

Critical Considerations for Public and Private Sector Reform

The Bottom-Up Approach to UHC

- The road to UHC not just about more money – also requires a laser-like focus on changing the rules of the game for spending health system resources
- Three subpopulations – the poor and vulnerable; the nonpoor informal sector; the formal sector – strategies need to be devised to determine how each of these subpopulations are covered.
- Countries that employ bottom-up approach to UHC acknowledge this segmentation and develop strategies to reach each population such as targeting, to ensure that the poor and vulnerable are not left behind
- Evidence that voluntary insurance not a viable path to UHC, but useful transitional phase

Some of The Right Things Are Being Done...

- **NHI Phase 1 Activities likely impact the poor and vulnerable**
 - Ward-based Primary Healthcare Outreach Teams
 - The Integrated School Health Program
 - GP contracting – extending “private sector” access to the poor and vulnerable
 - The Ideal Clinic Realization and Maintenance Model
 - District Clinical Specialist Teams
 - Centralised Chronic Medicine Dispensing and Distribution
 - Infrastructure projects
 - Etc.
- Deliberate strategies targeting the nonpoor informal and formal sector have been implemented in other settings.

HUMAN CAPITAL INDEX: SHOWS DISTANCE TO FRONTIER



SURVIVAL

Children who don't survive to fulfil their potential

X



SCHOOL

Contribution of learning-adjusted years of school to productivity of future workers

X



HEALTH

Contribution of health (adult survival rate and stunting) to productivity of future workers

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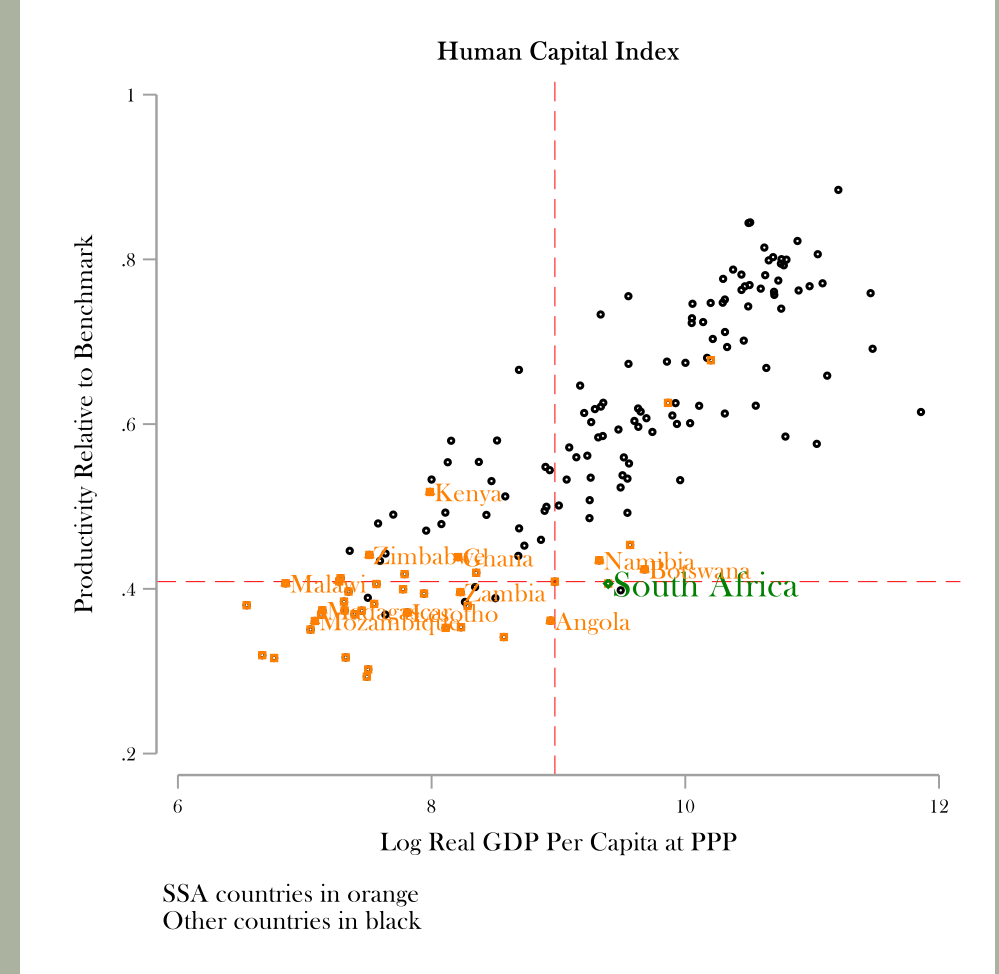


HCI

Productivity of a future worker
(relative to benchmark of complete education and full health)

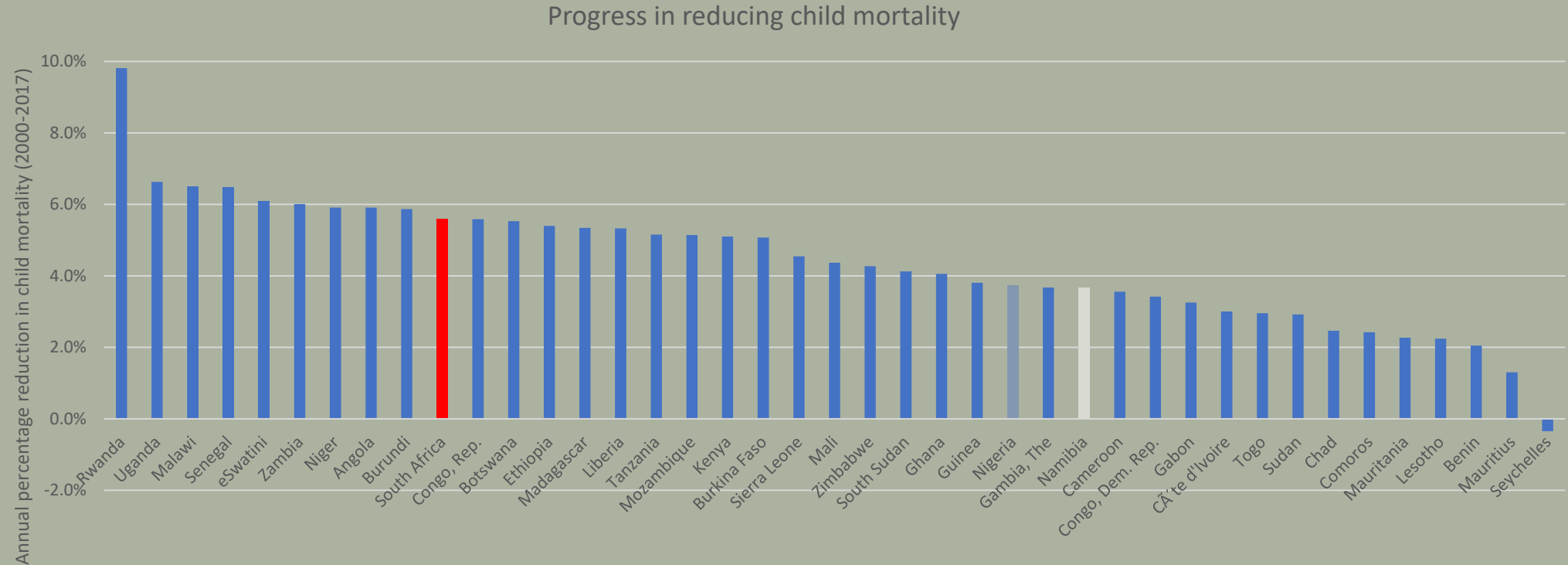
A child born today in South Africa would be 41% as productive as s/he could be under complete health and education.

GDP per worker could be 2.44 times higher under benchmark scenario.



Despite its status as an upper-middle income country, the HCI is lower compared to poorer countries

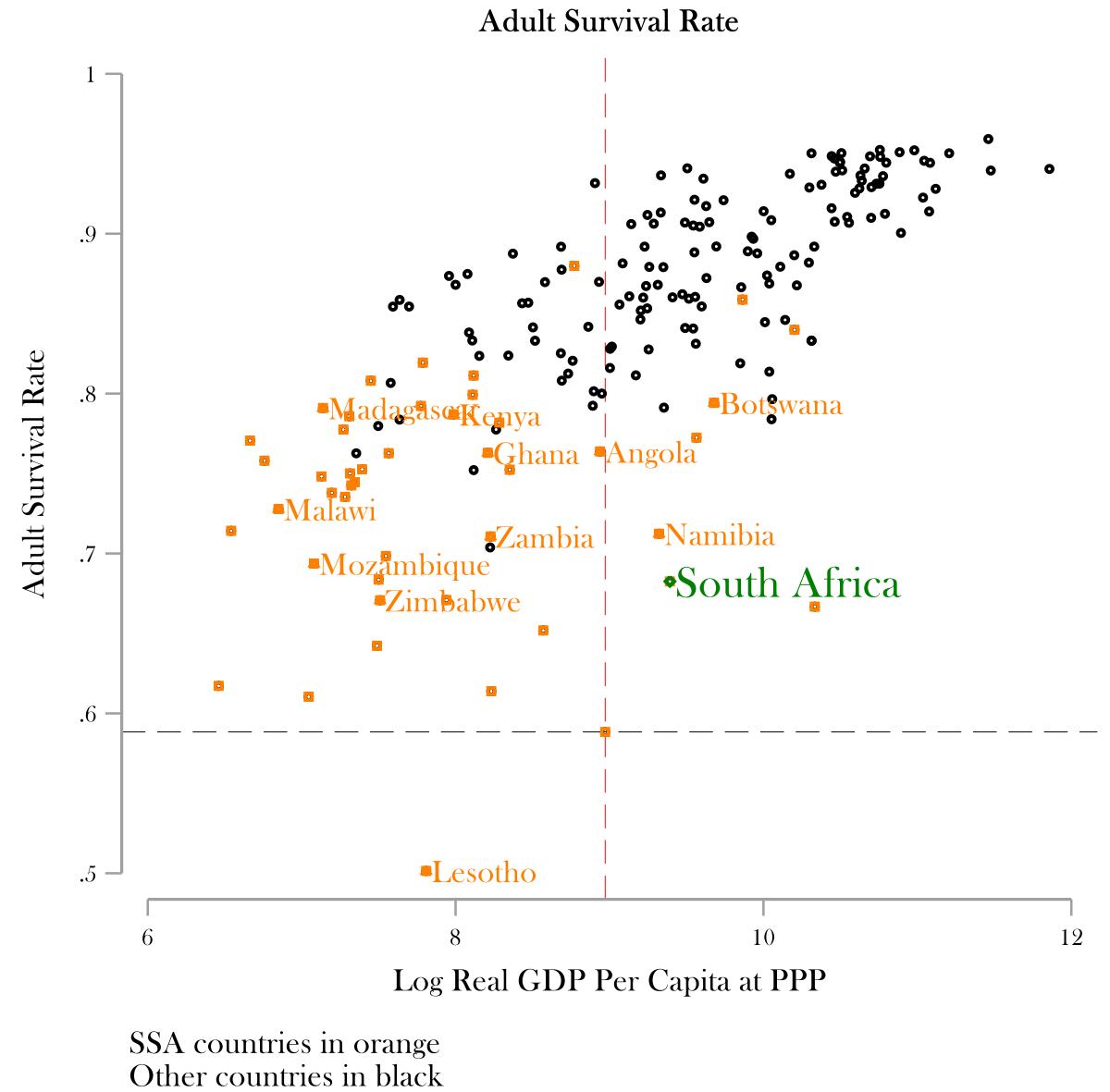
South Africa is one of the leaders in SSA to reduce child mortality (2000-2017)



32% of 15-year-olds die before their 60th birthday

Gap between male and females are significant (f = 26%; m=38%)

South Africa has one of the lowest adult survival rate compared to its peers (income level peers as well as usual comparators)



What improved HCI would do for south Africa

- Health sector's crucial role to improve Human Capital
- Human capital formation & economic growth conjoined prerequisites for stability & prosperity
- Skills & health critical for both labor supply and demand
- By investing in Human Capital, of which the health sector is a major contributor, GDP per worker would be 2.4 times higher
- Skilled & health labor force prudent fiscal policy – increased productivity adds to state coffers
- Improved health means less cost to employers, households and the state budget