

**SPEECH BY MINISTER OF HEALTH, DR. JOE PHAALHA, MP AT
THE 2022 BOARD OF HEALTHCARE FUNDERS (BHF) ANNUAL
CONFERENCE THEMED “*Leading Change in Strengthening our
Healthcare Systems*”**

VENUE: CAPE TOWN INTERNATIONAL CONVENTION CENTRE

DATE: 18TH MAY 2022

Programme Director,

Ms Neo Khauoe, Chairperson of the BHF,

Members of the BHF Board,

Chairpersons and Members of various Medical Scheme Boards

present,

Distinguished Guests,

Ladies and Gentlemen.

Thank you very much for inviting me to speak at your very important Annual Conference, my apology that I could not attend in person due to other pressing commitments as I will be travelling to Geneva tomorrow to attend the World Health Assembly.

Thanks a lot for choosing a very relevant theme “**Leading change in strengthening our healthcare system**”. The theme is very relevant as we are grappling with recovery from the height of the Covid-19 pandemic and focusing on building resilient health system.

We all know that our health system was already weak before the advent of Covid-19. The inequality in access to reliable health services is inextricably linked to the economic and social inequality of our country.

The problem starts with the social determinants of health, which Covid-19 has just made worse. The decline in economic activity has worsened unemployment with each quarterly report indicating worse unemployment numbers, which leads to increasing poverty. The current

conflict in Ukraine has made matters worse with high fuel prices which have led to high cost of basic commodities especially food. The recent floods in Kwazulu-Natal and Eastern Cape are leading the further depletion of scarce resources.

Poverty and unemployment lead to poor nutrition, lack of access to reliable clean water, safe shelter, and basic necessities, which make it impossible for many South Africans to have prospects of a better life. The socio-economic inequality is perpetuated at the provision of health services, which is heavily commodified.

Our two-tier health system with one for the rich and the other for the poor does not augur well for future prosperity of the country. The public health system is struggling with under-funding, depletion of health professionals all of whom have been trained in the very same public health system, inadequate equipment, and consumables.

On the other hand, the private health system which relies on the members of your medical schemes is flush with cash with shareholders counting better dividends than farmers, retailers, mining, and manufacturing companies.

The system is unsustainable because if those having income keep reducing, it means the private health system can only rely on ever increasing premiums for those insured. If you want to talk about **“change in strengthening the health system”**, you cannot avoid talking about the need to accelerate the creation of a more equitable health system.

The Covid-19 pandemic gave us very tangible examples of areas in which we can start to narrow the gap between the high demand for public health resources and the concentration of highly underutilised resources from the private providers.

At the height of the 1st, 2nd, and 3rd waves with pressure on both ordinary and ICU beds, there were lot of endeavours to share the facilities including PPEs and Oxygen. We also shared information on bed

occupancy to facilitate using every available space but the cost of private beds especially ICU ones seemed an obstacle. The roll-out of vaccination created another more successful opportunity to share service capacity including a common database through the EVDS.

Clearly, what the country needs is a major overhaul of the system from financing, the service model which should move from dominating curative to a more preventative system. Worldwide it has become acknowledged that the way to go is Universal Health Coverage (UHC).

In our country the instrument we wish to use towards the creation of UHC is the National Health Insurance (NHI), and that's why the Bill is now at its tail end in the National Assembly. I am happy to see that the NHI is on the agenda of your conference.

We are aware that the passing of the Bill is not in itself going to be the silver bullet to transform our health service, but we believe that it will lay the foundation through which we can timely start to fundamentally transform our health services towards equity.

I encourage you to look constructively at the framework provided by the NHI and come out with proposals on how the implementation can be effective in creating a just equitable, effective and quality health service.

I look forward to the outcomes of this conference as I see that you have an array of luminous speakers who should inspire a lot of fascinating discussions and contributions.

I Thank You