

Will it lead to more doctors being sued for negligence?

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21 Feb 2019

Legal claims against the department now amount to more than half of some provincial health budgets. Less money now will only mean more claims later.



Photo: David Harrison

Finance Minister Tito Mboweni's latest budget reveals that per capita spending on public health will decline for the second year in a row — and health infrastructure spending will bear the brunt of the cuts. Total health expenditure in 2019/20 is proposed to be R222.6bn, [this is R700m less than what was projected in the Medium Term Budget Policy Statement released last year.](#)

On paper, the health budget grew by 7%. But in reality, it shrunk.

But in real terms, a 7% increase represents a decline in health funding per person once standard inflation of 5.2% is factored in as well as a 1.6% growth in population. It's worth noting that medical inflation or [the inflation rate for healthcare products and treatment is usually higher](#) than this general inflation rate of 5.2%.

This decline is despite the government's own White Paper recognising that spending on health will have to double if quality healthcare is to be provided to all through the [Health Insurance \(NHI\)](#).

After a decade of stalling NHI funding and the continued failure to regulate the private health market, people will be forgiven for wondering if NHI delayed means NHI denied.

That is certainly the effect of the 2019 budget proposals.

As most commentators focused on the latest [Eskom bailout plan](#), another illuminating story could be found in health. The lines of numbers presented in budgets always reveal what the state really wants to do — no amount of rhetoric can disguise them.

Here are two figures to be concerned about:

1. [Medico-legal claims](#) have grown from R28.6bn in March 2015 to R80.4bn in March 2018. In many provinces, these claims (and their associated legal costs) now equate to more than half the annual provincial health budget; and
2. [Accruals by provincial health departments \(i.e. goods and services received but not yet paid for\) amounted to R18bn in 2017/18.](#)

These figures make one wonder what effect further cuts to health spending will have.

In the absence of a health quality improvement plan, will the quality of services deteriorate further, leading to even more medico-legal claims?

[Sadly, a large portion of claims relates to deaths and injuries to mothers and babies during botched births.](#)

Are tightening provincial health goods and services budgets likely to end [the kind of medical equipment shortages in areas such as oncology that lead to growing waiting lists?](#)

And will the nurses and doctors who have left the public health system due to deteriorating conditions be encouraged to return by conflicting proposals on “reducing public sector head counts” and [“filling critical health posts”?](#)

The 2019 budget does propose improvements in the state’s strategy to deal with this crisis in medico-legal claims by, for instance, improving care in areas like gynaecology and obstetrics that account for large portions of claims and [amending legislation to do away with hefty lump sum payouts and instead move to periodic payments](#). It has also proposed referring fraudulent cases to the Special Investigations Unit.

But Treasury officials admit behind the scenes that they are considering how to hide the escalating contingent liabilities from the state’s balance sheet.

These avoidance and distraction methods typify the worst aspects of the 2019 budget. In the absence of a strategy from the minister of health for widespread quality improvement, the National Treasury will continue to seek ways to plaster over the cracks of ailing public health services, while denying the funding necessary to build a new, integrated national health system.

We at Section27 are also concerned that budget proposals contain no information on the funds needed to complete the work of [the Competition Commission’s Health Market Inquiry, which aims to, for instance, uncover what is driving the high cost of private health care in the country](#). The inquiry ran out of funds last year and has been suspended pending an additional allocation.

We also note a 3% cut in transfers to non-profits that are delivering health services on behalf of the state, with no explanation provided. What will the impact of these cuts be?

We celebrate the R1bn provided to pay our community health workers a minimum wage but are sad that this will only be so from 2021/22.

These workers continue to be a pillar of primary healthcare and deserve to be rewarded as such.

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