

BUDGET POLICY STATEMENT 2022/23 BY MINISTER OF HEALTH, DR JOE PHAAHLA IN THE NATIONAL COUNCIL OF PROVINCES (NCOP)

01 JUNE 2022

Chairperson of the National Council of Provinces (NCOP), Honourable Amos Masondo,

Chief Whip of the NCOP, Honourable Seiso Mohai,

My colleague and Deputy Minister, Dr Sibongiseni Dhlomo,

Chairperson of the Select Committee on Social Services, Honourable Maurencia Natalie Gillion

Honourable Members of the NCOP,

Members of Executive Councils (MECs) for Health in Provinces,

Director-General and Heads of Provincial Departments,

Chairpersons of Boards and Management of Health Entities,

Distinguished Guests,

Ladies and Gentlemen

I would like to thank the Chairperson of this August House of our Parliament for affording us the opportunity to present the 2022/23 Health Budget Policy statement.

We do this in cognizance of where we come from, that the past two years have been challenging both for the general society and moreso for us in the health sector as we battled with the Covid-19 pandemic. The pandemic was devastating, it disrupted the normal way of life and the economic activity throughout the world.

However, the global community responded to the calamity presented by the pandemic. Measures were initiated to limit the spread of infection through the non-pharmaceutical measures, whilst the search for medical measures to annihilate the virus continued in earnest. Ultimately, the vaccinations were manufactured and made available, though with slush of vaccine apartheid as developed countries procured all available to the disadvantage and detriment of the developing and poor countries.

Honourable Chairperson

We thank the leadership of President Ramaphosa, for not only guiding the nation throughout the difficult times, but also for uniting society in the fight against the pandemic. His leadership pedigree further made it possible for us to access the vaccine and the continent at large when it was not easy due to what was termed – vaccine apartheid.

Vaccination against Covid-19 is ongoing throughout the world, albeit in different paces as per country. Here at home, South Africa we have administered just above 36 million doses, translating into 50% of the target adult population.

We still struggle to increase huge vaccine uptake amongst the youth, especially the 35 – 49 age group, who depicts huge sense of hesitancy largely influenced by vaccine hesitancy, the negativity and vaccine distrust messages spread mainly through the social media platforms which are largely unregulated. However, we are jointly with provincial counterparts, civil society and private sector working hard to gradual increase the numbers of the vaccinated amongst our people, using varied demand creation

strategies like the Youth led “**KeReady campaign**” conceptualized and led by young medical doctors, who give clear explanation on the effects and protective capacity.

On Friday, we will be launching the Global Vax campaign in partnership with the US Embassy in uMgungudlovu District in KwaZulu-Natal, emanating from the commitment made by the US President to donate more than 1.2 billion vaccine doses globally to vaccinate 70 percent of the global population by end of 2022.

The Global Vax will be implemented through a mechanism called ADAPT (Accelerating Development Against Pandemic Threats Activity) in support of the National and Provincial Departments of Health. This seeks to increase vaccination uptake and awareness, including amongst the vulnerable people, undocumented people and young people through collaboration to reduce vaccine hesitancy. We will also use this day to sign our bilateral agreement with the US government.

Honourable Chairperson

As we emerge from Covid-19, we recognize that the pandemic has derailed some of our major health programmes as we had to redirect resources towards the prevention measures as agreed. However, there are also positive experiences and measures we learnt during this difficult period; we learnt to work as one government from local to national, bringing all skills and expertise from our entities to use at once.

We also learnt on how to work with private sector and integrate initiatives, from the procurement of commodities like PPEs, diagnostics, therapeutics and even securing and administering the vaccines. We have learnt to work

with our scientists to guide our intervention and measures to prevent, manage and control the spread or transmission of the virus, though not easy because they themselves do not always agree on all factors in other aspects of life.

Again, praise and celebration of heroism must go to the frontline health workers who against the adversity stood fast to save lives. They took a major risk, and some lost family members because of the exposure they endured to come into contact with and cared for the sick. Ultimately passing the virus at home and losing the loved ones.

Honourable Chairperson

In this financial year our major focus will turn to the recovery of the comprehensive health services programmes. As agreed with the Provincial MECs, going forward, the key ingredient is to integrate the Covid-19 mitigation measures into our comprehensive basket of services at the Primary Health Care (PHC) levels upwards, including vaccination programme.

According to World Health Organization, the following are the main causes of natural death: Tuberculosis, HIV and AIDS, Chronic lung diseases, cancer, and heart diseases, and these are on the increase. Collectively, are responsible for almost 70 percent of all deaths worldwide, including in South Africa. The rise in these NCDs has been driven primarily by four major risk factors, and that is tobacco use, physical inactivity, the harmful use of alcohol and unhealthy diets.

The recovery of the comprehensive health services programmes means clear intent to intensive work to fight against these in the form of health promotion and disease prevention strategies. Yesterday in Somerset East, under Sarah Baartman District in the Eastern Cape Province, we launched the National Strategic Plan on Prevention and Control of Non-Communicable Diseases 2022/27. The emphasis is to lead communities in awareness, know-how and active action to prevent and control diseases.

We want to refocus on improving the quality of services as guided by various policy documents as adopted, especially the NDP, the Presidential Health Summit of 2018, and the Health Compact signed in 2019 by various stakeholders. We again call on everyone above the age of 12 years who has not yet vaccinated to go to the nearest station and vaccinate, and also get a booster shot once it is time.

Our budget allocation for this financial year 2022/23 is R64,5 billion, of which 86% or just around R55 billion would be transferred to provinces as Conditional grants to support various activities such as the TB, HIV and AIDS and other NCDs programmes, support for human resource, including Community services doctors and medical interns, and significant amounts for infrastructure support.

In this regard provinces will receive in Conditional Grants a total of R14 306 059 billion in National Tertiary services, a total of R29 023 118 in District Health and Comprehensive HIV and AIDS grant, R6 779 546 billion in Health Facility Revitalisation grant and R5 449 066 billion in Human Resources and Training grant.

Honourable Members

An amount of R1,5 billion is allocated under the management of the National Department to support various infrastructure projects in NHI pilot districts. This covers the construction of much awaited Limpopo Academic Hospital, the Siloam Hospital in Limpopo and two District Hospitals, Zithulele and Bambisanani, in the OR Tambo District in the Eastern Cape. In the past financial year this allocation contributed to 51 clinics and Community Health Centres being constructed or revitalized. In terms of maintenance backlog, 50 projects are currently under construction.

In addition, we are working with Gauteng Department of Health to speed up the work to refurbish the Charlotte Maxeke Johannesburg Academic Hospital, which was burnt last year. Significant progress has made to get the hospital reopened. All areas of the Accident and Emergency Department, Paediatric, Obstetric and Gynae emergencies, the Triage of Covid-19 emergencies, Trauma unit and Medical & Surgical emergencies have been recommissioned, and the CT scan has been fixed. We envisage a completion of the work here at the end of next year.

Honourable Chairperson

As government led by the ANC, we have made a commitment to attain the Universal Health Coverage for all South Africans to level the ground between the haves and have-nots in terms of access to quality and affordable health services. We aim to achieve this universal objective through the National Health Insurance Bill, which is in front of the Health Portfolio Committee for consideration.

Here, we urge the Provincial delegates to the NCOP to support this when it comes before you, as is the major health reform agenda to be initiated since the advent of democracy.

In the meantime, we have begun to lay the foundation for a strong health system, which will be underpinned by an integrated health service for the country. The Covid-19 emergency measures have facilitated the closer cooperation between the public and private health sector, from sharing hospital beds availability to common platform for reporting on tests, and to recording system for vaccination, the EVDS, which is entirely owned by the National Department of Health.

Within this budget, the NHI allocations are essentially meant for strengthening the public health delivery platforms such as targeted infrastructure upgrades across the provinces, contracting private PHP doctors, acquiring of oncology services and also adding more capacity for mental health services.

We have also ring-fenced an amount for implementation of NHI such as the benefits design and pricing, provider accreditation, management of health products procurement, further development of the digital information systems and developing risk management and anti-corruption systems.

Improvement in the quality of service at public health facilities will be a major focus in this financial year. A lot of progress has been made with the Health Patient Registration system, which has now already registered more than 5,7 million South Africans in 311 health facilities. More work has been done towards the establishment of the single, portable patient record system with

interoperable digital system. Already 21 quality learning centres have been established in the country with 102 hospitals, including private ones, 90 PHCs and 25 EMS participating in the program.

In this regard provinces would receive R693 747 million in National Health Insurance grant to further work on the implementation of the NHI.

Honourable Chairperson

The Presidential Stimulus Package, announced in 2020 for Covid-19 was implemented only for 2021/22, and this enabled provinces to employ over 73 000 additional staff, many on short-term contracts. All provinces are experiencing challenges in this financial year as allocated funds for Covid-19 have been reduced, as those temporarily employed demanding permanent placement.

Progress has been made with regards to the stability in the employment of more than 47 000 Community Health Workers (CHW), even though more work still needs to be done to finalise the nature of their long-term engagement. This cadre of CHWs is very essential to the sustainability of the PHC, focusing on health promotion, prevention, adherence to treatment to HIV and AIDS, TB and other NCDs. Additionally, 2 429 medical interns, community service personnel. We are grateful for an additional R2,1 billion over the next two financial years allocated for medical interns and Community Service Officers.

Honourable Chairperson

The Medico-Legal claims are a drain on vital and scarce resources to save lives. It puts the provincial departments at risk every year, we need to put a stop on this before it collapses the health services. The key intervention we making includes improved clinical management and record keeping, whilst at same time dealing with unscrupulous legal firms, which seek to abuse the plight of the innocent.

We aim to reduce the liability by 80% by 2024. We have introduced a transversal system shared by participating provinces, which provides for: Case management system, Forensic investigation, and the overall improved management.

Honourable Chairperson

The devastating floods have hit the province of KwaZulu-Natal twice. The floods have displaced people from the warmth of their homes and placed them at risk of many opportunistic diseases especially diarrheal diseases. As government continues to assess the damage and find required resources to rebuild, we have found that the damage to health facilities is not at extreme levels.

The damage is estimated at R259 million, which as guided by National Treasury, we are working with the Provincial department to prioritize on the planned projects and programmes to fund the rebuild the damaged infrastructure.

In the end, we are required to a resilient health system for all, and the NHI is our vehicle towards that. I would like to take this opportunity to thank, the

Deputy Minister, my colleagues in the Provinces, MECs, Director-General and Management of the Department, our entities, private and civil society for support and continuous collaboration.

I thank you.