

# 3 ways the Budget Speech impacts healthcare in SA

By [Ahmed Banderker](#)

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From a healthcare perspective, this year's Budget Speech is significant in three key ways. Obviously the main message of this year's budgeting process is the prioritisation of the Covid-19 vaccine rollout. But it's also clear that the minister and his team focused on supporting economic growth, which correlates with medical aid membership levels. Although National Health Insurance (NHI) initiatives were less prominent in the speech this year, funding to keep these in motion was included in the detail, continuing to build towards accessible quality healthcare for all South Africans.



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## Vaccinations for economic growth

More than R19bn is earmarked to fund South Africa's large-scale, necessary Covid-19 vaccine roll-out scheme, and it is fantastic to see the government prioritising the vaccine. But what is particularly impressive is the extent the Minister has gone to find the funds to get us there. That no new taxes were introduced to fund the vaccine programme is great news – especially for taxpayers.

Funding has been made available by scaling down non-priority programmes and projects, re-scheduling projects to future years, changing service delivery models through measures such as cost containment, and improving efficiency by ordering appropriate operational changes and using technology effectively.

South Africa has a lot of economic priorities, but at this point, prioritising the Covid-19 vaccine programme can only be good for us in the long run. We need to remove the handbrake Covid-19 has placed on our economy, which was already strained even before the pandemic.

Mboweni has had the difficult task of finding the necessary funding for the vaccine, while balancing the impact on other spending. At this point, though, South Africa's future economic growth is closely linked to our ability to get the Covid-19 pandemic under control, so prioritising the rollout of the vaccine is important.

Although heartened to see the focus on vaccinations, the minister's speech did not address a key question plaguing the private healthcare sector: the funding of uninsured South African vaccinations through medical schemes.

Even though the approach has not been confirmed, it would have helped the private health sector to understand the role medical schemes will play in the national vaccine rollout, and the degree to which schemes will be impacted. This will likely be the largest public-private partnership South Africa has seen so far.

## **Why we should welcome the letters N-H-I**

Although it did not feature in the minister's spoken address yesterday, the full Budget Review Document provided the following recommendation to the minister of health. The National Treasury, together with the Department of Health, should ensure that adequate resources are made available to expedite the implementation of National Health Insurance (NHI) to ensure that the implementation of the much-needed universal access to healthcare services is achieved for the benefit of the poor and vulnerable, especially during the Covid-19 pandemic.

The NHI has historically received a contentious reception among private healthcare interests, but in fact the government's continued commitment to the NHI means the steady strengthening of the public health system – which is greatly needed.

The Covid-19 crisis has shone a spotlight on the healthcare infrastructure and how it needs to serve the requirements of all South Africans. The continued focus on health facility revitalisation in NHI-allocated funding continues to support this wider purpose.

With at least 47-million South Africans without medical aid cover, the public healthcare system caters for a vast majority of health issues. The people of South Africa deserve any funding they can get to bridge the tremendous healthcare disparity between the haves and have-nots.

Even if the NHI is still years away, we cannot ignore the good work that it promises to do for public healthcare. Given the past year we've spent with Covid-19 and the possibility of a third wave ahead of us, the inclusion of the NHI initiative on the Budget Review can only be a good thing because it is designed to strengthen the public health offering.

## **Covid-19 vs medical schemes vs South Africans**

Medical schemes can be a barometer of the economic impact of the economy on households. The current crisis is primarily a health crisis, which has added to the already significant challenges South Africa faces. In tough economic times, medical scheme members often look to scale back or cancel their health cover, but medical scheme membership has been remarkably resilient to date. It's likely that members are wanting to hold onto their cover, given the health risks associated with Covid-19.

Containing the impact of Covid-19 is key for economic recovery and to ease the burden on South African households during the tough economic climate that has resulted from the pandemic.

The minister had the challenging task of balancing financing the vaccine with competing priorities while also protecting and restoring economic growth. I take my hat off to him and his department, for finding solutions for South Africa in a constrained environment.

## ABOUT THE AUTHOR

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