

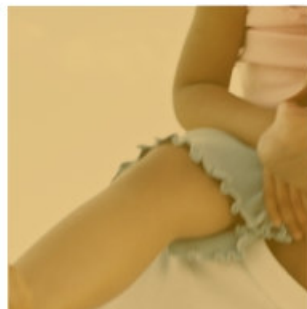
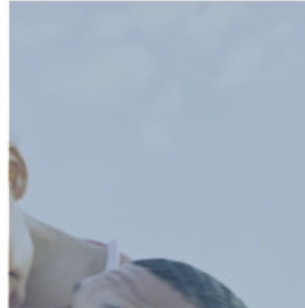
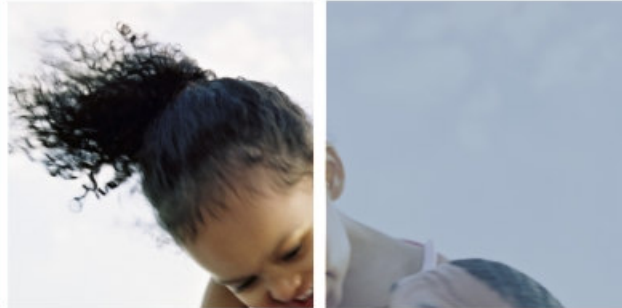


Alexander Forbes

HEALTH

# New thinking on Healthcare funding in Africa: where do we go from here?

April 29, 2010



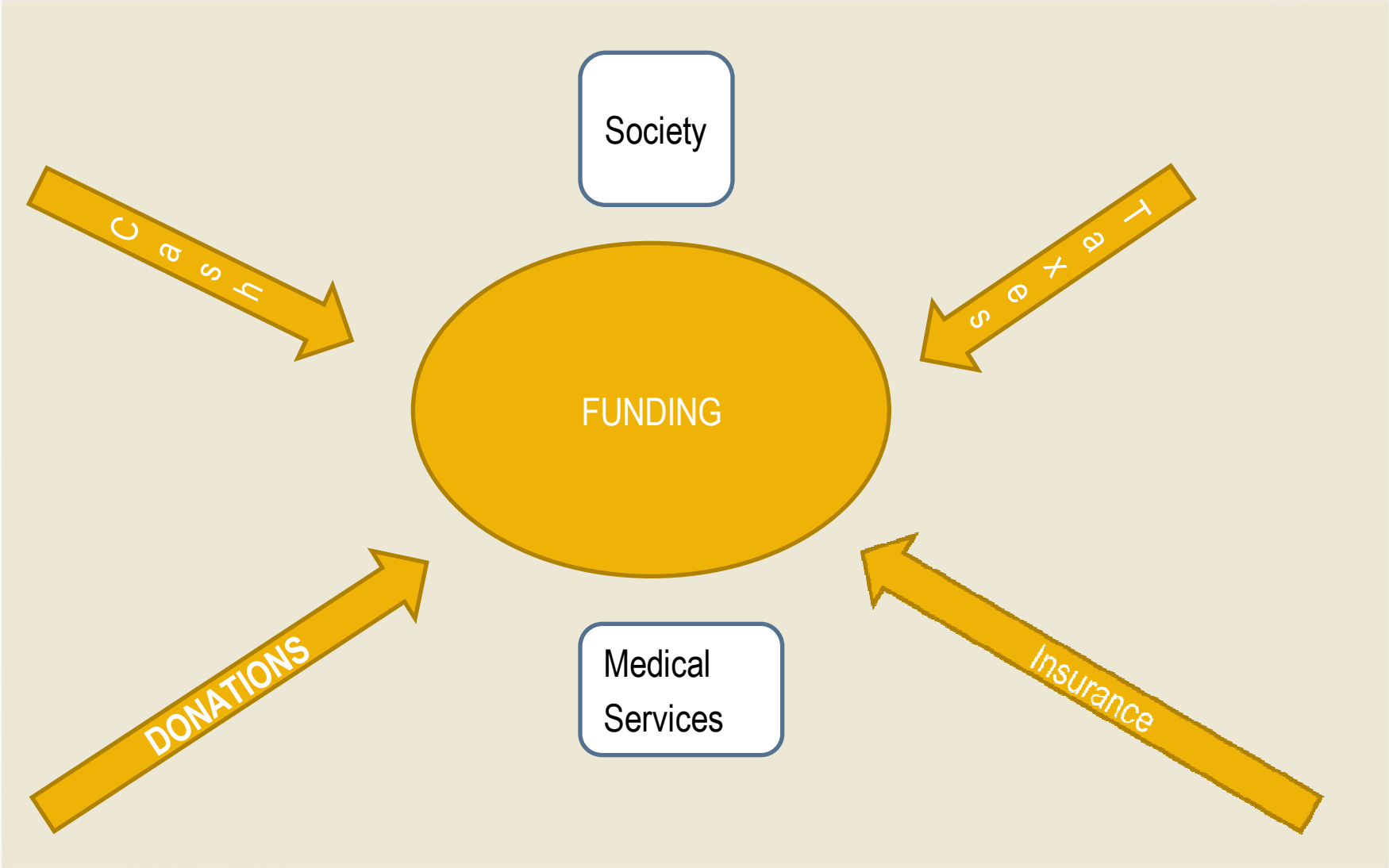
Your World is our World

# AGENDA

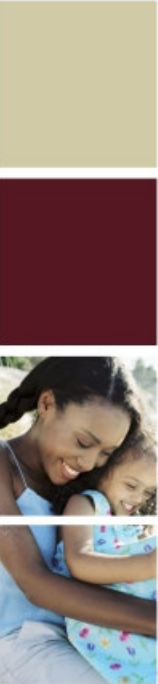
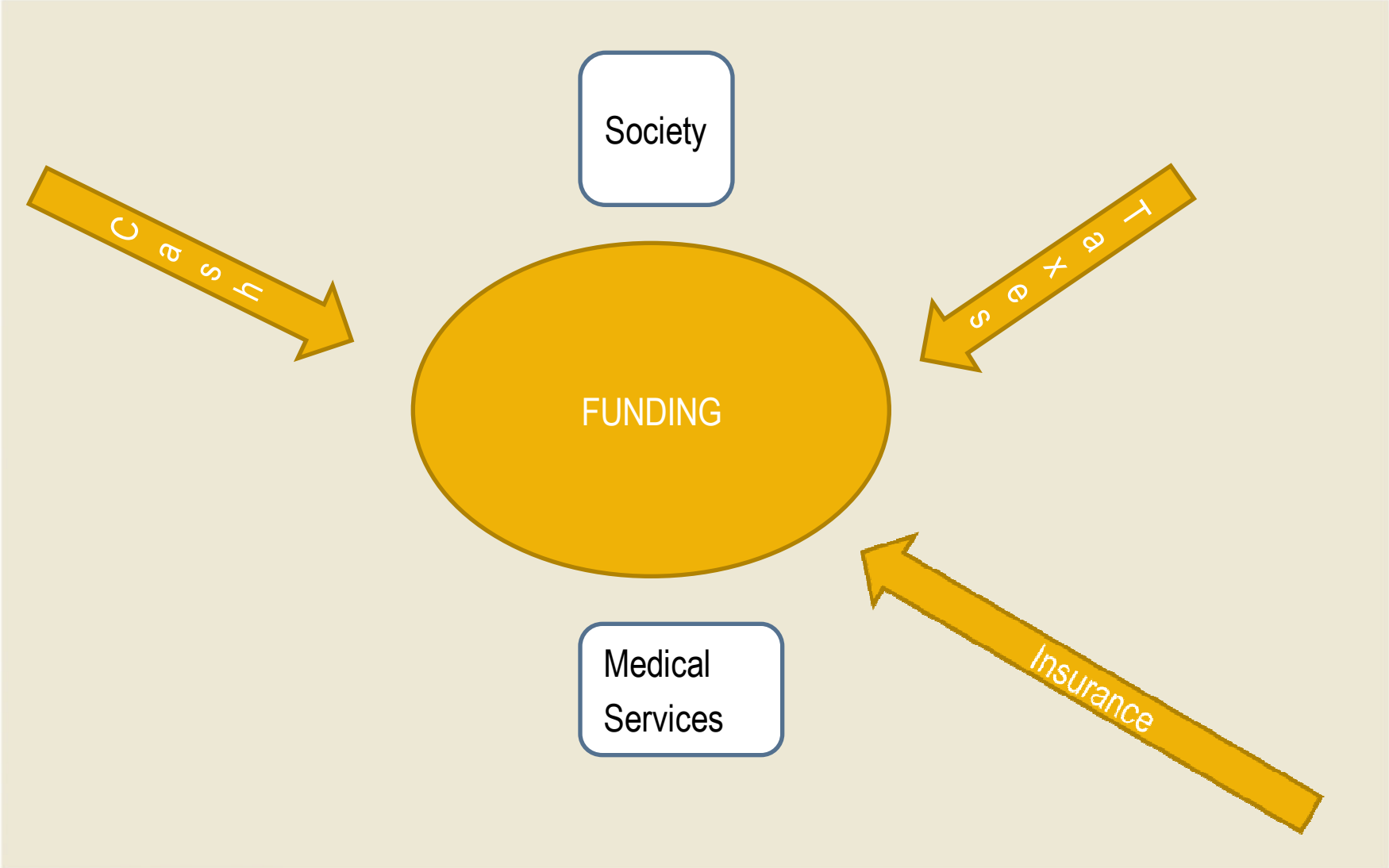
- Healthcare Funding
- Private vs Public Partnership, why it is necessary
- Case Studies
- Where do we go from here?



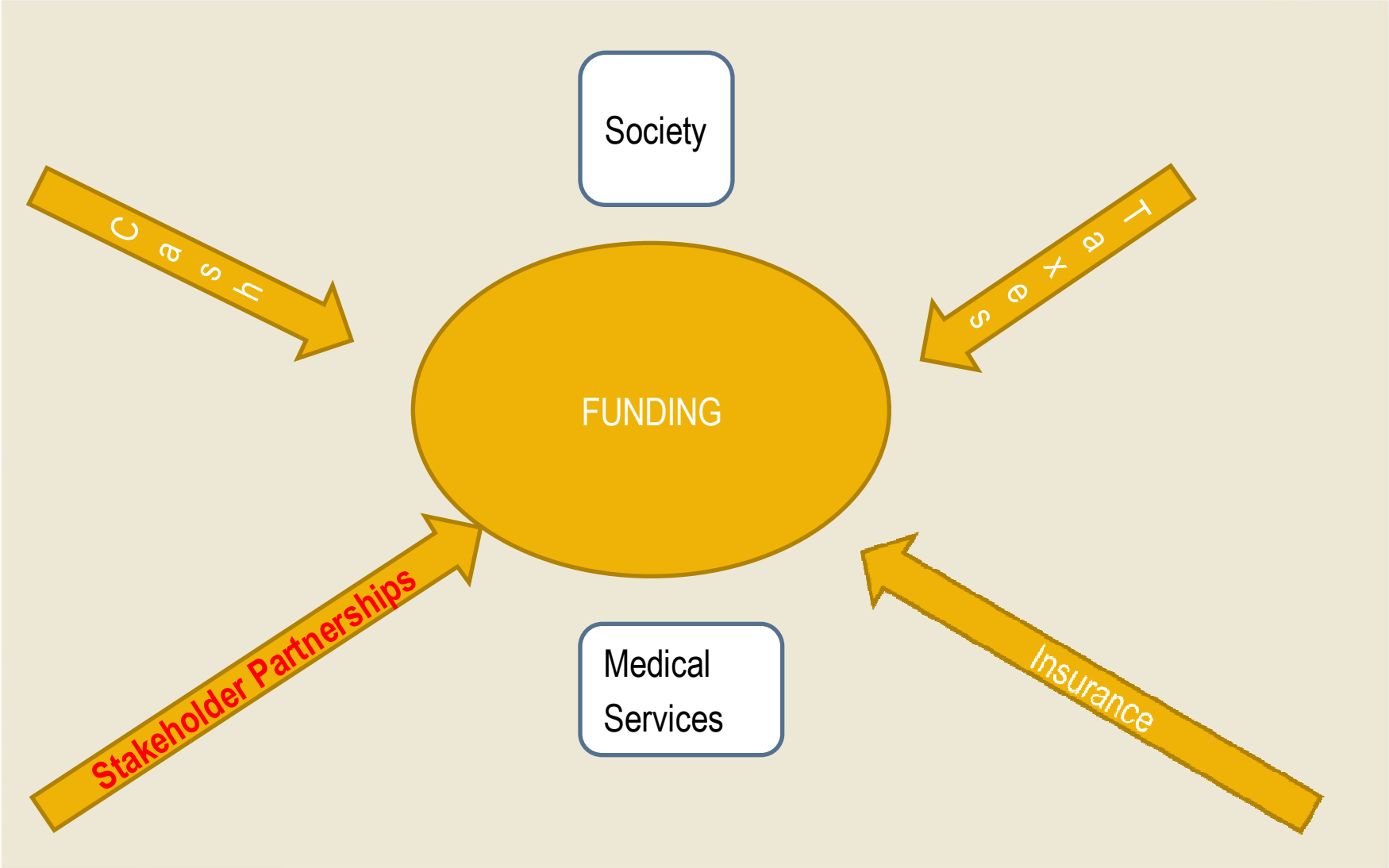
# Healthcare Funding Conundrum



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# Healthcare Funding Conundrum



# 2008 WHO Healthcare Statistics (%)

Country	Total Health Spending / GDP	Govt. Health Spending / Total Expenditure	Out-of-Pocket expenditure / private expenditure on health
Botswana	8.3	18.2	27.7
Kenya	4.5	6.1	80.0
Malawi	12.2	16.6	30.6
Mozambique	4.3	12.6	40.5
Nigeria	3.9	3.5	90.4
<b>South Africa</b>	<b>8.7</b>	<b>9.9</b>	<b>17.4</b>
Tanzania	5.1	12.6	83.4
Zambia	5.6	10.7	71.5
Zimbabwe	8.1	8.9	52



# Who are the Stakeholders

- Government
- Medical Practitioners / Service Providers
- Medical Aid Schemes
- Investors
- “We the People”



# Public vs Private Partnership

- No one is an Island
- All are all accountable
- Mutual gains in resource, knowledge, skill, management practices; cost efficiency and image.
- Deficiencies in Public Healthcare systems need to be addressed
  - ⊙ Effect of High Out of pocket costs
  - ⊙ Upgrade of Healthcare facilities



# Public vs Private Partnership

- “..a means to bring together a set of actors for the common goal of improving the health of a population based on the **mutually agreed roles** and principles (WHO1999)
- “.....a form of agreement [that] entails reciprocal obligations and **mutual accountability**, voluntary or contractual **relationships**, the **sharing** of investment and reputational risks, and **joint responsibility** for design and execution (World Economic Forum 2005)



# Public / Private Collaboration works when....

- The benefits of partnership is clear to all
- The responsibilities and obligations are clear to all
- There is a strong community support
- Stability of the political and legal climate exists
- The requisite skill are available
- Strong technology is in place
- There is clarity on incentives and penalties.
- All agree on method(s) of funding
- All **communication** lines are open



# Types of Partnerships

- Government creating viable Regulatory Environment
- National Health Insurance with network of Private Providers
- Negotiation of mutual tariffs between Government, Medical Schemes and Providers:
  - ⊙ Relative Value scales
  - ⊙ Capitation
  - ⊙ Case Rates
- Periodic discussions and sharing of information
- Member participation
  - ⊙ Copayment and Deductibles
- Clear communication



# Case Studies

- National Health Service (NHS) in the United Kingdom, delivers universal and comprehensive healthcare services; established in 1948
  - ☉ Doctors are given extra incentives to offer preventive care
  - ☉ Private insurance is an add-on to the NHS
  - ☉ Private sector is now used to improve capacity
- Chiranjeevi programme launched by the Gujarat government in India
  - ☉ Govt engage obstetricians by offering fixed amounts for every 100 deliveries
  - ☉ Amount calculated based on relative value of normal deliveries



# Case Studies

- Kenya Healthcare System
  - ⊙ Base National Health Insurance Fund
  - ⊙ Complicated cases referred to Private specialists
  - ⊙ Government run hospitals and private practices available
  
- National Health Insurance in South Africa
  - ⊙ Minister adviser committee to advice Health minister on NHI policy in next 5yrs
  - ⊙ After public comments, NHI viability is to be reviewed on a longer term basis



# Future Considerations

- **Continued Dialogue between Government and Healthcare stakeholders:**
  - ⦿ HASA
  - ⦿ Medical Aid Schemes
  - ⦿ Other Professional Organizations
  - ⦿ Keep population informed
  
- **From the Government**
  - ⦿ Upgrade of Public facilities to Private Standards (with Private assistance)
  - ⦿ Create Policies that reduce unemployment
  
- **From Medical Schemes and Providers**
  - ⦿ Recognize the purchasing power of the population when setting costs



# Questions

*Thank you*