

Health Sector Financing and Expenditure

The situation analyses identified major national health care problems. Quality and access to health care are inadequate and declining. Additional funding will be required to put these problems right. The amount and source of this money needs to be investigated.

Problems Identified:

- Health care access and quality are grossly inequitable, discriminating against black, poor and non-urban South Africans;
- People are being denied access to care because they do not have the money to pay.
- Half of the total health expenditure is spent on the care of the twenty percent of the population on medical aid.
- This care is subsidised through substantial tax rebates on medical aid contributions, and through poaching of health workers trained at the expense of the taxpayer.
- Medical care in the private sector, especially drugs, is expensive.
- There is serious over-servicing and resulting doubts about quality of care in the private sector.

We call on government to:

- ensure that no one is denied access to essential health services because of an inability to pay;
- provide free care to vulnerable groups such as children under six, women receiving care related to child birth, pensioners and those with certain communicable diseases, for example, TB, STDs, AIDS;
- provide preventive and selective ambulatory curative care free at the point of service;
- charge for hospital care according to means, with a more appropriate scale of fees;
- commit additional tax revenue to health;
- substantially increase tax on alcohol and tobacco, and earmark the money raised for health care. Alcohol and tobacco related diseases consume a large proportion of health care costs;
- ban the advertising of these products; until then such advertising should be subject to heavy taxation;
- introduce a state lottery to help pay for health and social services;
- emphasize the development of the public sector, diminish the role of the private sector and stop privatisation;
- regulate the private sector to prevent adverse affects on the public sector and to control increasing private sector costs;
- remove tax rebates on medical aid and other subsidies for the private sector, such as the subsidy given to the training of health personnel who then move into the private sector;
- continue raising money for the district comprehensive primary health care systems through local rates and revenue;
- the promotion of regional equity shall be a criterion in the allocation of this money with richer areas subsidising neighbouring poorer areas; and

- to allocate central resources to ensure access according to need.

We call on government to implement the above principles and actions immediately. We further urge that research be immediately conducted to identify the amount of additional revenue required to fund a comprehensive primary health care system, and sources from which these funds can be obtained.

