



# Economics and the Health Benefits Package

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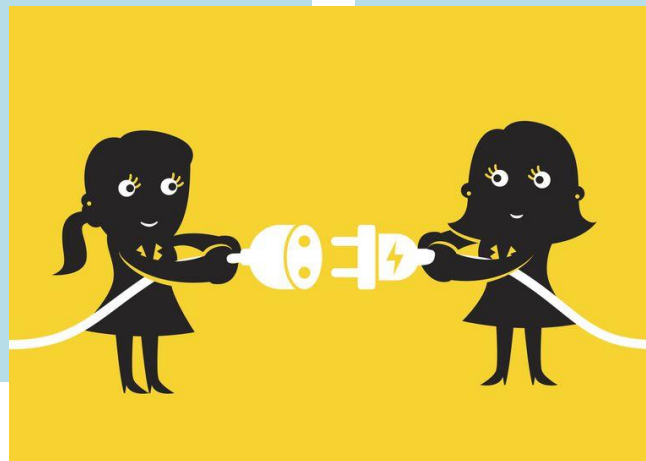


# Overview

- Current public health system:
  - Key concerns with equity
- NHI benefits package design:
  - Potential to improve equity

# Current public health system

- Demand-side:
  - Burden of disease
  - Inequitable access to quality care
- Supply-side:
  - Ongoing budget constraints and cuts
  - Expected to 'do more with less'





# Example 1

LONDON  
SCHOOL of  
HYGIENE  
& TROPICAL  
MEDICINE



Select Language

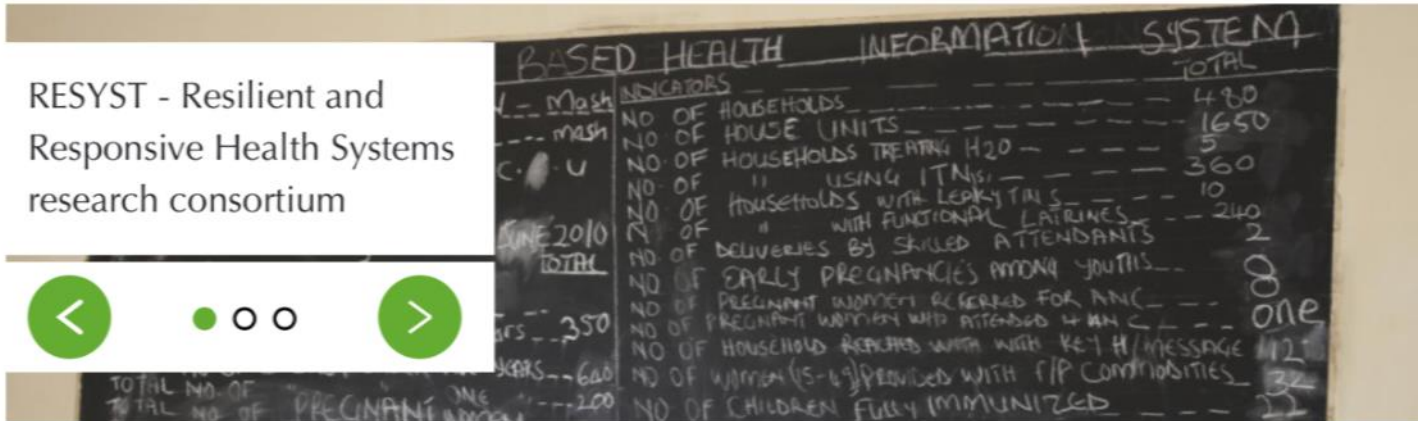


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About Resources Latest

RESYST - Resilient and  
Responsive Health Systems  
research consortium



Research methods



Research uptake



Research impact



Capacity development

# ‘Unfunded mandates’

“Again in HR, when we look for HR approval, they kept on saying they don’t have money, and the service, irrespective of no money, no personnel, the MEC, the president wants that thing [guideline or policy] to be implemented with immediate effect”



Gilson, L et al (2017) “Everyday resilience in district health systems: emerging insights from the front lines in Kenya and South Africa. *BMJ Global Health*: p. 4.



# Example 2

*Health Policy and Planning*, 2019, 1–14

doi: 10.1093/heapol/czz085

Original Article

OXFORD

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## Mental health system costs, resources and constraints in South Africa: a national survey

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Emmanuelle Daviaud<sup>2</sup> and Crick Lund<sup>1,4</sup>

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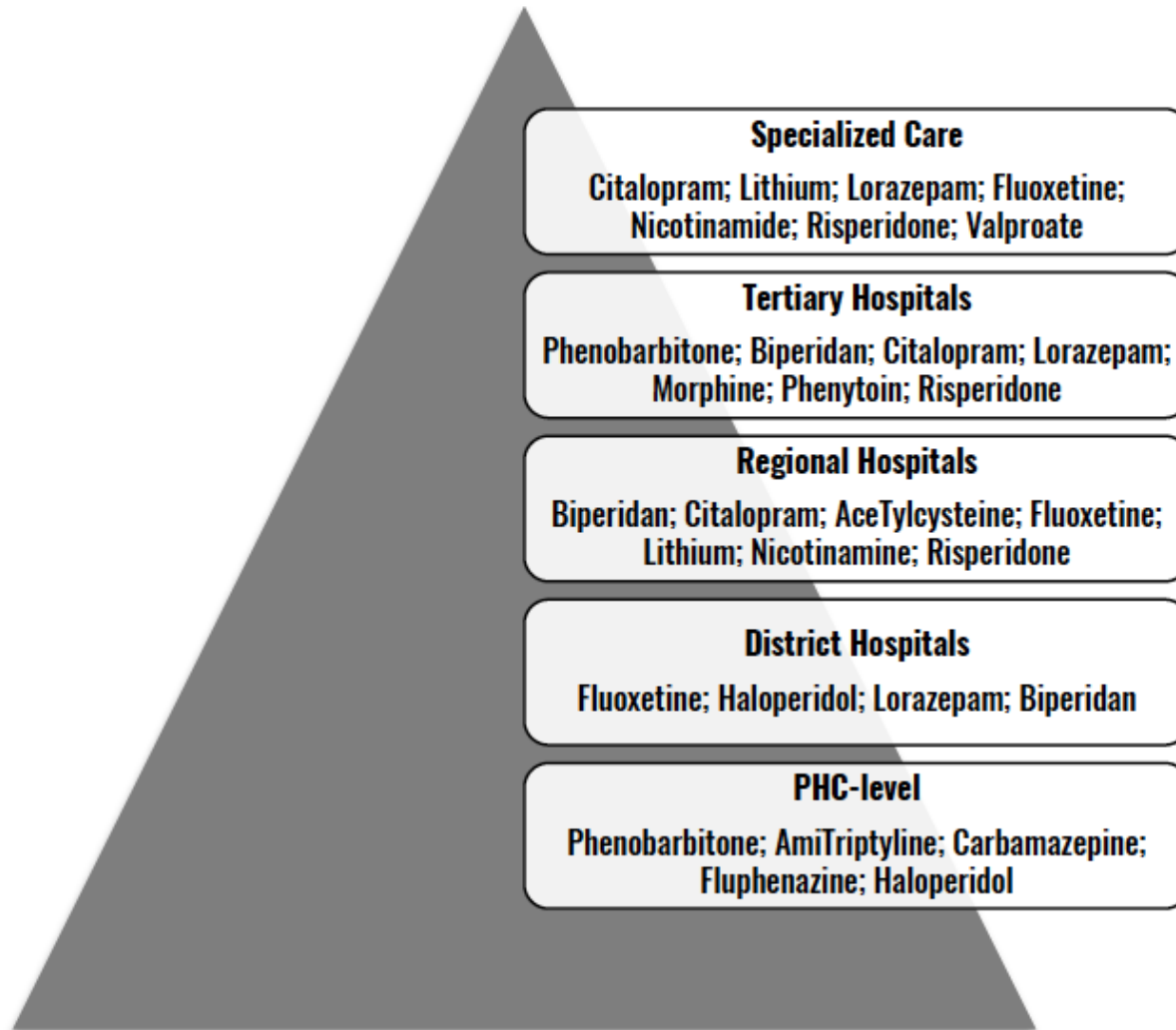
Accepted on 8 August 2019

# Poor quality care

- Mental Health Care Act (2002):
  - District hospitals designated to provide 72-hour observations for non-consenting mental health patients
  - Compliance with Act
    - 38%



# Essential medicine stockouts







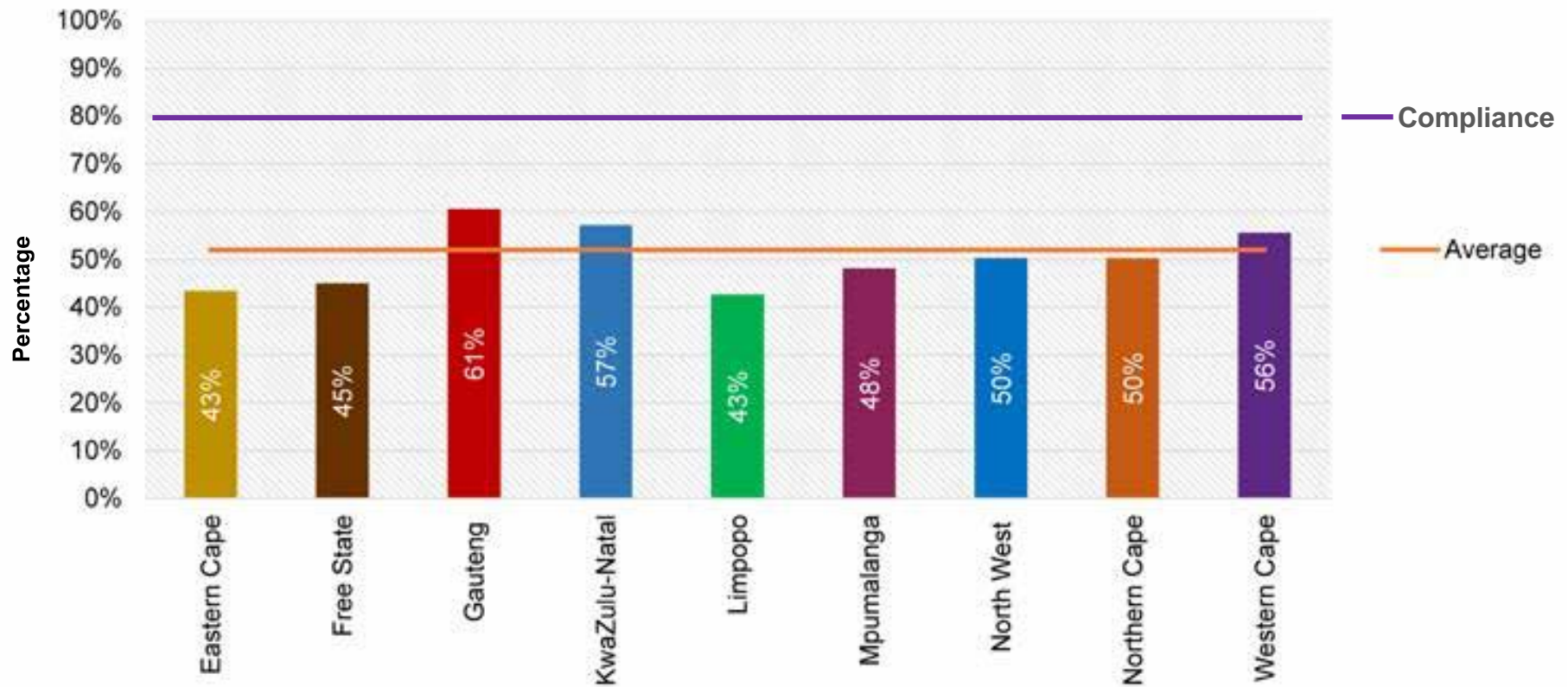
HEALTH  
ECONOMICS  
UNIT



# Example 3



# National core standards 2016/17



# Current public health system

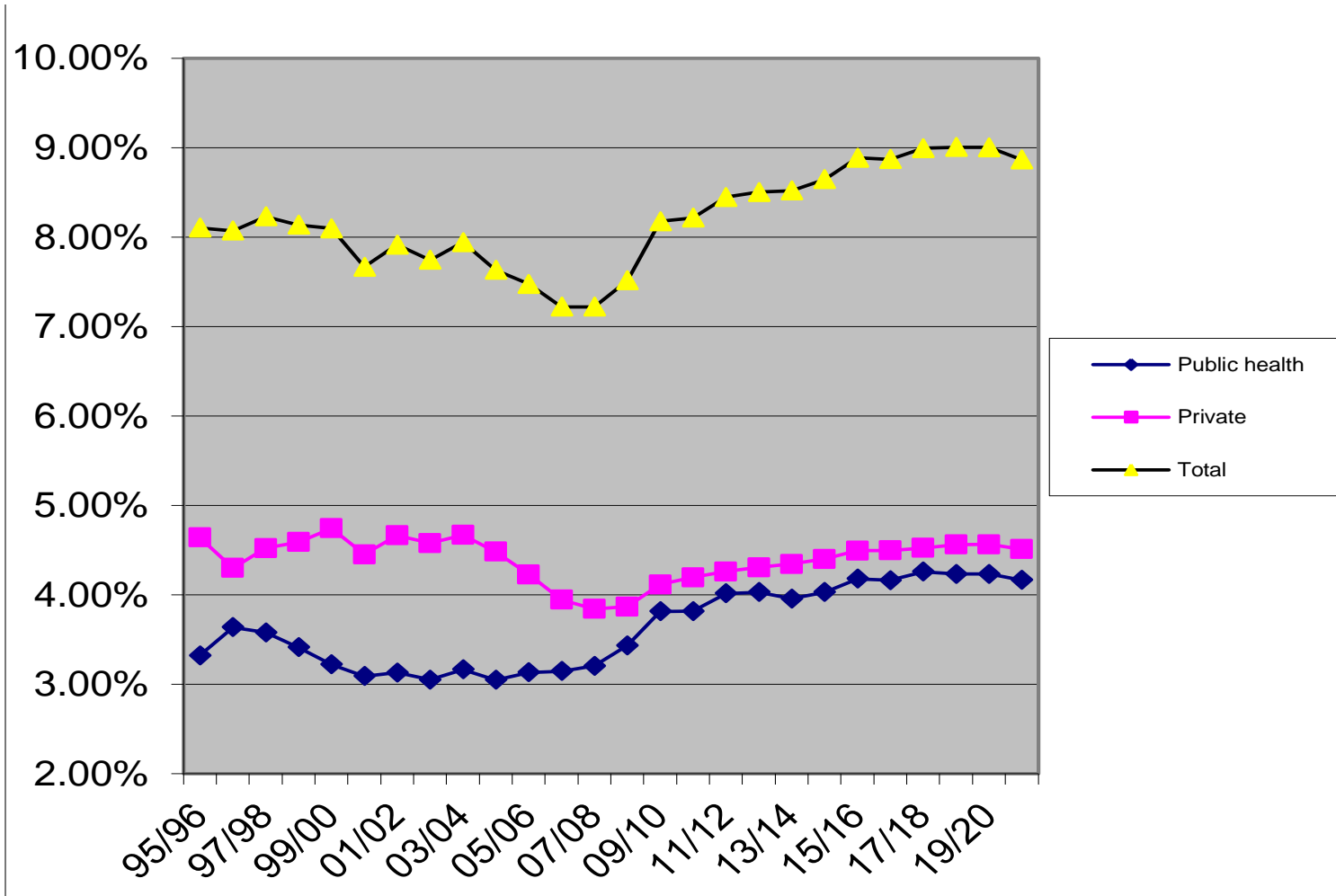
- Demand-side:
  - Burden of disease
  - Inequitable access to quality care



- Supply-side:
  - National policies and guidelines based on effectiveness and excellence; goals/targets are aspirational
  - Impossible to implement with current resource levels



# Health spend as % GDP



# Auditor General

- “The financial health of the provincial departments of health and education needs urgent intervention...The total deficit of the health departments stood at R8,4 billion. All the departments (except Western Cape and Free State) had [legal] claims against them that were more than their 2018/19 operational budget”



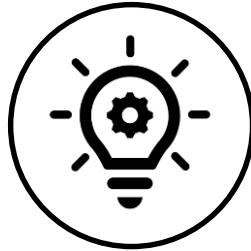
**Supply/demand  
mismatch**



**Blackout**



**Supply/demand  
mismatch**



**Load shedding**



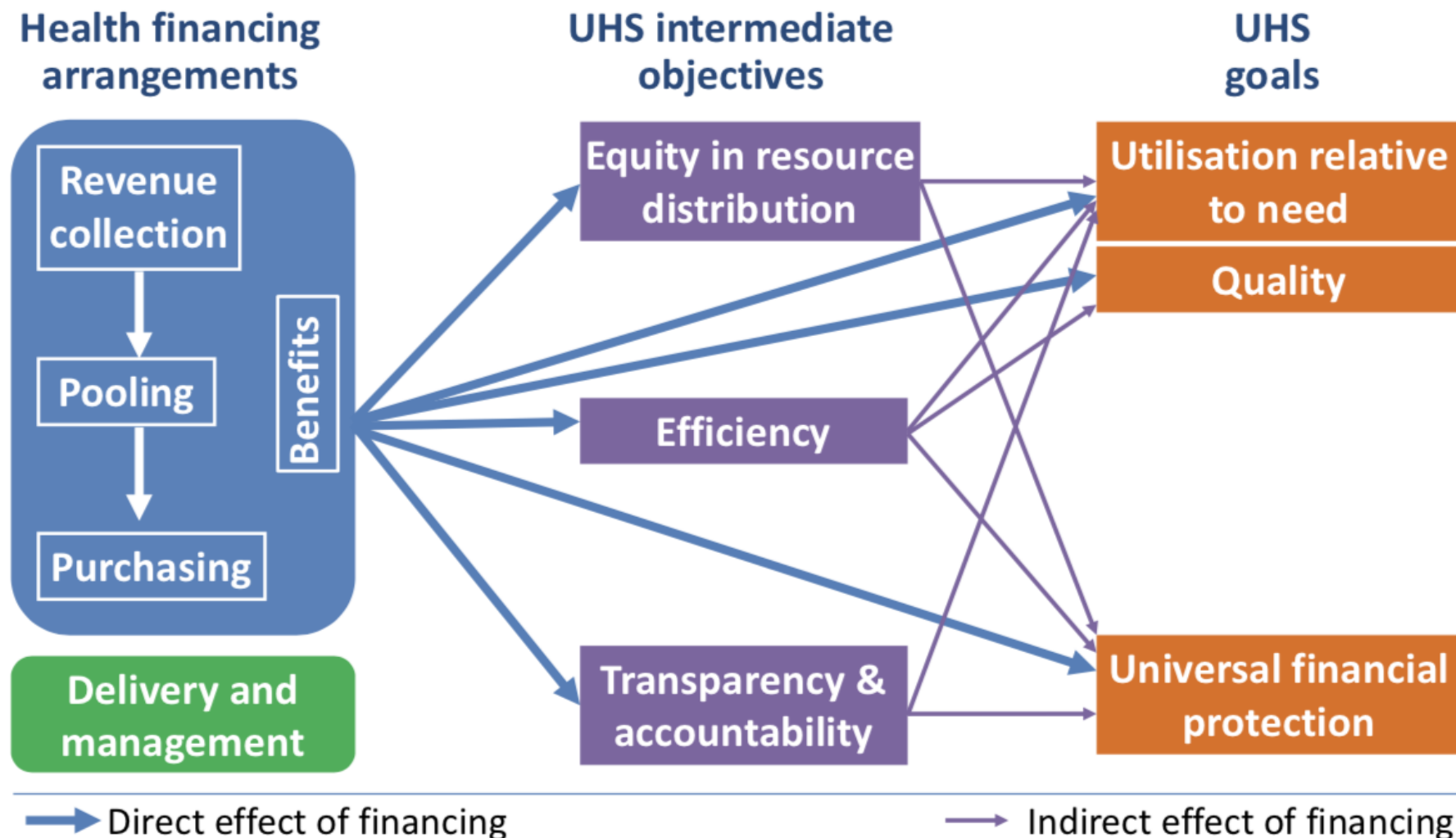
**Blackout**

# Universal Health Coverage

- ‘provide **all people** with **access** to **needed** health services of sufficient **quality** to be effective and to ensure that the use of these services does not expose the user to **financial hardship**’ (World Health Report 2010)
- UHC goals therefore are:
  - Utilisation or access to quality services when in need
  - Financial risk protection

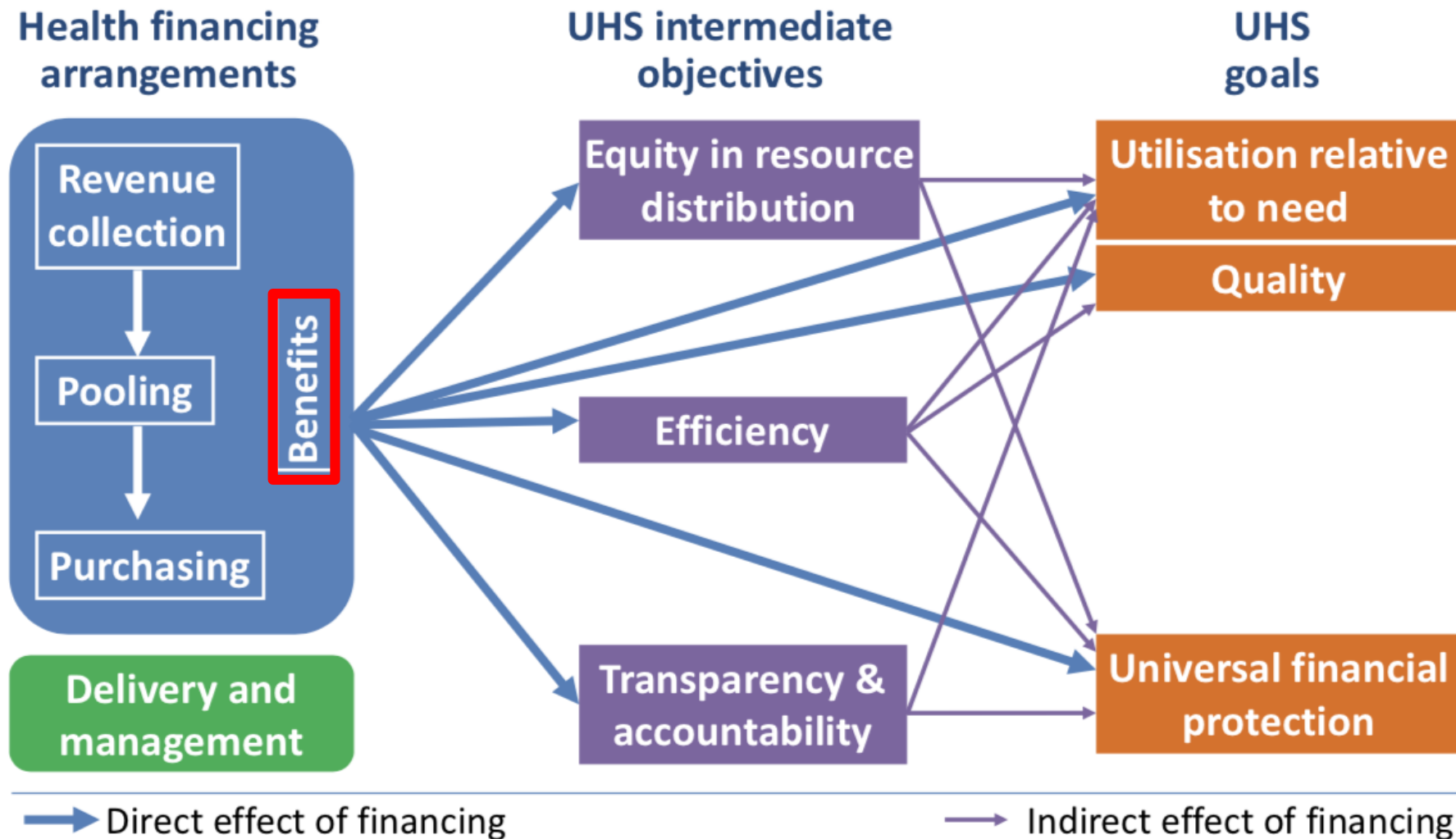


# Pathways to UHC goals



Kutzin J (2013) "Health financing for universal coverage and health system performance: concepts & implications for policy" *Bulletin of the WHO*; 91: 602-611

# Pathways to UHC goals



Kutzin J (2013) "Health financing for universal coverage and health system performance: concepts & implications for policy" *Bulletin of the WHO*; 91: 602-611

# Health Benefits Package

- An extremely technical listing of the services available within a health system
- Possibly defined through standard treatment guidelines, essential medicines lists etc

# In NHI: Equity and Health Benefits

- Rights of users:
  - To know what services are on the benefits package
  - To receive quality services free at the point of care
  - To be referred/transferred to an alternative provider if necessary
  - If services are refused, to receive written reasons for the decision from the Fund
- Extremely powerful entitlements towards:
  - Horizontal equity
  - Vertical equity



# In NHI: Health Benefits Package



- How will the benefits be determined?



# In NHI: Health Benefits Package

## Benefits Advisory Committee

- Determines package of benefits including Formulary

## Health Care Benefits Pricing Committee

- Determines prices to be paid for benefits

## Office of Health Products Procurement

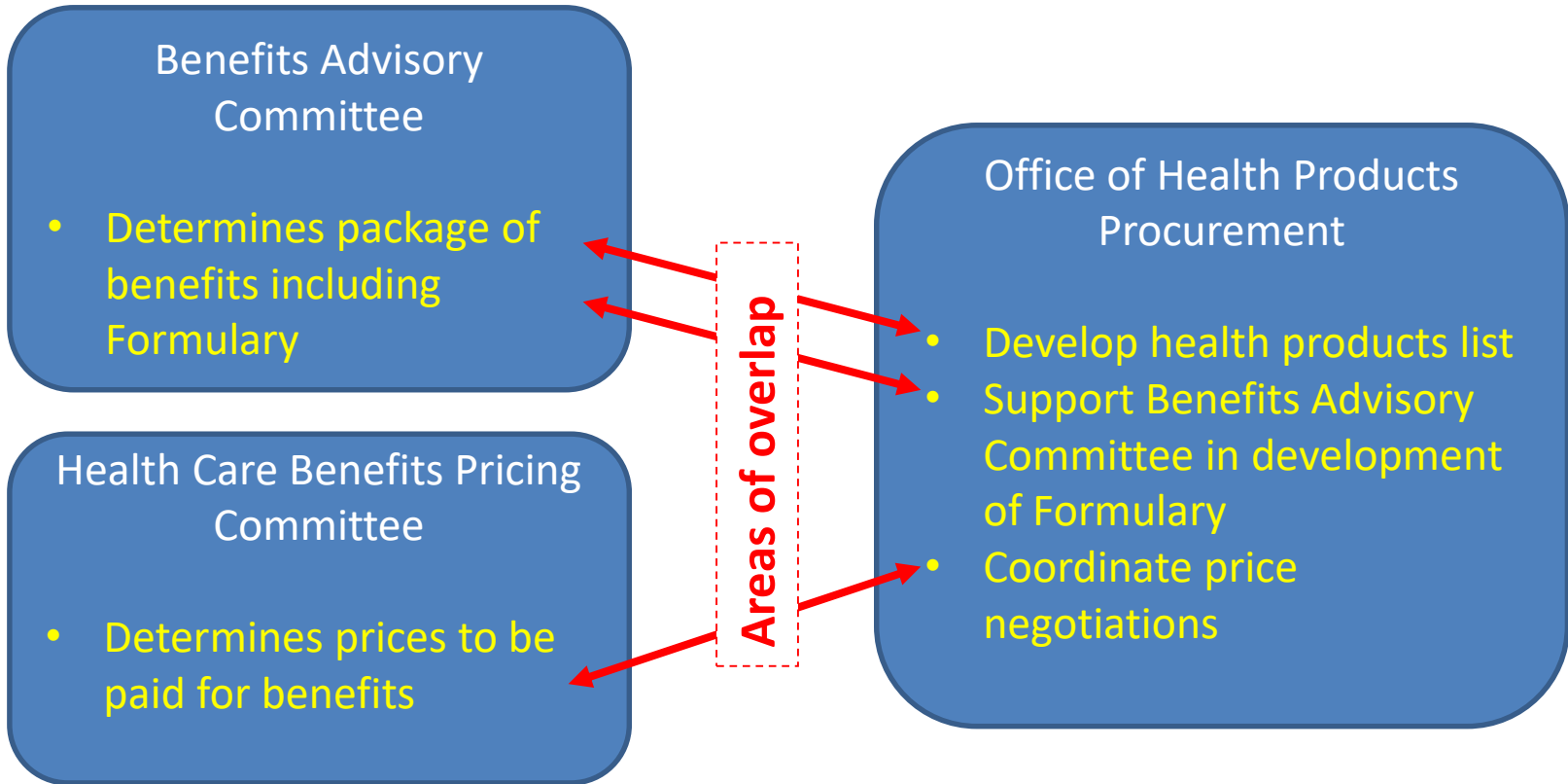
- Develop health products list
- Support Benefits Advisory Committee in development of Formulary
- Coordinate price negotiations

Minister

Fund



# In NHI: Health Benefits Package



Minister

Fund

# In NHI: Health Benefits Package

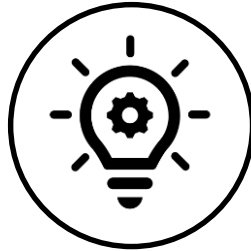
- What's missing:
  - Clear statement of adherence to budget within Bill

- Chapter 11 - Miscellaneous
  - Minister may make various categories of regulations, including:
    - » The nature and **level of reserves** to be kept within the Fund, subject to PFMA





**Supply/demand  
mismatch**



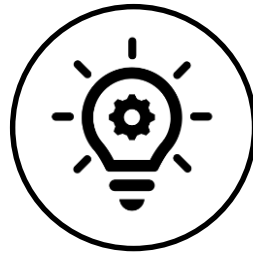
**Load shedding**



**Blackout**



### **Supply/demand mismatch**



### **Load shedding**

- \*Explicit disinvestments from cost-ineffective care
- \*Affordable benefits package



### **Renewal**

- \*Improved working conditions
- \*Population health gains
- \*Improved equity



# Thank you

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