Can the NHI deliver an improved healthcare system? The case for a system-based approach to health Care

By

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Background

Less than ten years after the United Nations General Assembly's adoption of the Universal Health Coverage (UHC) in 2012, governments all over the world are looking for radical ways to improve and offer health coverage to all their people. The situation is exacerbated by the current Covid-19 pandemic, and the concern that the pandemic could overwhelm the health system entirely is valid. There is fear and panic that if the virus spreads widely it could kill millions of people over the world. Many of the developed and poor countries are worried that the spread of the virus will overwhelm their struggling healthcare systems and they have opted for lockdowns and home isolations. With the Coronavirus pandemic shaking the world, there has never been more need for UHC.

In South Africa, the proposed National Health Insurance (NHI) is seen as fundamental in offering free and quality health care. The country's healthcare system is struggling to cover many of the vulnerable and poor people. There is no denying that South Africa needs to fix its health care system, and it needs to do so with an urgency. Despite the need to transform the health care system and attempt to achieve universal health coverage, South Africa's proposed NHI has been received with mixed feelings. Critics of the NHI believe that the NHI will not work because restricting on choice of medical scheme amounts to restriction on rights to health. On the other hand, the supporters believe it will give the government an opportunity to provide adequate healthcare services to everyone.

Health policy is of great importance to the trade union movement, not only because of the direct implications to their members but also because of the historical key role that labour has played in the development of many of the world health policies. In many countries, the social welfare and health insurance systems were established as a direct consequence of pressure brought by organised and unorganised labour movements (Rosner and Markowitz, 2003:46). In South Africa, in 1980 a team of University of Cape Town staff members and students formed a liberal health organisation that fought for a democratic health system in South Africa, the Health Workers Society (HWS). According to Pick (2012), the HWS worked with other organisations and opposed the apartheid state's health policies and practices.

This paper argues that the NHI, as currently proposed, is a one-dimensional solution to a multifaceted problem. The NHI focuses on minimising the financial burden of health services to the citizenry, and hopes to subsequently eliminate inequality in health services access for South Africans. An assumption is made that removing the financial burden of healthcare will solve all other health issues in the country, which is not true. This paper argues that for the NHI to be effective in positively transforming the country's heathy system, it has to look at the health challenges in a holistic manner - and this can be done using a system-based approach to health care. The approach requires understanding not only the elements of the problem, but the relations between the elements and how they are affected by external factors. For this reason, a systems-based understanding of the context-specific challenges of health is necessary in order not only to inform policy, but to also anticipate possible unintended consequences and compromises

Introduction

From a global perspective, Universal Health Coverage developments are increasingly being driven by the World Health Organisation's declaration that health is key in sustainable development. Health in general is a fundamental human right. Yet the potential of poor and developing countries to realise universal health is often sabotaged by persistent problems that include finance. Perhaps no one has captured the significance of UHC better than WHO; in their 2010 report 'Arguing for universal health coverage' they state: "For many, UHC is literally a life or death issue, individuals without health coverage facing the prospect of untreated sickness and premature death for themselves and their children; UHC can also mean the difference between financial survival and destitution". The 2010 report also states that member states are not forced to follow a particular strategy or method to achieve UHC. Accordingly, WHO defined coverage in the following terms:

"Universal Health Coverage implies that all people have access, without discrimination, to nationally determined sets of the needed promotive, preventive, curative and rehabilitative basic health services and essential, safe, affordable, effective and quality medicines, while ensuring that the use of these services does not expose the users to financial hardship, with a special emphasis on the poor, vulnerable and marginalized segments of the population."

The report highlights the three main related objectives of UHC as follows:

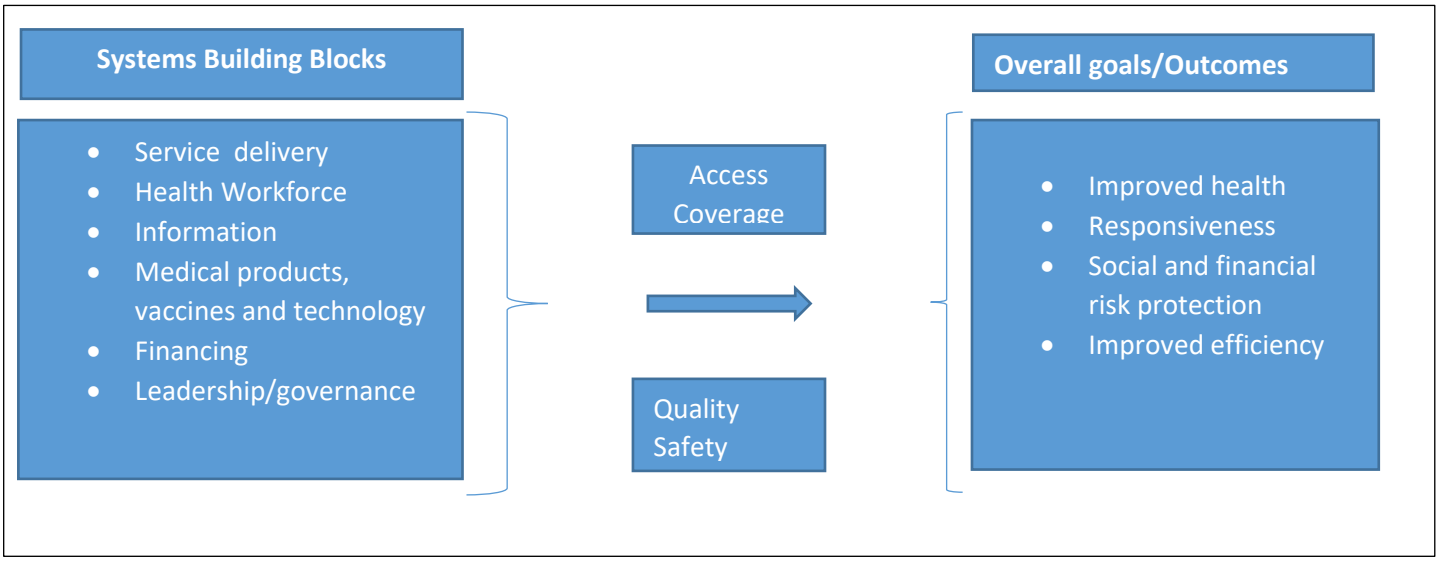
1. Equity in access to health services –everyone who needs services should get them, not only those who can pay for them;

2. The quality of health services should be good enough to improve the health of those receiving the services; and

3. People should be protected against financial-risk, ensuring that the cost of using services does not put people at risk of financial harm (WHO, 2010).

These are the objectives on which individual countries should base their national health care systems in order to achieve UHC. Whilst there is consensus on the three objectives outlined by WHO, it is important to note that the 2010 World Health Report further emphasised the role of health system financing for UHC by arguing that 'countries must raise sufficient funds, reduce the reliance on direct payments to finance services, and improve efficiency and equity' so as improve the health care financing function of a health system (Abiiro and De Allegri, 2015). The World Health Organization (2010) recommended six 'building blocks' for an effective, efficient, and equitable health system as shown below.

Figure 1: Six building blocks



Source: World Health Organisation (2010)

In line with the WHO's recommendation for achieving UHC, South Africa aims to provide all citizens with access to quality health services as well as to ensure, through the NHI, that access to health services does not create a financial burden for citizens.

The South African health system and its challenges

Many of the challenges in the South African healthcare system can be linked back to the apartheid period in which the healthcare system was highly segregated, unfair, and racial biased (Baker in Maphumulo and Bhengu, 2019). This resulted in dwindling health system delivery because of lack of resources, and black communities were especially affected. More importantly, it also resulted in health care services being divided along racial lines. As a result, there are two types of health care services in South Africa - the public and the private health Care.

Public health care is free at public clinics and hospitals, and available to the country's poorest people. But very often these facilities are characterised by lack of proper services and inadequate medicine. According to the Office of Health Standards Compliance's Report 2016, there were only five public clinics and hospital facilities out of 696 that reached 80% of their required performance criteria in areas such as drug availability and proper infection control. In addition, concerns about public health care have increased as the quality of health care deteriorates. A case in point has been the Life Esidemini case where more the 140 mentally ill patients died due to negligence. There is also the continuing HIV and AIDS pandemic, health-worker shortages, inequalities in resource distribution, incompetent public health leadership, and a complex and protracted health transition (Kautzky and Tollman: 2008).

On the other side is private health care, which is only accessible to the few South Africans who are able to afford medical insurance. It is worth noting that although a small portion of the population is covered by private health insurance, almost half of the total health care expenditure is attributable to these schemes (Di McIntyre, 2010). This in turn contributes to unequal access to high-quality health care services, and many missed opportunities for early prevention and care (Shisana, 2001 in

Delobelle, 2013). In addition, because of the ineffective public health care, private health care has become a money-making arena.

According to McIntyre (2010), there are serious challenges facing the private health care sector in South Africa, especially the rapid increases in expenditure that result in high rates of medical schemes. Furthermore, the medical scheme contributions also increase far more rapidly than people's average wages and salaries. McIntyre (2010) further argues that in recent years, schemes' spending increases have been motivated mainly by the private sector whose sole purpose has been for-profit hospitals and specialists. This capitalist thinking has effectually driven the price of private healthcare high. The challenges in both the public and private health care services impact the overall health system equally in terms of its quality and affordability in South Africa. Undeniably, the roots of South African's dysfunctional health system and the impact of the spates of communicable and non-communicable diseases can be found in policies from periods of the country's history, from the colonial and apartheid dispossession to the post-apartheid period (Coovadia, 2009). However, despite many positive developments to redress apartheid injustices in South Africa, without a doubt the health-care system still faces inequality challenges and requires serious transformation.

Features of the NHI

In South Africa, Universal Health Coverage is envisaged through the proposed NHI. The Department of Health (DoH, 2019) defines the NHI as a health financing system that is intended to pull together funds to provide access to quality and affordable personal health services to all South Africans based on their health needs, irrespective of their socio-economic status. It is a fund that will pay for health care for all South Africans, there will be no costs at the clinics or hospitals because the NHI fund will cover the costs of the care.

1. *Funding*

Through the NHI, government will collect funds by way of taxes. Presently, formally employed South Africans and employers pay monthly contributions to private medical insurances for private health care services. The NHI proposes that such funds be collected by the government for the purpose of buying public health care services for all (DoH, 2003). This means that all the contributions that normally pay private medical insurances will be diverted to the NHI. The main advantage of this is that many people who would not be able to afford medical services would now be covered under the NHI, and all citizens will then get uniform, quality health care. According to the Department of Health Impact Assessment Report (2019), the NHI will change the financing, purchasing, and the way health care services are provided by:

- transforming mechanisms of generating revenue through mandatory pre-payment taxes;
- tax rebates from medical schemes will be phased out;
- pooling of the generated revenue and risks into a single pool;
- Strategic purchasing of health care services through a single purchaser, the NHI Fund, to improve the efficiency and performance of the health system.

2. *Purchasing*

According to the NHI Bill (DoH, 2003), the fund will be responsible for purchasing health services. The intention is to distribute health care services to provincial and district level hospitals. The rational is that people seeking health care services, especially if it is not for emergency conditions, should start at a primary care local clinic and be referred on to an appropriate hospital if necessary.

3. *Benefit package*

The NHI Fund (DoH, 2003) will offer all-inclusive cover encompassing primary to quaternary services, provided by accredited public and private providers. Government has made promises that the NHI fund will provide quality health care that meets the set standards. In order to provide the basic package of services, the NHI will cover both public and private health care providers at all levels of the health system, subject to their accreditation. At present, all public and private facilities have not been required to be accredited. An important advantage of the NHI is that there will be one integrated health care system, imbedded on the values of the right to health care, social solidarity, and universal coverage, and a non-profit and publicly administered NHI Fund (DoH, 2003).

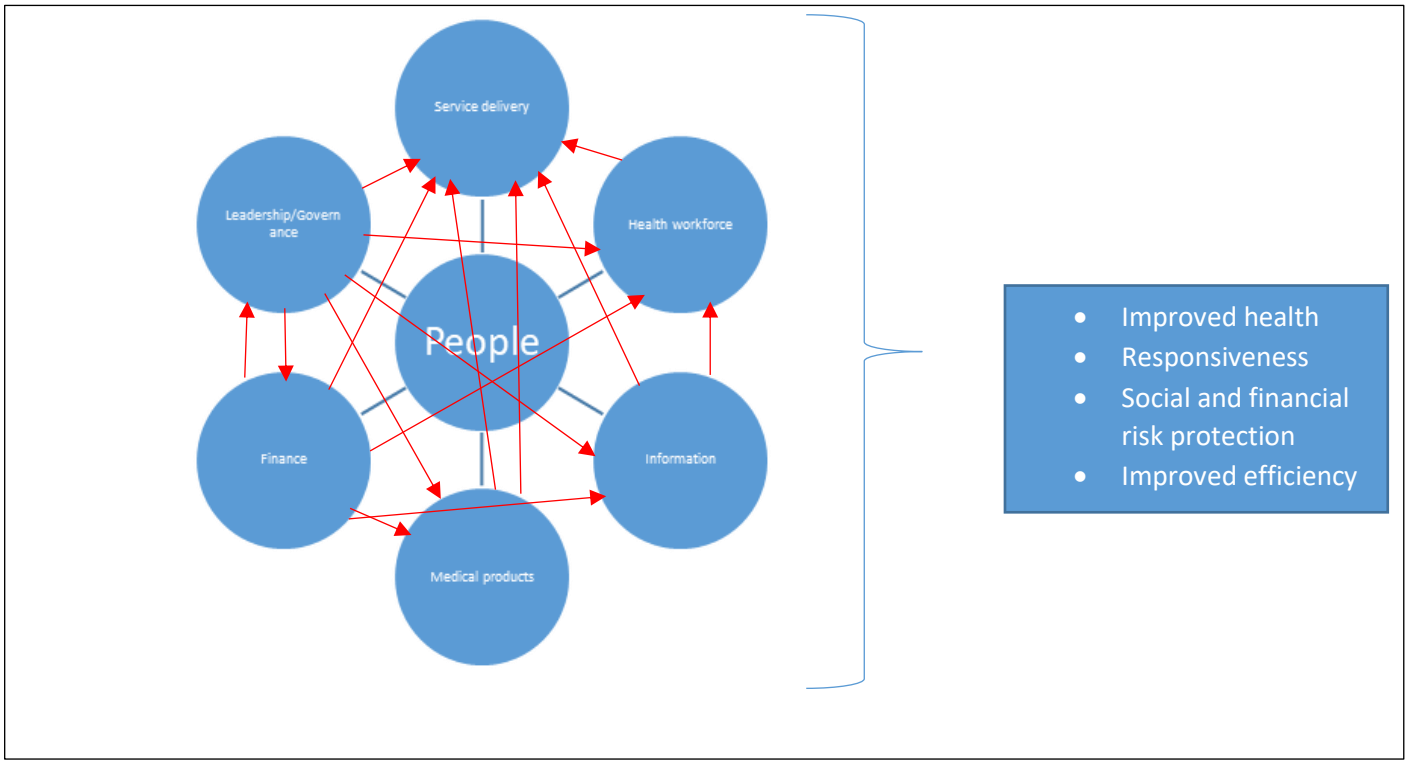
Systems approach to policy intervention

A system is a set of things working together as parts of a mechanism or an inter-connecting network; a complex whole (Oxford dictionary, n.d). Central to a system is an understanding that the system is more than the sum of its parts; it includes interactions or interdependences of a group of items forming a unified whole. Systems theory stresses the need to view the problem as a result of the interaction of all the system's components. Based on this line of thinking, the healthcare system consists of multiple parts such as individuals, institutions, and infrastructure that are interconnected, and are driven by some purpose. These parts interact with each other and with their surrounding environment, and it is these interactions and interdependences that are vital in how well the system works. And so, in order to address health problems, these interactions and involvedness must be dealt with.

A system approach is a framework by which one can examine and or describe how different parts of the system work together to produce a result. Lai and Lin (2017:3) state that systems theory 'focuses on three levels of observations: a) the environment, b) the social organization as a system, and c) human participants within the organization. The three levels of observation enable for identification of potential errors in advance. For instance, Kast and Rosenzweg (1972) argue that the systems approach has been instrumental in identifying factors which contribute to different types of errors in many fields such as technology, railway safety, aviation, and organization and management.

An important benefit of systems thinking is that it enables one to identify potential non-linear interactions between many environmental stressors that might have greater impact than does the sum of their parts (Pongsiri et. al, 2017). And so, whether the system achieves its goals depends not only on the system itself, but also on the factors, elements, or variables coming from the environment of the system and impacting on it.

Consequently, in a systems-based approach, the six building blocks recommended by WHO (as per Figure 1), need not be seen as a register whereby the health system is defined as a mere list of the different organizations or persons that participate in producing health services. Under a system-based approach health care systems are about understanding the components; but more importantly, also the interactions of these components as shown in Figure 2 below:



1. *NHI - the environment*

The environment in which the system works is very important and may influence the success of the system. A systems approach considers and re-addresses the ways in which people have in the past interacted with and used the health services. These interactions form put of the environment in which the systems is meant to function. It is, therefore, important that the NHI asks whether those interactions remain good for the system. And so, whilst removing financial risks and barriers to access of healthcare service is at the core of Universal Health Coverage, there are other factors that are equally important.

To achieve its objectives, the NHI fund will have to work as a machine that converts inputs into outputs. Such inputs include adequate and professional workforce, proper information and communication systems and process, medical products, and technology as well as proper leadership and governance systems. The inputs are necessary to attain a successful health system. Specifically, the NHI will have to be able to work in a way that its components of the system interact with the environment in order to achieve the means to maintain the system. And so, whilst the financing function of the system is important, it is only when all the components of the system work together that the system will function well. Kutzin (2013) warns that that the health financing system does not act alone in influencing the final goals, coherent policies and implementation across health system functions are essential for making progress on the desired objectives. The environment in which the NHI will operate is equally important. Although the NHI Bill does not give details on the relationships between institutional actors, especially their role in regulation and what aspects are subject to regulation, these are important in achieving its goals. When such a shortfall happens, important information that can improve the policy is often left out, creating possible future problems.

As an example, an important benefit that the NHI promises is that citizens will no longer be required to do direct payments at the health facilities, which is an important step towards ensuring that the

poor can easily access health care. Nonetheless, access to healthcare facilities may mean shortages and lack of such facilities. In rural areas, people often have to travel long distances to access healthcare facilities. In Ghana, for instance, it was found that travelling longer distances to seek health care contributed to high out-of-pocket health spending due to transport cost (Kusi et. al, 2015). This challenge has also been flagged by WHO (2010), that elimination of direct out-of-pocket payments at health facilities may not automatically eliminate all the financial challenges to access, because of non-medical expenses such as travel and informal payments at the health facilities. Hence, the application of the systems approach becomes useful in that it provides an essential structure for understanding the different forces that might create stress for the NHI and possibly identify the coping mechanisms available. It is, therefore, important to note that the way health financing arrangements are organized often affects other social goals. More importantly, the external environment surrounding health care may influence the goals and performance of the NHI.

2. NHI- the social organization

Social organization is characterized by interdependence — that is, what occurs between certain components has, to varying degrees, consequences for some or all of the other components and their relations with one another (Encyclopaedia, updated 2020). Consequently, inter-relationships of institutions became critical in a health system as the social organization.

Looking at the NHI from a systems perspective, it is clear that the NHI has to work as a social organisation. Indeed, the NHI compels enormous restructuring of the South African healthcare system in order for it to work. As an example, the management of the fund would require the establishment of a huge organisation or institute to register the entire population. They would also need new ways for contracting and paying service providers, and the accreditation of hospitals, clinics, and private sector healthcare professionals. It is only when elements of the system, such as purchasing of medication, technology, and the people are working together that quality services can be delivered. The system has to be structured in such a way that there is smooth relationships between people, money, technological, and information (Frenk, 2010). This is important because these elements depend on each other for the success of the NHI. One important factor that the NHI overlooked is that the healthcare system not only includes health services, but institutions/establishments and organizations, infrastructure, people and all that intersects with health. More importantly, there has to be recognition that it is the interaction or connection between the government and these actors in the environment that will signify the success of the health system.

Under the NHI, there will be one integrated health care system that is administered and funded publicly, where government will secure healthcare services on behalf of all people. The NHI fund will have to input not only funds but physical and human resources, leadership, and management. In other words, the inputs will take the form of requirements or support, coming from both the people and external actors. In turn, the system produces outputs in the form of improved healthcare system. One important input will be the establishment of the purchasing organisation. The relationships and connections that the purchasing organisation will have with suppliers and various actors in the health industry is paramount to the success of the health system. A critical issue is the capacity of the purchasing organisation and how it participates in the system. McIntyre et. al (2013), in their study 'Evidence from seven low- and middle-income countries on factors facilitating or hindering progress', found that the Malawian case study demonstrates that problems can arise where there is poor capacity in the purchasing organisation within the Ministry of Health and its district offices. They found that the health facilities were reluctant to offer contracted services because of the failure of the

districts to make payments or supply drugs in time. Furthermore, they found that capacity constraints were also apparent in the inadequate control and monitoring of services provided by the contracted facilities. This is another shortfall of the NHI Bill, it overlooks the importance of understanding that health outcomes arise from the interactions between health and social systems, and that stakeholder engagement and supervision and monitoring of health service quality are an important component.

According to the NHI Bill, the purchasing of health services is intended to be spread out to provincial and district level hospitals as well as sub-district level hospitals for primary health care. Subsequently, these provincial and district hospitals and clinics become the entry point to the health care system. For London and Sandser (2018), however, there has been a reasonable concern raised regarding the level of capacity of these sub-district and district entities. They question whether district facilities will be able to carry through the complex activities required by the NHI Bill. For example, the Bill does not give details about the payment of accredited service providers, and there is speculation that medical schemes may be brought in to perform this function. There is also concern that rural and poor providers and facilities may face difficulties in getting approved for accreditation as compared to private ones.

Another concern is the understated link between health service availability and the districts in the NHI Bill. For the NHI to work, district health services need to work. This is because as the first point of entry, district health services relate to the whole health system and all the levels of healthcare delivery. This link is also overlooked or not reinforced enough under the NHI Bill. Indeed, decentralising health care to provincial and district health facilities is key in achieving health coverage; it does, however, require a supportive environment and organisation. Fusheini and Eyles (2016) in their study found that in South Africa there are huge inequalities between districts regarding the health of the population. They argue that these gaps and challenges are to be addressed prior to the introduction of the NHI. This is because experience from various countries shows that when these necessities are not dealt with, regionalization had destructive consequences - such as health service disintegration, increased inequity as well as political manipulation by powerful interests.

Application of systems thinking on the NHI is important, as it can highlight significant relationships that may influence the entire system. With systems thinking, outcomes are hardly related to the causes only. Outcomes may often be due to various interactions over time. For example, the cost of health services is not the only cause of South Africa's health system problems. Lack of coordination, poor governance, as well as corruption have led to many of the health system problems today. One of the opponents of the NHI, Alex van den Heever, argues that the main problem is not the money but how it is to be spent. According to him, poor administrative and managerial capacity of the state poses a major threat to the implementation of the NHI. The system is threatened by lack of organisation and coordination between national, provincial, and district levels. As such, there is a need to provide clarity regarding roles and mechanisms of communication to ensure the effectiveness at the different levels. (van den Heever in Passchier, 2017).

3. NHI – the people

In an effort to understand the NHI using systems thinking, it is both useful and important to explore the impact of people on health sector reform. Thus far, the article has paid particular attention to the dynamics of the interactions and interdependence of elements of the NHI that may influence the success of the system. But what has been the experience of people as actors in the health system been in practice? Frenk (2010) argues that when it comes to health, the population is not only an external

beneficiary of the system, it is an essential part of it. This is because when it comes to health, persons play five different roles:

(i) as patients, with specific needs requiring care;

(ii) as consumers, with expectations about the way in which they will be treated;

(iii) as taxpayers and therefore as the ultimate source of financing;

(iv) as citizens who may demand access to care as a right; and, most importantly,

(v) as co-producers.

In South Africa, in particular, one of the major challenges of public health care is the lack of health care professionals in the public sector as compared to the private sector. Barron and Padarath (2017) argue that 'most of the highly trained professionals, including 93% of dentists, 89% of pharmacists and over 60% of all doctors, are working in the private sector'. They also highlight that in the public sector, the Western Cape, for example, had four times as many doctors as Mpumalanga, and five times as many pharmacists as Limpopo. These inequalities reveal the differences in waiting time and service delivery between the public and private health sectors. It is important for the NHI to acknowledge the need for serious structural changes in terms of human resources.

Another important factor that the NHI also seems to disregard is around the serious challenges facing the health system at the moment, like lack of leadership and management. The 2016/17 report by the Office of Health Standards Compliance (OHSC) regarding compliance of public healthcare facilities with the standards of healthcare discovered that 'there was lack of leadership and management, including operational management, minimal to lack of supportive supervision by competent qualified senior staff and operational management was mostly noncompliant.' These conditions require that the NHI systems be able to address the leadership problem in a manner that is beneficial to all.

Recommendations and Conclusion

This paper has considered the risks of approaching health care in a linear manner. The paper has argued that the performance of the NHI may be affected by its lack of focus on relationships between institutional actors, and physical and human resources. There also does not seem to be clear directions on how to deal with the planning and distribution of infrastructure. As a result, the paper recommends that the NHI should consider the broader context of the health system, including geographical factors, and social and demographic, economic, and political contexts. In so doing the policy will be able to address not only the financing but also the delivery of services, as well as issues of governance in institutions.

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