- *Affordable – the Nitty-Gritty !*
- *Way Forward & Magical Madiba Musings....*



Conclusion ala Dinokeng:

Walk together:

- In this ideal win-win scenario an active citizenry engages with a collaborative government.
- Government listens to delivery demands, is accountable and depends on quality political leadership and on citizens organising themselves and engaging it.
- A **Common National (Health) Vision** cuts across economic self-interest in the short-term.
- In this difficult scenario strong leadership from all sectors is required amidst robust contestation over many issues.



? SAMA Position



• *National Council Resolutions Clear*

- *Support Univ. Access to Quality care;*
- *Noting Move towards NHI....*
- *Retain Best of Private and Public Sectors, working in Synergy;*
- *Engage Members and key Role-players;*
- *Provide input to Influence Policy & Implementation;*
- *Develop Practical models and pilots...*



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Intro--Proposed Caveats:

- *Our people should be in a better and Not a worse position than they are currently...;*
- *Be wary of 'If only' solutions, sloganeering, dogma, and raising stratospheric expectations....;*
- **Axiom: All Healthcare is Managed: In a value-building or –destructive way;**
- *State & Private Health-sector challenges to be concurrently addressed;*
- *Move forward in Specific, Goal-directed, Measurable and Measured ways;*
- *Link our joint efforts to specific MDG's;*
- *Dare to Dream—Be Visionary, Actionary and Inclusive!*

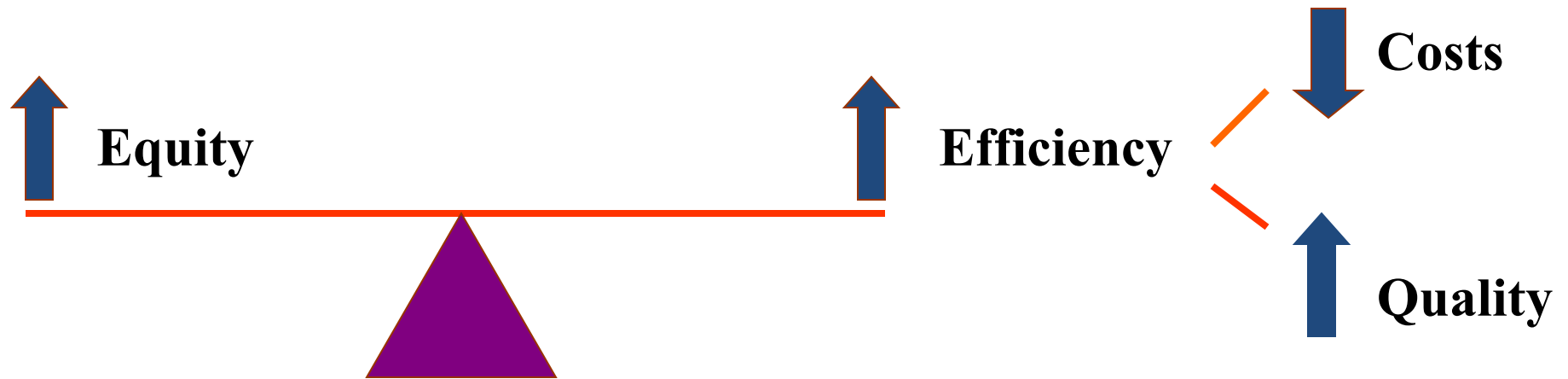


Reminder: Healthcare Funding System?

- A Mutual Society/ Stokvel to Provide cover for those in Need of Medical Care;
- For Individual and Common Good – implies Choices & Trade-offs;
- Relies on aligned Stakeholder Intent/Behav ;
- No-one to extract Undue Benefit at the cost of Fellow-participants;



Get the Balance Right



“To provide care of the highest possible quality, at the least (lowest) possible cost”

Prof. Edward Hughes



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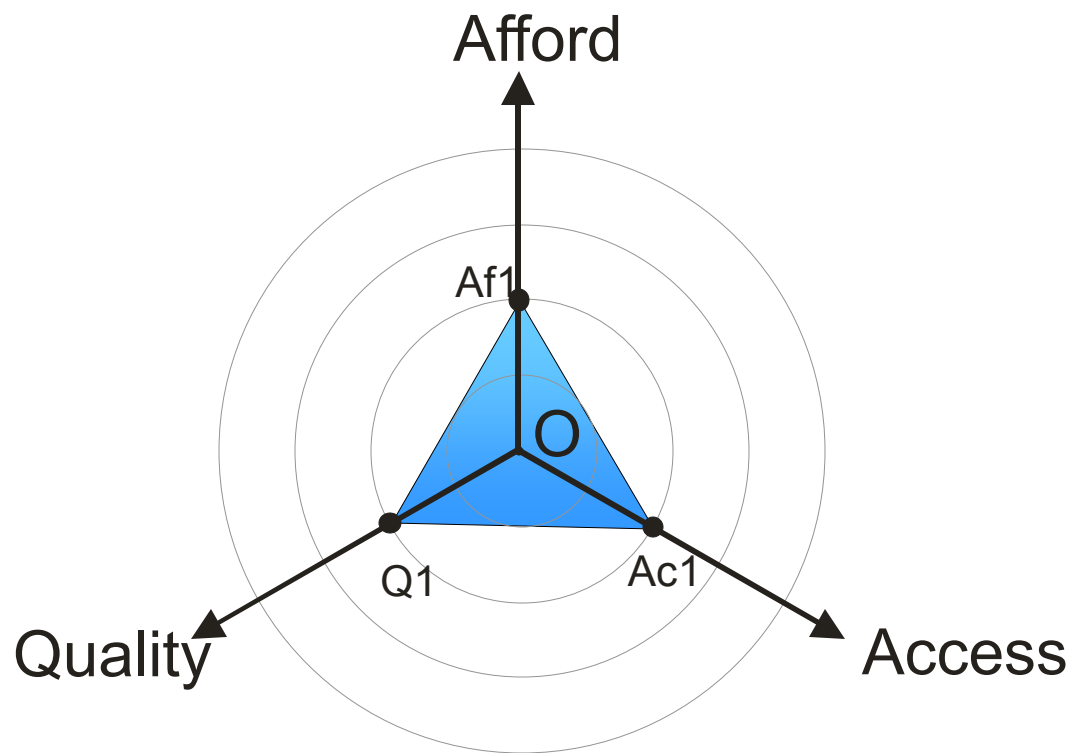


Providing –What Healthcare ?;

- Comprehensive or Essential Comprehensive;
- Cradle-to-Grave;
- Preventive, Promotive, Prim. 2 Quatern. Care;
- Inclusion-based?
- Exclusion-based?
- Quality and Outcome measures?
- Modular-based Costing?



The AQA 'Health Impactometer' ala Tony Twine:



The AQA Principle

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Providing Healthcare-To Whom?

- To both Employed and Unemployed;
- To all on our Soil?;
- To South African Citizens only?;



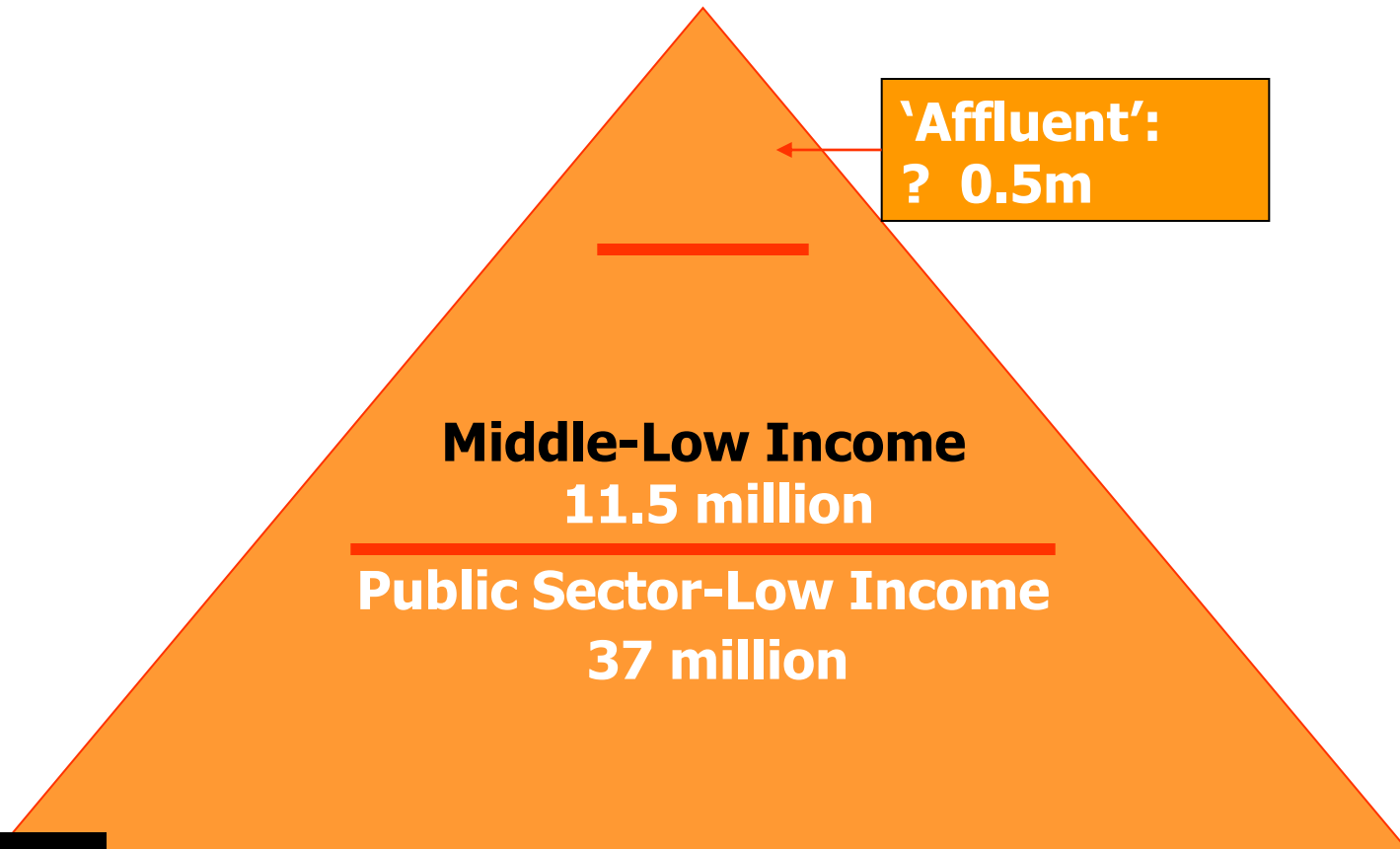
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F) Reminder: The People we Serve



Providing Healthcare-By whom?;

- Healthcare is delivered by Professional and Support-staff;
- Current OSD may well worsen Dr-efflux from State sector, unless senior MO's and Specialist-categories are urgently addressed;
- Retention of Private sector Drs in SA also presents challenges currently—fees need to reflect costs- and value-exchange ;
- Severe backlog iro current and projected numbers of Health-professionals needed;
- Integrated Team-approach and Group-practice models to be strongly considered, even encouraged;
- ?Regulated and Judicious use of alternative categories of health-workers, esp. In view of Medical personnel shortage;



Affordable – to Whom, and Who'll Pay?;

- Challenge : High U/E Rate, Low Tax-base;
- Mainly the Employed earning above Tax-threshold, & Companies, will pay– about 5.2mil Individuals, 1.5m Companies;
- Content and Costing of Health Services-package will determine payment-level % required;
- Critical %/absolute payment-level above which increasing & unmanageable resistance sets in?;



Affordable – the Nitty-Gritty !

- Point of Departure: We Can All make a Positive Difference;
- Co-responsibility is Key,incl. Careseeker Responsibility;
- Every provider in the value-chain to contribute, from Government to Health-professionals to Health-facilities to Funders & Administrators;
- Current Best-practice, and Value-based decision-making is key;
- Consider A.R.S. (Alternative Reimbursement Systems) as part of the arsenal– payment and reward-systems to be aligned with value-add !;
- Remember the NERD (Needs-Expectations-Resources Disjunction) conundrum...
- While the aim is to stretch the Healthcare Rand, ultimately you get what you pay for...;



Value-Based Decision-making:

- ?MEDICALLY-NECESSARY INTERVENTION;
- ?Current Best Practice, incl Best Evidence;
- ?Most Cost-effective;
- ?Have I considered the Ethical/'Should' aspect of this or any other specific intervention ;
- ?Overall, Will it add Value Commensurate with its cost.



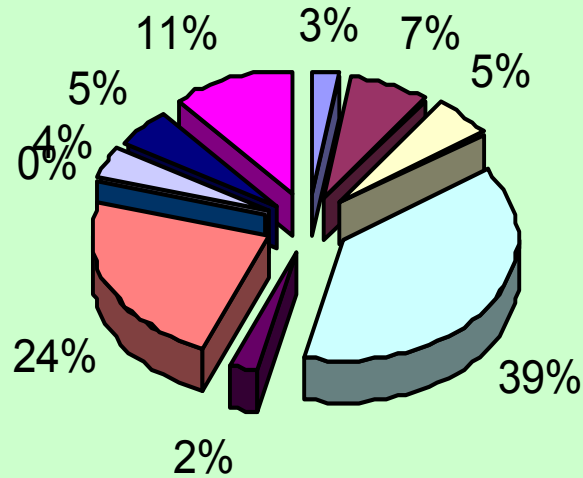
Model of Provider-driven, Aligned-rewards, Value-Based Decision-making Medical Care System

- **Focus Areas:**
 - Patient- & Dr-Expectations;
 - Patient- And Dr-Responsibility-Chosen GP as care-coordinator;
 - Hospitalisation;
 - Medication;
 - Specialist Services—Inclusive & Interactive;
 - Chronic Conditions incl. HIV/AIDS;
 - Dedicated Medical Aid & Admin.partners & -Services;
 - Generally, an 'Anti-Muda' approach—minimise waste!
 - Global , Capitation-fee and Modified FFS payment-model with Preferred Providers;
 - Committed, Ethical & Competent Dr-Management Team;



Fairy-tale or not?--1

Expenditure % Option FFS with Co-pay 2003

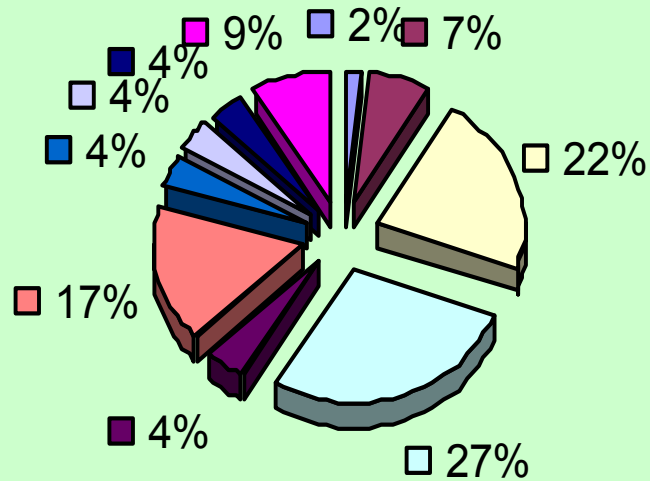


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|------------|-----------|-----------|-----------|--------------|
| Auxiliary | Dental | Gp | Hospital | HospitalMeds |
| Medication | Optometry | Pathology | Radiology | Specialists |



Fairy-tale or not?--2

Expenditure % ECIPA options 2003



- | | | | | |
|------------|-----------|-----------|-----------|--------------|
| Auxiliary | Dental | Gp | Hospital | HospitalMeds |
| Medication | Optometry | Pathology | Radiology | Specialists |

NHI & NHS System: A Suggested Way Forward :

- Engage Govt with Pragmatic, Phased roll-out model/s;
- How about focusing on a risk-sharing or – transfer system based on stakeholder co-responsibility, with all having a vested interest in long-term sustainability ?
- We do have the opportunity, option, skills-set & Duty to work together and incrementally craft a World-class, Proudly South African Health-system !



“Those who are ready to join hands, can overcome the greatest challenges”

Wola Tata!

Visionary, Actionary & Inclusive!



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