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2018

Health Budget Brief

Public Service Accountability Monitor Eastern Cape, South Africa



PSAM

Public Service
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ADVANCING YOUR RIGHT TO SOCIAL ACCOUNTABILITY

Budget Analysis: Health

2018/19

May 2018

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Monitoring and Advocacy Programme

Public Service Accountability Monitor

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Findings and Recommendations

Finding I

The Eastern Cape Department of Health receives an equitable share allocation of 30% which is below the 31.8% national average.¹ While the Eastern Cape is one of the poorest provinces in South Africa, with the majority of the population in the Eastern Cape depending on the public health sector, it receives 6.4% less than the Western Cape Department of Health and 5.3% less than the Gauteng Department of Health.

Recommendation I

The Eastern Cape Department of Health, with the support of the Provincial Legislature should focus on advocating for an equitable share formula which better considers the socio-economic conditions in the Province.

Finding II

Re-engineering Primary Health Care is prioritised in terms of the allocation to the District Health Services. However, the Department is failing to take adequate steps to improve the standard of health care being delivered at primary health care facilities. There are staff and medicine shortages, staff behaving contrary to the Batho Pele principles, and infrastructure which is not receiving the attention it deserves.

Recommendation II

The consequence management processes on the part of the Department as well as the Portfolio Committee for Health needs to be much more strict and efficient. When staff members don't perform their duties adequately, for example; failing to report stock-outs timeously, under/overspending on their budgets or when they use public resources inefficiently, their actions need to be met with the requisite, decisive disciplinary action.

¹ Eastern Cape Department of Health. 2018. *Eastern Cape Department of Health: Annual Performance Plan 2018/19*. P. 7.

In relation to the shortages of medicine and medical supplies, the record-keeping at facility level needs to be made a priority in order that orders are placed before facilities completely run out of critical items.

Finding III

The Eastern Cape Department of Health highlights that health infrastructure is a priority. However, the decrease of 2.2% to the Health Facilities Management Programme² as well as the 15.4% decrease in the Health Facility Revitalisation Grant over the MTEF, suggest otherwise.

Recommendation III

Greater care needs to be taken in the spending of budgets relating to infrastructure projects. The Department must report more regularly to the Portfolio Committee in order that the Committee is able to hold officials to account.

Finding IV

The rolling out of the National Health Insurance (NHI) is a nation-wide priority. However, it is not apparent that there is a particular plan in place which deals with the implementation of this system in a calculated way.

Recommendation IV

Great care must be taken in the spending of any part of the budget allocated to the rolling out of the NHI if same is to be successful. Regular reporting by the Department of Health needs to occur and the Portfolio Committee for Health needs to play a much bigger oversight role in order to prevent a crisis from unravelling.

Finding V

Officials within the Eastern Cape Department of Health often attempt to skirt serious issues by placing emphasis on the less contentious programme detail contained in documents which are provided to the members of the Portfolio Committee for Health.

Recommendation V

The Portfolio Committee members must direct the Department to address questions at the meetings rather than reading excerpts from official documents which are readily available to members of the Portfolio Committee. In this way, time will be saved and can be used to interrogate systemic and recurrent issues which present themselves time and again.

² The real decrease occurs when allocation for the 2018/19 financial year is compared with the revised estimate for the 2017/18 financial year.

Introduction

The South African Constitution commits government departments to the progressive realisation of various socio-economic rights within available resources. These rights include the right to education, healthcare, housing and social welfare.³ The PSAM defines social accountability as the obligation of public officials and private service providers to justify their performance in progressively addressing the above rights via the provision of effective public services.⁴ In order to realise these rights effectively through the delivery of public services, state departments and private service providers responsible for the management of public resources must implement effective accountability and service delivery systems.⁵ These include; planning and resource allocation systems; expenditure management systems; performance monitoring systems; integrity systems; and oversight systems.⁶ The effectiveness of these systems can be established by monitoring their information outputs. To evaluate these systems, the PSAM has developed a set of evidence-based tools for monitoring the information produced annually by each system.

This Budget Analysis is an example of one of the evidence-based tools used for analysing the budget allocations along with the policy priorities of the Eastern Cape Department of Health (“the Department”).

I. Policy Priorities

Policy Priorities in the Eastern Cape Department of Health for the current financial year

The right to access healthcare services enshrined in section 27 of the Constitution is qualified by the provision that the state needs to take “reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights.”⁷

In order to comply with the abovementioned provision, the Eastern Cape Department of Health sets itself goals to work toward in the furtherance of meeting its obligations in terms of the Constitution.

The broad goals, identified in the Annual Performance Plan for the current financial year, are to “prevent and reduce the disease burden and promote health, improve quality of care and, provide universal health coverage.”⁸ These goals are broadly in-line with the goals set out in the Sustainable Development Goals, the National Development Plan, and the Provincial Development Plan.⁹

In efforts to achieve the abovementioned goals, policy and budgetary priorities are identified to guide the activities of the Department in the direction of meeting these goals.

On the 13th of March 2018, the Budget and Policy Speech for the Eastern Cape Department of Health was delivered at the Legislature at Bhisho. The former MEC for Health, Dr Pumza

³ Constitution of the Republic of South Africa. Act 108 of 1996, Chapter 2, Sections 26, 27 and 29.

⁴ Public Service Accountability Monitor. 2007. *Knowledge Management Systems*. P. 12.

⁵ Public Service Accountability Monitor. 2007. *Knowledge Management Systems*. P. 12.

⁶ Public Service Accountability Monitor. 2007. *Knowledge Management Systems*. P. 13.

⁷ Constitution of the Republic of South Africa, Chapter 2, Section 27.

⁸ Eastern Cape Department of Health. 2018. *Eastern Cape Department of Health: Annual Performance Plan 2018/19*. P.11.

⁹ Eastern Cape Department of Health. 2018. *Eastern Cape Department of Health: Annual Performance Plan 2018/19*. P.11.

Dyantyi committed to prioritising a number of initiatives in order to improve the delivery of health services.

The table below provides insight into the difference in key focus areas identified by the Head of the Eastern Cape Department of Health and the service delivery priorities identified by the former MEC for Health. The priorities for the 2018/19 financial year are elaborated upon in separate sub-headings below the table.

Table 1: Comparison of 2018 priorities in the Department's Annual Performance Plan and the Budget and Policy Speech:

Annual Performance Plan 2018: Key focus areas¹⁰	Budget and Policy Speech 2018: Service delivery priorities¹¹
Re-engineering of Primary Health Care.	Re-engineering of Primary Health Care.
Health awareness campaigns <ul style="list-style-type: none"> - Screening for and, treating of: breast, cervical and prostate cancers; mental health disorders, lifestyle diseases. 	Cancer awareness campaigns: <ul style="list-style-type: none"> - Educate on the dangers of cancer, - Cancer prevention strategies.
Implementing the 90-90-90 strategy to treat communicable diseases, maternal, neonatal and childhood diseases.	Implementing the 90-90-90 strategy ¹² to fight non-communicable diseases such as diabetes and hypertension.
Strengthening the health system focusing on: <ul style="list-style-type: none"> - Human resources, - Procurement and supply chain management, - Financial management and, - Infrastructure delivery. 	
Implementing medico-legal strategy focusing on: <ul style="list-style-type: none"> - Providing critical human resources, - Procurement of essential medical equipment to monitor high risk maternity cases and high risk new born babies to detect early and intervene to prevent avoidable maternal and birth related complications, - Implementing strict protocols with defined decision referrals for maternal, medical and labour related risks, - Digitisation and securing of patient files, - Defending medico-legal claims through use of experts, - Implement mediation efforts in non-defendable cases, - Root out corruption. 	Consolidating maternal and reproductive health strategies: <ul style="list-style-type: none"> - Additional investment in providing staff, - Procure essential life-saving equipment and modern technology to monitor and identify high risk pregnancies, - Attract scarce skills required for the District Clinical Specialist Teams (DCSTs). <p>Implementing medico-legal strategy, focusing on:</p> <ul style="list-style-type: none"> - Clinical, administrative, human resources and legal causes of medico-legal claims, - Rooting out corruption.
Leveraging on Information and Communication Technology to achieve service delivery coordination <ul style="list-style-type: none"> - Scale up web-based operations for patient management and records, 	

¹⁰ Eastern Cape Department of Health. 2018. *Eastern Cape Department of Health: Annual Performance Plan 2018/19*. P. 7.

¹¹ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature.

¹² In relation to HIV, this is a strategy, recommended by UNAIDS, which directs that by 2020, 90% of HIV infected patients must know their status, 90% patients diagnosed with HIV receive continued antiretroviral therapy and that 90% of those receiving antiretroviral treatment achieve viral suppression.

- Implement a system wide data management strategy for document management and archiving system.	
Implementing the new organogram which focuses on developing strong district and hospital management teams to ensure that districts and facilities are capacitated to function optimally.	
	Continue with collaboration on Integrated School Health Programme: <ul style="list-style-type: none"> - Vaccination against HPV, - Provision of sexual reproductive health education programmes to reduce teenage pregnancies.
	Infrastructure: <ul style="list-style-type: none"> - Refurbish 11 clinics to achieve ideal status, - Maintenance of buildings, machinery and equipment, - Provide accommodation for health professionals and fencing and guard houses for facilities, - Construction of Radiation Oncology Unit in Nelson Mandela Academic Hospital, - Refurbishment of Mthatha Depot in preparation for its accreditation with the Medicines Control Council (MCC).
	Improve quality of pharmaceutical care, access and availability of medicines and ensure compliance to the National Core Standards and Pharmaceutical Services laws and regulations through retaining 62 post Community Service Pharmacists.
	Improve access to medicines: <ul style="list-style-type: none"> - Registration of external Pick-up-Points through the CCMDD Programme.¹³

¹³ Centralised Chronic Medicine Distribution and Dispensing Programme.

Re-engineering of Primary Health Care

The number one priority of the Department for the current financial year continues to be the Re-engineering of Primary Health care. It is the Department's aim that the health profile of 400,000 households and their members, will be registered through the use of Ward-Based Outreach Teams (WBOT).¹⁴

The Re-engineering of the Primary Health Care system is one of the most critical components in preparing for the implementation of National Health Insurance^{15, 16} The former MEC for Health in the Eastern Cape states that the Department has made good progress in improving access to health care in the two pilot districts of Alfred Nzo and OR Tambo.¹⁷

HIV, STIs and TB

The 90-90-90 strategy on HIV¹⁸, STIs¹⁹ and TB²⁰ will continue to be implemented by the Department in order to reduce the burden of these diseases. The initiatives included in this strategy are to:

- Test 1.5 million people;
- Ensure that at least 550 000 HIV positive people remain on treatment;
- Strengthen efforts to track and tract TB patients-lost-to-follow-up.

A new initiative introduced to combat the TB epidemic is to "increase early detection and initiation of TB patients on treatment through the introduction of the Lipoarabinomannan (LAM) antigen test."²¹

Non-communicable diseases

The Department intends to apply the 90-90-90 strategy mentioned above, to address the non-communicable diseases including diabetes and hypertension.²²

In order to educate the public about cancer, prevention mechanisms, early detection and treatment of cancers, the Department is going to embark upon a number of cancer awareness campaigns.²³

Maternal and reproductive health

The Department aims to consolidate its strategies in relation to maternal and reproductive health this year. It will do this through the following initiatives:

¹⁴ Ward-Based Outreach Teams are comprised of 6-10 community health workers, one enrolled nurse (as team leader) and, one data capturer.

¹⁵ As per the Estimates of National Expenditure, the National Health Insurance aims to "fundamentally reform how health care in South Africa is financed and to increase access to and the quality of health care services."

¹⁶ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P. 5.

¹⁷ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P. 5.

¹⁸ Human Immunodeficiency Virus.

¹⁹ Sexually Transmitted Infections.

²⁰ Tuberculosis.

²¹ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P. 17.

²² Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P.17.

²³ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P.17.

- “Additional investments in providing staff,
- Procuring essential life-saving equipment and modern technology in order to monitor and easily identify high risk pregnancies,
- Provide support to new-born babies,
- To prevent birth-related harm and defects.”²⁴

In addition to the above, the Department has committed to “strengthening its recruitment drive to attract scarce skills required to make full composition of District Clinical Specialist Teams²⁵ (DCST).”²⁶ For more information on DCST, please see footnote 23.

In respect of initiatives identified to address reproductive health in the Province, the Department plans to continue with the Integrated School Health Programme in collaboration with the Department of Education. Through this programme, the Department aims to:

- Vaccinate 89 000 eligible girls against the HPV,
- Provide sexual reproductive health education programmes,
- Provide health screening services to young girls at school.

Health infrastructure

The Department has identified the following priorities in respect of infrastructure:

- Refurbishment of 11 clinics to achieve ideal status,
- Provision of maintenance of buildings, machinery and, equipment,
- Provision of accommodation for health professionals, fencing and guard houses facilities, and
- Construction of the Radiation Oncology Unit in Nelson Mandela Academic Hospital.

Human Resources

The Department has highlighted the fact that it will be retaining 62 post Community Service Pharmacists, as a service delivery priority this year. This retention is for the purpose of “improving the quality of pharmaceutical care, access and availability of medicines.”²⁷

As mentioned previously, the Department has committed to investing in providing additional staff responsible for maternal and reproductive health care.²⁸

Access to medicines

The Department will continue to register Pick-up-Points through the Centralised Chronic Medicines Dispensing and Distribution Programme in order to ensure access to medicines.

²⁴ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P.18.

²⁵ District Clinical Specialist Teams consist of Gynaecologists, Paediatricians, Anaesthetists, Family Physicians, Advanced Midwives, Advanced Paediatric Nurses and Primary Health Care Nurses. These purpose of these teams is to: strengthen clinical governance at Primary Health Care level as well as in district hospitals; to ensure that treatment guidelines and protocols are available and are used; that essential equipment is available and that these are correctly used; that mortality review meetings are held, are of good quality and that recommendations from these meetings are implemented; support, supervise and mentor clinicians; and monitor health outcomes.

²⁶ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P. 18.

²⁷ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P. 20.

²⁸ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P. 18.

Medico-legal strategy

In order to prevent medico-legal claims, the Department aims to address the “clinical, administrative, human resources and legal causes” of such claims.²⁹ The Department has also committed to rooting out corruption in this regard.³⁰

II. Budget Analysis

The overarching context in terms of which budgets were allocated for the 2018/19 financial year, is that of budget cuts. These budget cuts are a result of the fact that fee-free higher education is now being prioritised.³¹

Provinces receive a budget from National Treasury which is made up of an Equitable Share³² allocation and Conditional Grants³³. For the current financial year, the Eastern Cape Department of Health received a R22.5 billion budget in real³⁴ terms.³⁵ This constitutes a real increase of 0.7% from the 2017/18 adjusted appropriation and a real decrease of 1.2% from the revised estimate allocated in the 2017/18 financial year.³⁶ Noteworthy, is the fact that this real increase from the adjusted appropriation is significantly lower than the increase in the inflation rate between the current and previous financial year. One of the conclusions to be drawn from this fact, is that the money available to the Department for the current financial year has much less purchasing power compared to what it had during the previous financial year.

One of the reasons for the shrinking budget allocated to the Eastern Cape Department of Health has to do with the fact that fee-free higher education has been made a priority and therefore there is less of a budget available for other priorities at the national level.

Of the total budget transferred to the Eastern Cape Department of Health, 83.2% is the Equitable Share allocation, while 16.8% is the Conditional Grant allocation.³⁷

²⁹ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P.21.

³⁰ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P.21.

³¹ National Treasury. 2018. *Budget Review 2018/19*.

³² Equitable share is the revenue raised nationally and divided among the national, provincial and local spheres of government in accordance with the Division of Revenue Bill published in February each year.

³³ Conditional grants are allocations to provinces by the national government. These grants can be allocated to supplement the funding of programmes or functions funded by provincial budgets, they can be specific-purpose allocations, they can be allocations-in-kind or they can be released to fund immediate response to disaster or a housing emergency.

³⁴ To calculate the real value, the 2017 inflation index as per the IMF website was used as the base year

<http://www.imf.org/external/pubs/ft/weo/2018/01/weodata/weorept.aspx?pr.x=36&pr.y=4&sy=2016&ey=2023&scsm=1&ssd=1&sort=country&ds=.&br=1&c=199&s=PCPI&grp=0&a>.

³⁵ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. xvii.

³⁶ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. xvii.

³⁷ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 133.

Equitable Share

In terms of the economic classification of the Department's spending, in nominal figures, R15.9 billion (66.9%) is allocated to compensating the Department's employees, R6.2 billion (25.8%) is allocated to Goods and Services, R287.4 million (1.2%) is allocated to transfers and subsidies, while R1.4 billion (6%) is allocated to payments for Capital Assets (see Figure 1 below).

In respect of the large portion of the Department's budget being allocated to the compensation of its employees, it is important to note the concerns raised by the Financial and Fiscal Commission ("the Commission") in its "Submission on the Division of Revenue Bill 2018".³⁸ According to the Commission, wage bargaining is a "key fiscal risk to the provincial framework."³⁹ The Commission goes on to raise the concern that "if wage settlement agreement is above projected targets, this may have significant fiscal impact on limited state resources and expanding on social priorities such as health and education may be hampered."⁴⁰

In the 2018 Budget Review, Treasury noted specifically that the wage bill within the public-service "has crowded out spending in other areas".⁴¹ Such spending is in direct contravention to the State's obligation to ensure the progressive realisation of the right to health care using its available resources.

The National Government has imposed expenditure ceilings on the compensation of employees, and this sentiment has been complied with at the provincial level as well.⁴²

Within the Eastern Cape, the Provincial Government has indicated that budget ceilings will include "freezing of non-critical posts, decreasing expenditure on non-essential overtime, implementing stricter controls around transfers and subsidies as well as top slicing slow moving infrastructure projects."⁴³ These measures are necessary but equally, it is imperative to ensure that these measures do not hinder or negatively affect the quality of health services provided.

The new organogram for the Eastern Cape Department of Health is said to have been implemented as from 1 April 2018, it is also said to focus on efficiency in delivering healthcare and sufficiently resourced facilities with a lean Head Office.⁴⁴ At the time of writing, unfortunately, the Eastern Cape Portfolio Committee for Health had not had sight of the organogram as reported by the Portfolio Committee at a meeting held in Bhisho on the 12th of April 2018. Therefore, it is difficult for the committee members to exercise their oversight responsibilities in such a way as to ensure that positions which have been created and filled, are those which will achieve the desired results as aforesaid.

³⁸ Financial and Fiscal Commission (FFC). 2018. *Submission on the Division of Revenue Bill 2018*. March 2018. P. 20.

³⁹ Financial and Fiscal Commission (FFC). 2018. *Submission on the Division of Revenue Bill 2018*. March 2018. P. 20.

⁴⁰ Financial and Fiscal Commission (FFC). 2018. *Submission on the Division of Revenue Bill 2018*. March 2018. P. 20.

⁴¹ National Treasury. 2018. *Budget Review 2018*. P. 5

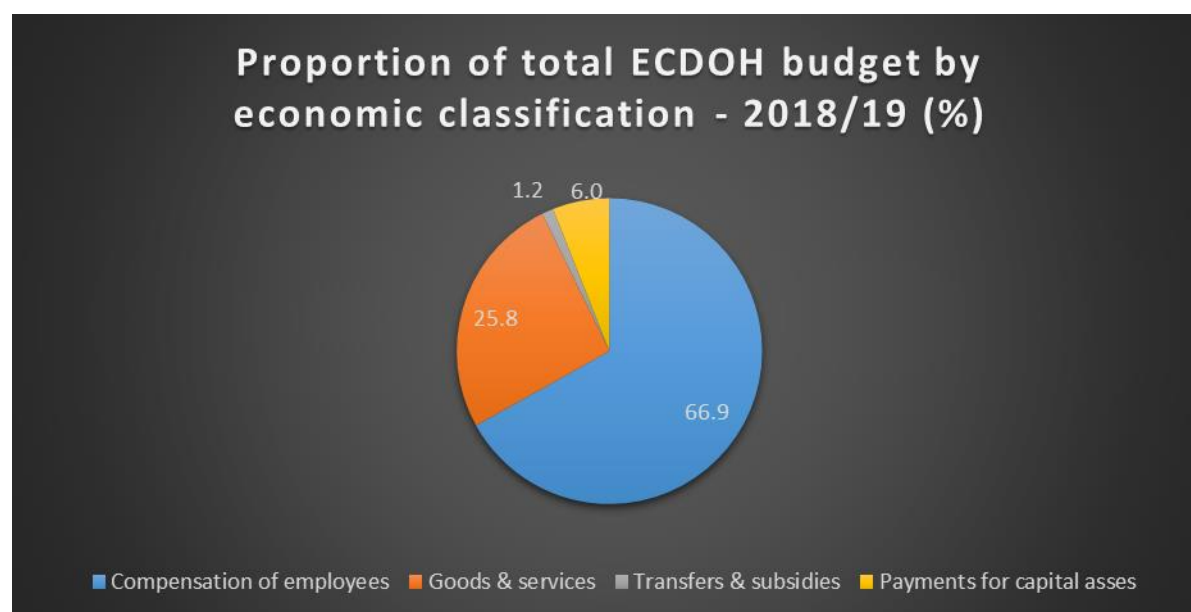
⁴² Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 11.

⁴³ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 11.

⁴⁴ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P.14.

Within the National Department of Health, it is expected that the compensation of employees' expenditure will increase, annually, at an average rate of 3.3% between 2017/18 and 2020/21.⁴⁵ While this line item is increasing, the number of staff will be reduced by more than 29 staff members.⁴⁶ The fact that this line item is increasing, while there are expected to be fewer employees, raises concern around whether staff members will be able to cope with workloads and whether certain responsibilities will be left with no one to perform them.

Figure 1: The proportion of the total Eastern Cape Department of Health budget spent on specific line-items according to economic classification.⁴⁷



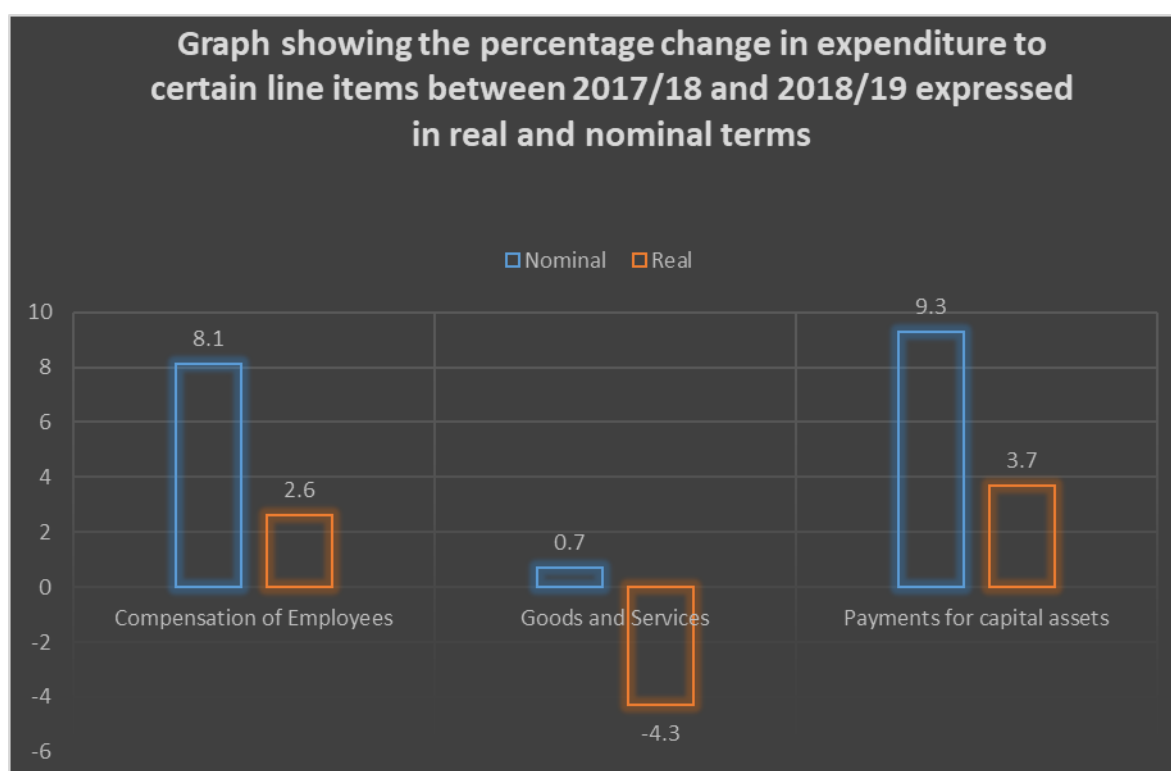
⁴⁵ South Africa National Treasury. 2018. *Estimates of National Expenditure 2018/19*. Vote 16: National Treasury. P. 311.

⁴⁶ South Africa National Treasury. 2018. *Estimates of National Expenditure 2018/19*. Vote 16: National Treasury. P. 311.

⁴⁷ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3. P. 148.

Importantly, while the nominal increase in expenditure for Compensation of Employees between the current financial year and the adjusted appropriation for 2017/18 is 8.1%, the nominal increase in expenditure for Goods Capital Assets and Services is only 0.7% and the nominal increase in expenditure for payments for is 9.3%.⁴⁸ In real terms, this translates to a 2.6% increase in expenditure for Compensation of Employees, a decrease of 4.3% in expenditure for Goods and Services and an increase of 3.7% in expenditure for the payments for Capital Assets, when compared with the adjusted appropriation for 2017/18.⁴⁹ Noticeably, there is a projected decrease of 7.7% in expenditure for the payments of Capital Assets for the 2019/18 financial year.⁵⁰ Figure 2 below provides an illustration of the discussion above.

Figure 2: Percentage change in expenditure to certain line items between the current and previous financial years expressed in nominal and real terms.



It is concerning to note the alarming decrease in expenditure for Goods and Services noting that this line item is responsible for purchasing important medicines and medical supplies and considering that the Eastern Cape Province often experiences shortages in these items. Considering that the increase in Consumer Price Index is 5.3% as compared to last year, there is severe pressure on the Goods and Services budget, which, as mentioned, has decreased in real terms by 4.3% compared to last year's expenditure on this line item.⁵¹ There is also severe pressure on Payments for Capital Assets as the increase in allocation to this line item is 1% less than the increase in inflation. The decrease in expenditure for the payments of capital assets is concerning considering the crumbling state of healthcare

⁴⁸ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 136.

⁴⁹ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 136.

⁵⁰ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 136.

⁵¹ National Treasury. 2018. *Budget Review 2018*. P. 17.

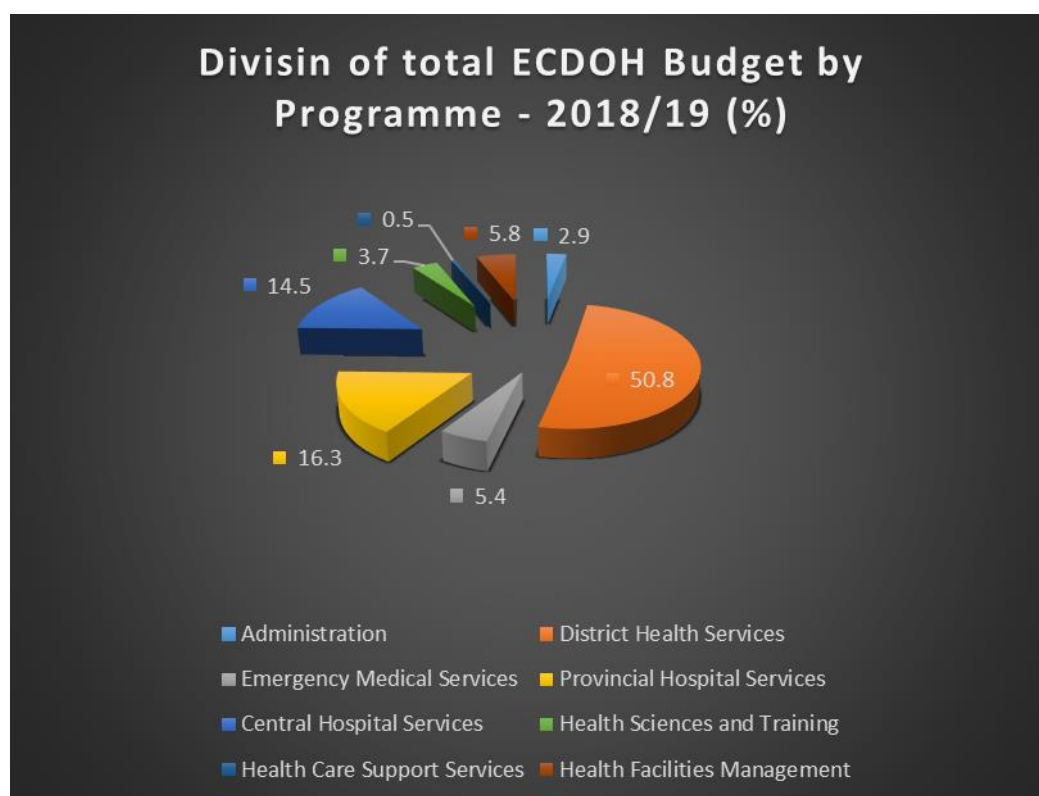
facilities through-out the province. Budgetary allocations to Votes, Programmes and line-items which do not account for inflation, leaves the Department “poorer” than it was in the previous financial year. Leaving the Department “poorer” than it was in a previous financial year, means that it is unable to “*progressively* realise socio-economic rights”. This kind of trend in allocation is a major contributing factor to the creation of backlogs in terms of service delivery targets.

In instances where the Department is unable to get an adequate, inflation-related increase to line items, the Department needs to come up with innovative solutions to ensure the delivery of quality health care services with limited resources. Further to this, the Department must enforce tighter control mechanisms over financial management within its Directorates.

A major health crisis is looming, and with no consequence management, and with fragile financial management systems, this is bound to have adverse impacts on access to health care for the most vulnerable.

In terms of the division of the budget by programme, the District Health Services programme gets the largest portion at 50.8%. The Provincial Hospital Services gets the second largest portion at 16.3%, while the Central Hospital Services gets the third largest portion at 14.5% (see Figure 3 below).

Figure 3: The proportion of the total Eastern Cape Department of Health budget spent on specific line-items according to Programmes.⁵²



The proportion of the total budget allocated to each programme has stayed consistent since 2016/17.⁵³

Of concern, is the fact that the Emergency Medical Services programme has been allocated the 5th largest allocation, at 5.4% of the total budget.⁵⁴ This allocation is inadequate considering that the Department only has 35.8% of the vehicles that they should have in order to ensure that there are a sufficient number of ambulances to serve the population of the Eastern Cape. In addition, the budget for this programme is inadequate because it does not take into account the fact that the vehicles need to be adequately and consistently maintained because of the rurality of the province. The small allocation, in comparison to other programmes is concerning because of the integral part the EMS plays in ensuring the right to access health services along with the dire state of affairs in this programme currently.

The Eastern Cape has a history of poor delivery of emergency services; often with a disproportionate impact on rural communities, children and women. Just over a decade ago – in 2007 – the PSAM undertook an evaluation of this context. Subsequent to that – various interventions have been made by the South African Human Rights Commission, the Eastern Cape Health Action Crisis Coalition and a range of civic actors have underscored some fundamental recurring budgeting and performance issues, a lack of coordination and

⁵² Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3. P. 135.

⁵³ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 135.

⁵⁴ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 135.

accountability within the programme, mismanagement from within the programme, a lack of vehicles and staff, as well as the misuse of vehicles.⁵⁵

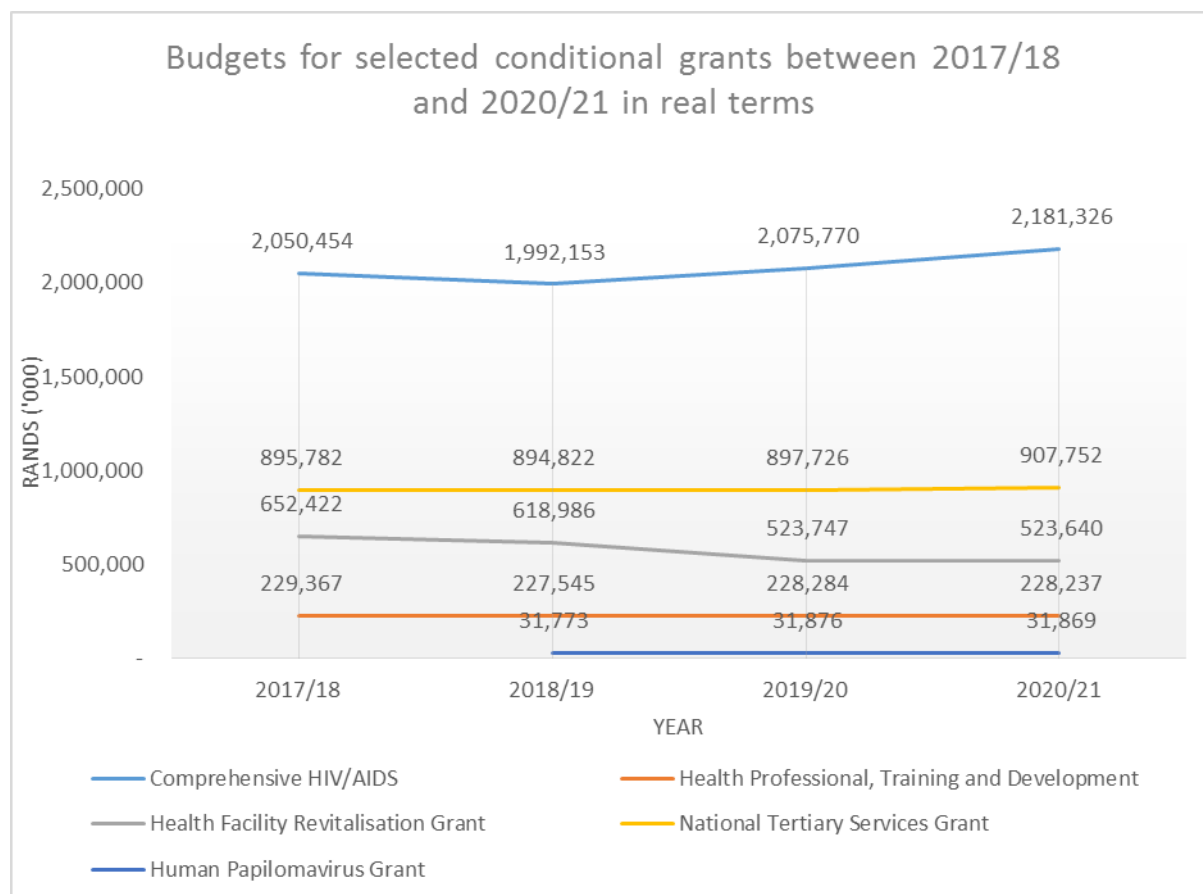
The PSAM calls on the provincial Portfolio Committee on Health to scrutinise both these historical issues as well as the more recent matters outlined in this brief and - further – to request clear, costed remedial plans from the ECDoH. Continued failure to address these issues constitutes persistent violations of people's right to health.

⁵⁵ C Allan, N Overy, Z Somhlaba, V Tetyana & L Zepe, *The Crisis of Public Health Care in the Eastern Cape* (2004) The Public Service Accountability Monitor P. 99.

Conditional Grants

As mentioned previously, the Department has received Conditional Grants in the amount of R3.9 billion.⁵⁶ Compared with the adjusted appropriation for the 2017/18 budget for Conditional Grants, there is a real decrease of 1.7% in this allocation for the current financial year.⁵⁷ Specifically, the current financial year has experienced a real decrease of 2.8% in the allocation for the Comprehensive HIV/AIDs Grant, and a real decrease of 5.1% for the Health Facility Revitalisation Grant.⁵⁸

Figure 4: the trend in budgets for selected conditional grants between 2017/18 and 2020/21 in real terms.



As can be seen from Figure 4 above, the only budget which increases significantly over the MTEF, is the Comprehensive HIV/AIDS Conditional Grant⁵⁹. This grant is set to increase, in real terms, by 9.3% over the MTEF, while the budget for the Health Facility Revitalisation Grant is set to decrease, in real terms, by 15.4% over the MTEF.⁶⁰ The decrease in the

⁵⁶ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 139.

⁵⁷ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 133.

⁵⁸ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 139.

⁵⁹ This grant purports to “enable the health sector to develop and implement an effective response to HIV and AIDS and TB; to fund Community Outreach Services; to prevent and protect health workers from exposure to hazards in the workplace”, in terms of the Division of Revenue Bill 2018. P. 46.

⁶⁰ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 139.

budget for the Health Facility Revitalisation Grant⁶¹ is a major concern because the price of building materials, which are a necessity for maintaining, equipping and building health facilities will increase in line with inflation over the MTEF, and therefore the Department will be severely limited in terms of what they can afford to buy. Over the MTEF, the budget for the National Tertiary Services Grant⁶² increases by only 1.44% in real terms and the budget for the Human Papillomavirus Grant⁶³ increases by a mere 0.3% over the MTEF.⁶⁴ These increases are again, not inflation-related and therefore will not be able to meet the targets which need to be met.

Allocations which are severely below the rate of inflation pose major threats to the delivery of quality health services and other socio-economic rights. Such allocations are an indication that failure to deliver quality healthcare services, looms.

Together with the direct grants (the budgets for which, have been transferred to the Department itself) the National Treasury has allocated an Indirect Grant in the nominal amount of R111 million to assist the Department with its effort in preparing the province for the implementation of National Health Insurance.⁶⁵ Between 2013/14 and 2016/17 the grant was a direct grant to provinces, allocated in order to fund the pilot sites in their endeavours to reengineer primary health care and to test methods aimed at strengthening health systems in order to set the stage for the implementation of National Health Insurance.⁶⁶ As of last year, this grant became an indirect grant, due to poor performance by provinces, in terms whereof the National Department of Health has control over the spending of the grant in each province. Where Departments have performed poorly in spending Conditional Grants, they have directly violated the right to health care because the purpose such grants is to correct the injustices of the past.

Between 2013/14 and 2016/17, the grant highlighted challenges relating to “poor supply chain management systems, weak human resource capacity and a lack of delegation powers at district level.”⁶⁷ While indirect grants are a useful mechanism through which increased national control is facilitated, the Commission notes that such grants allow officials to skirt accountability and allow them to be complacent with regard to the upkeep and maintenance of infrastructure projects funded by these grants.⁶⁸ With this in mind, the Department must be especially cognisant of capacitating its staff through lessons learnt, in order that the officials within the Eastern Cape Department of Health are sufficiently equipped to take over the functions of the national department when the need arises.

⁶¹ As per the Division of Revenue Bill 2018, the purpose of the Health Facility Revitalisation Grant is to “to help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organisational development systems and quality assurance; to ensure capacity to deliver health infrastructure.” P. 47.

⁶² The Division of Revenue Bill 2018 describes the purpose of this grant as follows: “to ensure provision of tertiary health services in SA; to compensate tertiary facilities for the additional costs associated with provision of these services” P. 41.

⁶³ The purpose of this grant, as per the Division of Revenue Bill 2018 is to “To enable the health sector to prevent cervical cancer by making available Human Papillomavirus vaccinations for grade 4 school girls in all public and special schools”. P. 41.

⁶⁴ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 139.

⁶⁵ The Division of Revenue Bill 2018. P. 307.

⁶⁶ The Division of Revenue Bill 2018. P. 87.

⁶⁷ The Division of Revenue Bill 2018. P. 87.

⁶⁸ Financial and Fiscal Commission (FFC). 2018. *Submission on the Division of Revenue Bill 2018*. March 2018. P. 18.

The National Treasury has allocated a total budget of R2.3 billion to be transferred to Provinces in preparation for the NHI, the division of this budget per province, can be seen in Figure 5 below.⁶⁹

Figure 5: The division of the National Health Insurance Indirect Grant per province for the 2018/19 financial year.

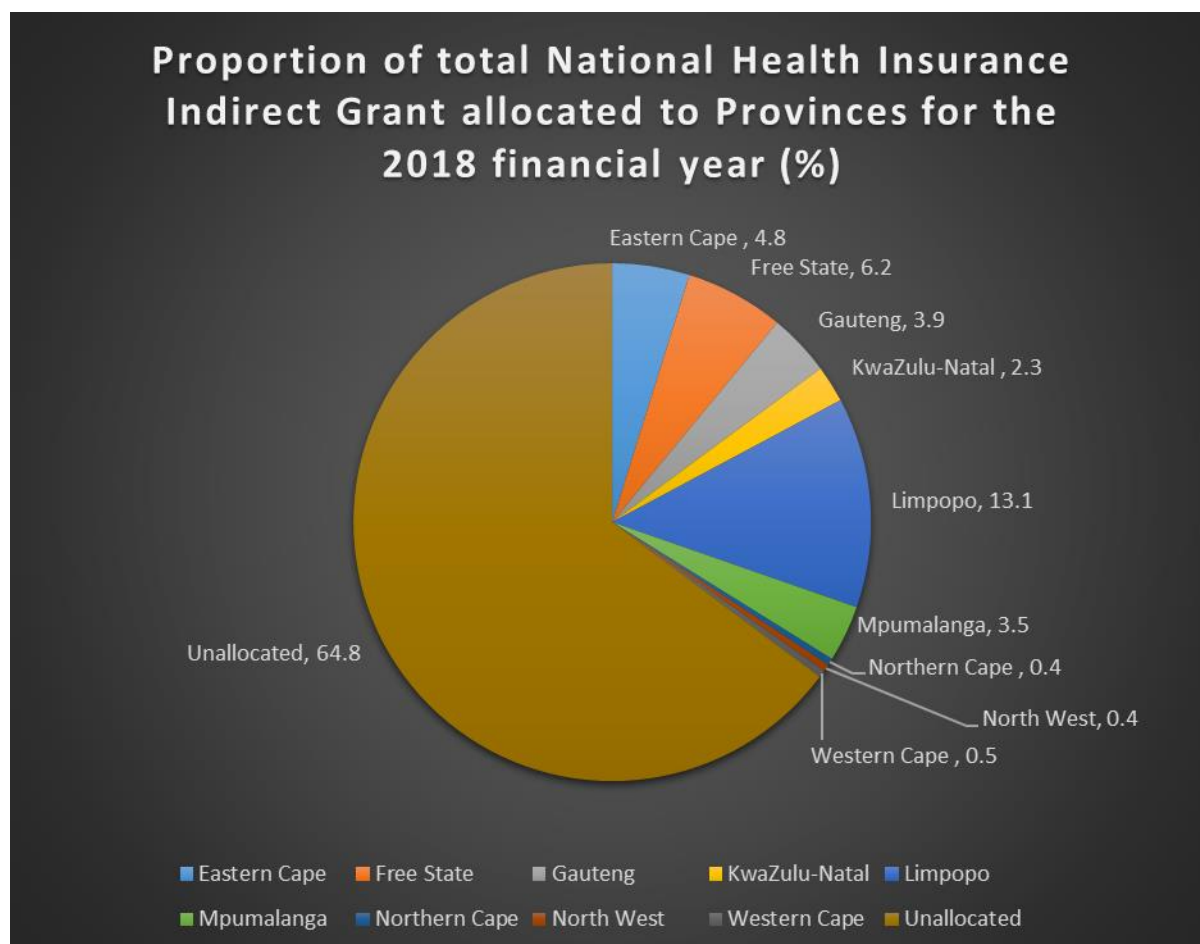


Figure 5 above, indicates that the Eastern Cape Province receives the 3rd highest portion for this particular grant. Limpopo receives the highest allocation of this grant while the Free State receives the second highest. The North West is one of two provinces which receives the least, at 0.4% of this grant. It is interesting to note that out of the four provinces mentioned above, the Free State has the highest medical aid coverage and the North West has the second highest medical aid coverage, according to a General Household Survey conducted by Statistics South Africa in 2015.⁷⁰ This is most likely to do with the fact that these provinces have a much smaller population compared to other provinces.⁷¹ Furthermore, Limpopo receives the biggest allocation because it is the poorest province,

⁶⁹ The Division of Revenue Bill 2018. P. 307.

⁷⁰ Statistics South Africa. "General Household Survey 2015". P. 104 (accessed 14 May 2018 <https://www.statssa.gov.za/publications/P0318/P03182015.pdf>).

⁷¹ Statistics South Africa. "General Household Survey 2015". P. 7 (accessed 14 May 2018 <https://www.statssa.gov.za/publications/P0318/P03182015.pdf>).

with a poverty level of 78%, the Eastern Cape is the second poorest province, while the Free State and the North West are the sixth and seventh poorest provinces, respectively.⁷²

It is concerning that 65% of the budget for this grant is classified as “unallocated”.⁷³ Of the “unallocated” amount, 20% is “unallocated” under the Health Facility Revitalisation Grant component, 32.2% is “unallocated” under the Personal Services⁷⁴ component while, 46.8% is “unallocated” under the Non-personal Services⁷⁵ component.

The reason for such a large part of the budget for the National Health Insurance Grant being “unallocated” is not clear. However, one of the reasons for unallocated funds is their ease of access and release in-year, without the need to gazette the transfers before transferring the money to the requisite departments.⁷⁶ This means that departments can respond quicker to emergencies, should they arise. Other reasons for amounts being “unallocated” include, the reallocation of funds to complete infrastructure projects and providing for additional safeguards.⁷⁷ Specifically in relation to the Non-personal Services Component of the grant, the “unallocated” amount is to be used to develop information systems and to standardise the implementation of same across the country, in order to unify health information and ensure that the management of health commodities is consistent in all health facilities in all the provinces.⁷⁸

As is evident from Figure 6 below, it is encouraging to see that in real terms, the budget allocated to the Eastern Cape for the National Health Insurance Indirect Grant is set to increase between the current financial year and the 2020/21 financial year. The figure includes the allocations to individual components of the grant and indicates that while the Health Facility Revitalisation Grant Component increases, there is a slight decrease in the Personal Services Component.⁷⁹ The majority of the budget is allocated to the Health Facility Revitalisation Grant component while a smaller portion is allocated to the Personal Services Component. The latter component is newly included in the grant and aims to test a suitable health care package and contracting methods in relation to utilising the services of General Practitioners currently in the private sector.⁸⁰ The former component of the grant provides support to ensure improved spending, performance, monitoring and evaluation of infrastructure projects.⁸¹ The aim of this component is also to enable the delivery of infrastructure for the NHI and to ensure that the requirements of the Occupational Health and Safety Office are fulfilled.⁸²

⁷² Statistics South Africa. *Poverty* (accessed 14 May 2018 at http://www.statssa.gov.za/?page_id=739&id=1).

⁷³ The Division of Revenue Bill 2018. P. 307.

⁷⁴ The Division of Revenue Bill 2017 states that the aim of this component is to “test a priority set of health services and contracting modalities that would be best suited to South Africa’s health sector.”

⁷⁵ The Division of Revenue Bill 2018 states that the aim of this component is to “test, and scale up when ready, the technology platforms and information systems needed to ensure a successful transition to national health insurance.”

⁷⁶ The Division of Revenue Bill 2018. P. 87.

⁷⁷ The Division of Revenue Bill 2018. P. 99.

⁷⁸ The Division of Revenue Bill 2018. P. 159.

⁷⁹ The Division of Revenue Bill 2018. P. 307.

⁸⁰ The Division of Revenue Bill 2018. P. 89.

⁸¹ The Division of Revenue Bill 2018. P. 157.

⁸² The Division of Revenue Bill 2018. P. 157.

Figure 6: National Health Insurance Indirect Grant budget allocation to the Eastern Cape Department of Health between 2018/19 and 2020/21, in real terms.

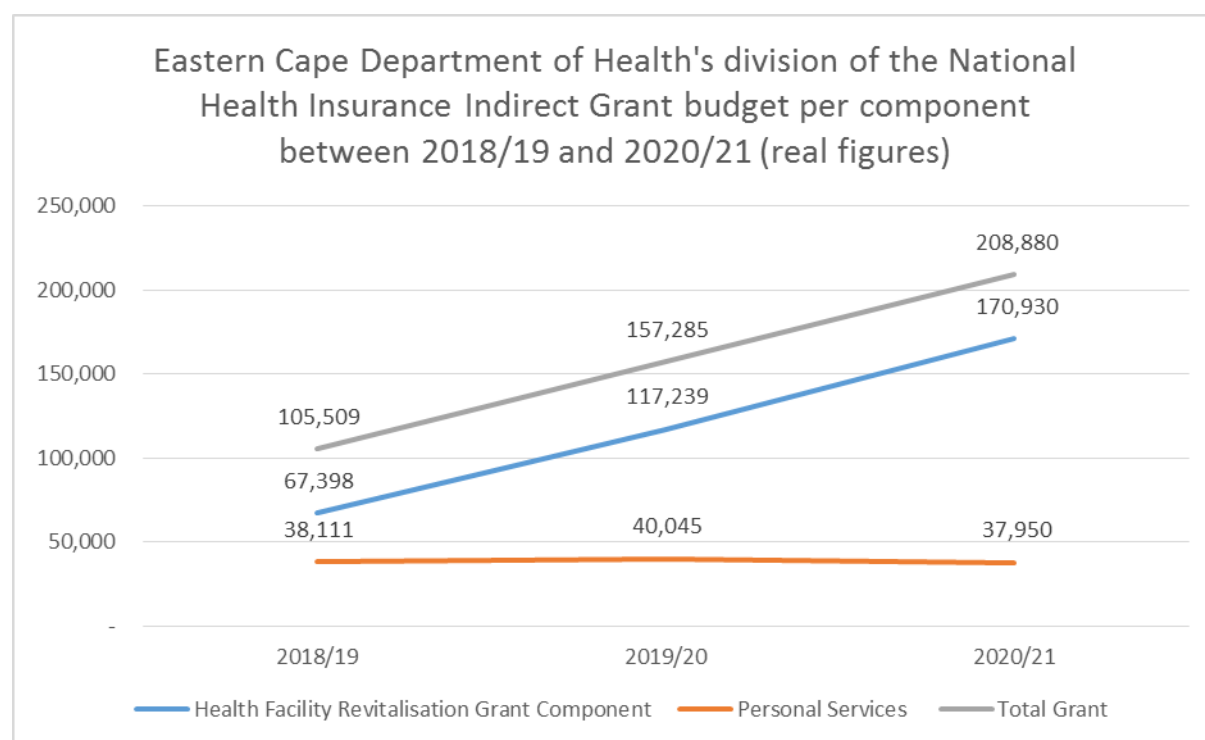


Figure 7 below, indicates that while the nominal total budget for Conditional Grants increases by an average of 5.7%, this is only a 0.2% increase in the total budget for Conditional Grants between the 2017 financial year and 2020 financial year in real terms.⁸³

Figure 7: Nominal vs real Conditional Grant budget between 2017 and 2020



The above shows that the Conditional Grant allocations are not going to increase by any meaningful amount over the Medium Term Expenditure Framework. The Commission highlights the fact that budget cuts to conditional grants are severe in the current year and that across the provinces and across votes, the cuts relate disproportionately to infrastructure-related projects.⁸⁴ Furthermore, the Commission emphasised that these cuts will simply delay the completion of infrastructure projects, such as the building and maintaining of public health facilities including clinics and hospitals and exacerbate the problems provincial departments face regarding backlogs.⁸⁵

Linking the budget with policies

Re-engineering of Primary Health Care

Re-engineering of the Primary Health Care system falls predominantly within the mandate of programme 2: District Health Services.⁸⁶

It can be seen from Figure 2 above, that the District Health Services programme receives the bulk of the Department's budget, at 50.8%. This allocation has increased by a real value of 2.3% when comparing the allocation for the 2018 financial year, with the adjusted appropriation for the 2017 financial year.

Comparing the main appropriation with the adjusted appropriation and the revised estimates for the 2017/18 financial year, is illustrative of the fact that there are some unexpected and

⁸³ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 139.

⁸⁴ Financial and Fiscal Commission (FFC). 2018. *Submission on the Division of Revenue Bill 2018*. March 2018. P. 17.

⁸⁵ Financial and Fiscal Commission (FFC). 2018. *Submission on the Division of Revenue Bill 2018*. March 2018. P. 17.

⁸⁶ National Department of Health. 2017. *Policy Framework and Strategy for Ward Based Outreach Teams*. P. 9.

unbudgeted expenses facing the Department.⁸⁷ The Department has not provided details of such unbudgeted and unexpected expenses but these could include medico-legal claims, and adjustments to quotes provided by contractors for infrastructure projects. The adjusted appropriation indicates that mid-way through last year, the Department ascertained that it would be overspending its budget by R225 million.⁸⁸ Furthermore, the revised estimates indicate that the Department is actually going to be overspending on its main allocation to the District Health Services programme, by R455 million.⁸⁹ This translates into overspending the budget for programme 2 by 2% and is evidence of a number of failures within the Department including, poor planning, or ineffective financial controls. Over-expenditure means that there is less money available for the delivery of services in following year. Overspending by large amounts has a negative knock-on-effect for future budgets which need to be planned for and better care needs to be taken in order to ensure that such overspending does not occur regularly.

It is noteworthy, that for the 2018/19 financial year, 71.5% of the District Health Services budget is allocated to the Compensation of Employees, while 26.7% of the budget is allocated to Goods and Services (the line item which includes medical supplies, medicines and laboratory services) and only 1.2% of the budget is allocated to machinery and equipment expenses.⁹⁰ These proportions stay consistent through to the 2020/21 financial year.

71.5% is an extremely large portion of the budget, to be allocated to a programme which is arguably under the most pressure to transform the health care system in the Eastern Cape. It is also a large portion considering that, as at March 2017, the programme was experiencing a 16% vacancy rate.⁹¹ Obviously, the large proportion of the budget allocating to compensating employees, means that other critical line items suffer. The large portion should, at the very least, result in improved health care delivery, which is not the case in reality, for the majority of those living in the Eastern Cape.

Non-communicable diseases

In recent years, there's been an accelerated drive to prevent the occurrence of non-communicable diseases because, in many cases, these are lifestyle diseases which can be prevented through education on healthier living. The Department has identified that WBOT are an effective mechanism which can be used to educate people on causes and prevention techniques in respect of non-communicable diseases.

As mentioned previously, one of the targets set by the Department in preparation for a revamped PHC system, is that by 2019 there must be 100% WBOT coverage.⁹² Each WBOT consists of 8 to 12 health care workers and each team must service a ward of 6000

⁸⁷ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 143.

⁸⁸ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 143.

⁸⁹ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 143.

⁹⁰ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 144.

⁹¹ Eastern Cape Department of Health. 2018. *Eastern Cape Department of Health: Annual Report 2017/18*. P. 202.

⁹² Eastern Cape Department of Health. 2018. *Eastern Cape Department of Health: Annual Performance Plan 2018/19*. P.15.

people.⁹³ The Eastern Cape has a population of almost 7 million people which means that in order for this specific target to be met, the Department needs to ensure that there are 1,166 WBOT by 2019. Currently, there are 692 WBOT.⁹⁴ It is unclear how the Department plans to recruit enough health workers over the next financial year in order to meet its target.

HIV, STIs and TB

The responsibility for the provision of health care services targeted at the reduction of the HIV/AIDS epidemics again, falls predominantly within the jurisdiction of the District Health Services Programme specifically sub-programme 6: HIV/AIDS.⁹⁵

There are specific TB hospitals set up in terms of Programme 4: Provincial Hospital Services, which treat patients suffering from TB.

In terms of the allocation to the HIV/AIDS sub-programme within programme 2, no noticeable increases or decreases are made, when looking at real allocations. The budget allocated for the 2018/19 financial year for this sub-programme is a marginal nominal increase of 1.9% from the 2017/18 adjusted appropriation.⁹⁶ This marginal increase, together with the 2.3% decrease in the Comprehensive HIV/AIDS Conditional Grant transferred from National Treasury in the current financial year, is a cause of concern. The fact that beating the HIV/AIDS epidemic is constantly reiterated as being a priority should reflect in budget allocations to programmes which have the responsibility of providing the services to combat these illnesses.

Medico-legal strategy: health infrastructure, maternal and reproductive health, human resources and Emergency Medical Services.

The analysis around the medico-legal strategy includes analyses relating to infrastructure, maternal and reproductive health, human resources and emergency medical services because they are all inextricably linked to one another.

Medico-legal claims

The Department has, again, been placed under financial pressure by the “scourge of medico legal claims.”⁹⁷ For the 2017 financial year, the Department paid R412.4 million in legal settlements and R132.8 million to the State Attorney for legal fees.⁹⁸ In other words, in real terms, the Department spent 1.8% of its budget on settling legal claims and 0.6% of its budget on payments to the State Attorney.⁹⁹ It is obvious that this money would be put to better use if it was spent on providing health care services instead. That being said, it is the responsibility of the Department to ensure that the health care environment is conducive to

⁹³ National Department of Health. 2017. *Policy Framework and Strategy for Ward Based Outreach Teams*. P. 15.

⁹⁴ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P.6.

⁹⁵ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 143.

⁹⁶ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 143.

⁹⁷ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 131.

⁹⁸ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 131.

⁹⁹ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 131.

providing trustworthy healthcare services to the extent that these legal disputes do not arise in the first place.

The Department appointed Norton Rose Fulbright and Smith Tabata Attorneys to deal with medico-legal claims against the Eastern Cape Department of Health.¹⁰⁰ The Department submits that since the panel of attorneys was created on 1 October 2017, it had received 134 medico legal cases as well as a labour dispute, which totalled claims worth R2,3 billion in nominal terms.¹⁰¹ According to the Department, the amount of their contingent liabilities has been reduced by R166 million while the legal fees amount to R4,6 million.¹⁰²

The National Department of Health has had to step in and provide financial assistance to many provinces in respect medico-legal claims, which has been recognised as a national issue.¹⁰³ In this regard, over the next three years R34 million has been reprioritised to assist provincial health departments with their financial management programmes.¹⁰⁴ In addition to the financial management support, the National Department of Health has also set aside R22.5 million in order to create medical committees which will assess and deal with medico-legal claims through-out the provinces.¹⁰⁵

While the Department is obliged to compensate victims of negligence at public health care facilities, in certain circumstances, the spending on these medico-legal claims is in direct conflict with the obligation of the state to “use maximum available resources” in providing healthcare to the population of the Eastern Cape. This spending is crowding-out other priorities of the Department, such as providing quality health care. The Department should not put itself in a position where this compensation is necessary.

Some of the issues which give rise to these medico-legal cases are inadequate health infrastructure, a lack of qualified health care providers, and an inadequate Emergency Medical Services System. Furthermore, many of the issues which give rise to these medico-legal cases involve maternal and reproductive health emergencies.

Health infrastructure

In respect of health infrastructure, ensuring that facilities are well-maintained and adequately equipped are important aspects of this component of the health care system. Facilities with inadequate infection control mechanisms, or facilities which lack vital life-saving equipment such as Vital Signs Monitors and the like, are likely to be hit with medico-legal challenges.

The allocation to the Health Facilities Management Programme does not inspire much confidence that health infrastructure is set to improve going forward. Comparing the allocation for the current financial year with the adjusted appropriation determined mid-way

¹⁰⁰ Eastern Cape Department of Health. 2018. *Submission of Department of Health's Responses to the Portfolio Committee for Health in preparation for consideration of the budget vote: 12 & 13 April 2018*. P. 14.

¹⁰¹ Eastern Cape Department of Health. 2018. *Submission of Department of Health's Responses to the Portfolio Committee for Health in preparation for consideration of the budget vote: 12 & 13 April 2018*. P. 14.

¹⁰² Eastern Cape Department of Health. 2018. *Submission of Department of Health's Responses to the Portfolio Committee for Health in preparation for consideration of the budget vote: 12 & 13 April 2018*. P. 14.

¹⁰³ South Africa National Treasury. 2018. *Estimates of National Expenditure 2018/19*. Vote 16: National Treasury. P. 310.

¹⁰⁴ South Africa National Treasury. 2018. *Estimates of National Expenditure 2018/19*. Vote 16: National Treasury. P. 310.

¹⁰⁵ South Africa National Treasury. 2018. *Estimates of National Expenditure 2018/19*. Vote 16: National Treasury. P. 311.

through last year, there is only a 0.8% increase in real terms.¹⁰⁶ However, when this equation is substituted with the revised estimate in place of the adjusted appropriation, there is a real decrease of 2.2%. Furthermore, in 2019 the allocation to this programme is projected to decrease by 8.8% in real terms. The decrease in allocation at the programme level, coupled with the 15.3% decrease in the real budget allocation for the Health Facility Revitalisation Grant in the 2019/20 financial year, is a contradiction to the claim made by the Department that health infrastructure is a priority service delivery area. The decrease, again, directly conflicts with the obligation of the Department to progressively realise the right to healthcare.

While health infrastructure faces challenges in relation to its allocated budget, the Compensation of Employees in this programme increases in nominal terms by 72.2% in the current financial year, compared to the revised estimate for 2017/18.¹⁰⁷ Spending on Goods and Services, however, decreases in nominal terms by 8.9% when compared with the previous financial year.¹⁰⁸ This decrease is concerning because the Goods and Services line-item is responsible for “contracts relating to the maintenance of infrastructure and machinery and equipment.”¹⁰⁹

Human resources

The Eastern Cape Department of Health has struggled with recruiting and retaining quality healthcare providers for a number of years. There are many instances where medico-legal claims arise from “negligence in examination, monitoring, management and treatment of mother and child conditions before, during and after birth.”¹¹⁰

In addition to well qualified staff, the Department needs to prioritise the consequence management of staff who behave in contradiction to the principles of Batho Pele¹¹¹. The stories of the way patients are treated at certain health care facilities and by some health care providers are shocking. An investigation has recently commenced into the conduct of two Emergency Medical Services employees who were caught mishandling a lady who had fainted when they did not place her on a stretcher in order to put her into an ambulance but rather carried her by her hands and legs.¹¹² Such stories are disheartening and the Department desperately needs to do something with employees who behave in such a way.

In the Budget and Policy Speech for the Eastern Cape Department of Health, the MEC indicated that the Department received an additional R317 million “for the recruitment of 1888 critical personnel to improve mother and child health outcomes.”¹¹³ However, it is not

¹⁰⁶ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 155.

¹⁰⁷ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 156.

¹⁰⁸ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 156.

¹⁰⁹ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 156.

¹¹⁰ A Carlisle. “R3m damages for handicapped girl” (accessed 13 February 2018 <http://www.dispatchlive.co.za/news/2018/02/13/r3m-damages-handicapped-girl/>).

¹¹¹ The Principles require that staff put the people they service first and treat them with the utmost dignity and care.

¹¹² M Kwababana and S Majangaza. “Treatment of collapsed woman now subject to probe” Daily Dispatch 11 April 2018 (accessed on 11 April 2018 <https://www.pressreader.com/south-africa/daily-dispatch/20180411/281513636730511>).

¹¹³ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P.13.

clearly reflected in the 2018/19 Annual Performance Plan for the Eastern Cape Department of Health where these personnel have been posted and what positions they fill.¹¹⁴ It was intended that these personnel be posted at priority facilities which have been identified as those with a high risk of medico-legal claims.¹¹⁵

It is concerning to note that in the 2018/19 Annual Performance Plan, the Department has indicated that they will be recruiting limited staff for the current financial year. This being said, the Annual Recruitment Plan states that the Department has created 4080 new posts for the Department. Again, it is unclear how the Department is going to retain these staff members.

In the 2016/17 Response to the Division of Revenue Bill provided by the Financial and Fiscal Commission, the Commission recommended that “a framework for measuring public sector productivity be finalised” for the purpose of being able to link wage increases with public sector productivity.¹¹⁶ The Commission notes their recommendation in their submission for the current year and highlights the fact that there is no correlation between the increase in salaries and productivity in the public sector.¹¹⁷ This concern is of great relevance in the Eastern Cape Department of Health where posts are frozen and there is a great need for personnel yet the amount allocated for the Compensation of Employees is a large piece of the Department’s budget. One would expect there to be a positive link between productivity (and the quality of health services being provided) and the wage increases.

Emergency Medical Services

Emergency medical services is another challenge that the Department has faced for a number of years. The proportion of the Department’s budget allocated to the EMS programme between 2015/16 and 2020/21 stays rather consistent at between 5% and 6%.¹¹⁸ However, it is concerning to note that the proportion of the Department’s budget allocated to the EMS programme for the current financial year has decreased to 5.4% from 6% in 2017/18.¹¹⁹ Furthermore, another concerning factor is that the percentage of the Department’s budget allocated to the EMS programme has decreased by 10.3% in the current financial year, as compared to the adjusted appropriation in 2017/18.¹²⁰ The Department has suggested that this decrease will not affect service delivery because staff falling under sub-programme 3.2 are paid out of the budget for 3.1.¹²¹ This is a highly inadequate response. Paying employees out of one sub-programme rather than another, has no bearing on the total budget for the programme.

¹¹⁴ Eastern Cape Department of Health. 2018. *Eastern Cape Department of Health: Annual Performance Plan 2018/19*. P. 30.

¹¹⁵ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P.13.

¹¹⁶ Financial and Fiscal Commission (FFC). 2018. *Submission on the Division of Revenue Bill 2018*. March 2018. P. 20.

¹¹⁷ Financial and Fiscal Commission (FFC). 2018. *Submission on the Division of Revenue Bill 2018*. March 2018. P. 20.

¹¹⁸ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 145.

¹¹⁹ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 145.

¹²⁰ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 145.

¹²¹ Eastern Cape Department of Health. 2017. *Department of Health’s Report to the Portfolio Committee on Health: Consideration of the Half-Year Financial and Non-Financial Performance Report 2017/18* 10 November 2017. P. 11.

Within the budget allocated to the EMS programme, 90.8% of the EMS budget goes to the Emergency Transport sub-programme, while 9.2% of the EMS budget goes to the Planned Patient Transport sub-programme.¹²² This small allocation to the Planned Patient Transport sub-programme is evidence that the Department does not view this sub-programme as worthy of more funds.

In a response from the Eastern Cape Department of Health to the Portfolio Committee for Health in a report dated 10 November 2017, the Department admitted that “from the available fleet of 411 vehicles, 110 vehicles are operational as others are with various merchants for repairs and services.”¹²³ However, in the annexure that the Portfolio Committee is referred to, the information provided states that 110 ambulances are grounded while 301 are operational.¹²⁴ In light of this conflicting information, it is difficult to determine the exact amount of operational versus grounded vehicles. Notwithstanding this conflicting information, in the Eastern Cape Estimates of the Provincial Revenue and Expenditure (“EPRE”) for the 2018/19 financial year, it was noted that “the Department has a total of 416 ambulances in its fleet and only about 250 of those are operational at any time.”¹²⁵ Another concern is that, while the EPRE states that “the Department received 135 *replacement* 4x4 ambulances in 2017/18”, the policy speech delivered in March states that the Department was “able to register some key achievements including; the *addition* of 100 ambulances, 31 Response Vehicles, 4 Rescue Vehicles, and 27 Planned Patient Transport Vehicles.”¹²⁶ The policy speech goes on to say that the Department “received 135 4x4 ambulances and the remaining 9 are expected before the end of the financial year.”¹²⁷ Nowhere in the policy speech does it state that these 135 4x4 ambulances are “replacements”.

The information provided prevents a clear understanding of exactly how many ambulances the Department has in its possession. It is also unclear whether the 135 4x4 ambulances provided include the 100 ambulances mentioned earlier in the policy speech. It is clear that the Department is still facing massive problems in respect of how they report to the public, Treasury, and to the Portfolio Committee for Health.

Bearing in mind the figures mentioned above, according to National Norms there should be 1 ambulance for every 10 000 people.¹²⁸ This means that the ECDOH should have 699 ambulance to service its population of 6 996 976. In light of the fact that currently there are only 250 ambulances in an operational state, the ECDOH is a long way from the acceptable standard as identified by the National Norms.

¹²² Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 145.

¹²³ Eastern Cape Department of Health. 2017. *Department of Health's Report to the Portfolio Committee on Health: Consideration of the Half-Year Financial and Non-Financial Performance Report 2017/18* 10 November 2017. P. 11.

¹²⁴ Eastern Cape Department of Health. 2017. *Department of Health's Report to the Portfolio Committee on Health: Consideration of the Half-Year Financial and Non-Financial Performance Report 2017/18* 10 November 2017. P. 11.

¹²⁵ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 131.

¹²⁶ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P. 11.

¹²⁷ Dyantyi, P. 2018. *Eastern Cape 2018 Health Budget and Policy Speech: 13 March 2018*. Bhisho: Eastern Cape Legislature. P. 11.

¹²⁸ South African Human Rights commission. 2015. *Report on Access to Emergency Medical Services in the Eastern Cape 2015* Pg. 77. [Accessed at: <https://www.sahrc.org.za/home/21/files/SAHRC%20Report%20on%20Access%20to%20Emergency%20Medical%20Services%20in%20the%20Eastern%20Cape....pdf>].

As per the Eastern Cape EPRE, there are 2681 personnel employed within the EMS programme.¹²⁹ According to National Norms, 10 practitioners are required per ambulance.¹³⁰ For the sake of convenience, we will assume that the EPRE 2018/19 is correct in saying that they have 416 vehicles in their fleet and that only 250 vehicles are operational at any given time.¹³¹ Bearing in mind that currently we have 416 vehicles and we need 10 practitioners per ambulance, we would need to have 4160 practitioners in the employ of the ECDOH, which means that we currently only have 64.4% of the required number of practitioners.

It is evident that there are a range of systemic issues which foster an environment conducive to medico-legal claims. The Department's response to these claims has generally been to defend same, instead of allocating resources in a manner which would address the root causes of these claims. However, going forward, it seems that the Department is undertaking initiatives to deal with these systemic issues. For example, the Department has identified 26 facilities which are hotspots for medico-legal matters, and have recruited critical staff who will be placed at these facilities.¹³² In addition to these critical staff members, "critical support staff, additional medical equipment, health technology and customized ambulances have been acquired."¹³³ The Department has also acquired legal support in order to deal with risks proactively.¹³⁴

Conclusion

The policy priorities of the Department include re-engineering Primary Health Care, dealing with the HIV/AIDS and TB epidemic, preventing non-communicable diseases.

The equitable share allocation to the Department is 1.8% lower to the national average and "underfunded when compared with the Western Cape at 36.4%, Gauteng at 35.3% and Kwa-Zulu Natal at 33.6%."¹³⁵ It is also growing at a rate slower than inflation which means that the budget is not keeping up with the increases of goods and services in other sectors, meaning that it becomes poorer and poorer each year. It also means that the Department is failing to *progressively* realise the right to quality healthcare.

With issues such as a shrinking budget, cuts to infrastructure related programmes, a shortage of staff and medication, and staff who seem apathetic to the needs of their patients, the Department faces a number of intense challenges. If these challenges are not dealt with speedily, as and when they occur, same will spiral out of control and the Department will be unable to meet its constitutional and legislative obligations in terms of providing health care services.

¹²⁹ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 158.

¹³⁰ South African Human Rights Commission. 2015. *Report on Access to Emergency Medical Services in the Eastern Cape 2015* Pg. 77. [Accessed at: <https://www.sahrc.org.za/home/21/files/SAHRC%20Report%20on%20Access%20to%20Emergency%20Medical%20Services%20in%20the%20Eastern%20Cape....pdf>].

¹³¹ Eastern Cape Provincial Treasury. 2018. *Estimates of Provincial Revenue and Expenditure 2018/19*. Vote 3: Health. P. 131.

¹³² Eastern Cape Department of Health. 2018. *Eastern Cape Department of Health: Annual Performance Plan 2018/19*. P. 31.

¹³³ Eastern Cape Department of Health. 2018. *Eastern Cape Department of Health: Annual Performance Plan 2018/19*. P. 31.

¹³⁴ Eastern Cape Department of Health. 2018. *Eastern Cape Department of Health: Annual Performance Plan 2018/19*. P. 31.

¹³⁵ Eastern Cape Department of Health. 2018. *Eastern Cape Department of Health: Annual Recruitment Plan 2018/19*. P. 7.

OUR ORGANISATION

The PSAM was founded in 1999 as a research project in the Rhodes University Department of Sociology. Its initial aim was to monitor incidents of corruption within the Eastern Cape government. From 2005, recognising the systemic nature of poor governance and corruption in the province, the PSAM began a concerted advocacy effort to systematically strengthen public resource management by key Eastern Cape government departments.

In 2007, PSAM introduced a training and academic component. The training component has developed to be what is known as the Regional Learning Programme and the academic component has changed to become what is known as the Advocacy Impact Programme. The various activities and interventions by PSAM over the years have emphasised the on-going need for greater and improved accountability interventions by civil society organisations across the region. Through our work we seek to achieve improved networking and advocacy to leverage impact and enhanced learning so that achievements are shared, evaluated and used to bolster social accountability interventions in sub-Saharan Africa.

Visit psam.org.za or follow us on [@PSAM AFRICA](https://twitter.com/PSAM_AFRICA)

Acknowledgements

The PSAM acknowledges with gratitude the financial support of the Open Society Foundations (OSF), the Open Society Foundation for South Africa (OSF-SA), the Open Society Initiative for Southern Africa (OSISA) the Hewlett Foundation, the Beit Trust, and the European Union.

