

Getting the balance right in African healthcare

Although many African countries' increased focus on strengthening their healthcare systems has led to significant gains in terms of improving health outcomes, the continent continues to struggle with huge challenges such as underfunding, dire shortages of healthcare professionals and a growing double disease burden that encompasses both communicable diseases (CDs) and non-communicable diseases (NCDs).



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According to Dr Thomas Kowallik, CEO and country president of Novartis in South Africa, building effective healthcare systems in Africa poses huge opportunities for investors in healthcare in terms of issues such as the establishment of infrastructure, and developing technology and systems to provide effective, affordable and accessible medicines and healthcare services.

He was speaking at the 2nd Future Trends Forum in Africa hosted by the company in partnership with the University of Stellenbosch Business School.

Healthcare a priority for economic growth

Discussing Africa's unique challenges and possible solutions, specifically around healthcare financing, and access to medicines, Professor Panos Kanavos from the London School of Economics' (LSE) international health policy division in the department of social policy, emphasised that healthcare is top priority for economic growth by most countries in sub-Saharan Africa.

He cited achieving measurable results in terms of health outcomes to incorporate healthcare financing mechanisms that offer financial protection to patients against catastrophic healthcare expenditures due to ill health, strengthening governance through an enabling legislative framework and ensuring transparency and accountability and open communication with stakeholders.

In addition, he added that strengthening primary healthcare through a strong referral system, regulation of private health insurance (PHI) and health technology assessment (HTA) as well as economic evaluations to inform spending on technology, pharmaceutical and diagnostic aids, are crucial to improving population health.

Spending and mortality rates

Looking at achievements relating to increased healthcare spending per capita and reduced mortality rates in 10 African countries from 2004 and 2015, Kanavos presented research findings showing South Africa to be the top spender per capita on healthcare per year (rising from \$80 per capita in 2004 to \$540 in 2014).

However, it is one of the countries that has made the least progress to decrease mortality rates over the past decade (from 52,8 per 100,000 population in 2005 to 33,6 in 2015). In contrast, a country such as Rwanda spends only around \$54 per capita (up from about \$15 in 2005), but has managed to bring down its mortality rate from 77,7 per 100,000 population to 31 in 2015.

Among others, research showed that out-of-pocket spending on healthcare services are escalating, causing dire financial distress to patients in middle- and low income countries. In addition, nearly half of premature deaths in these countries are preventable, requiring urgent behavioural changes and disease awareness education.

Finance models for UHC

To effectively strengthen healthcare systems, Kanavos noted, will require strong stewardship from ministries of health (MoHs), healthcare financing reforms, and a focus on evidence-based medicine and public health to optimise allocation of scarce human resources. In addition, there is a need for innovative public-private partnership to streamline supply chain and ensure the procurement of efficient information technologies.

While the move towards universal healthcare coverage (UHC) should be encouraged, a myriad factors need to be considered before financing models to achieve this objective, Kanavos said.

These include the availability of resources, the reduction of out-of-pocket payments, pooling of revenue through various financing mechanisms, and the improvement of efficiency and equity in healthcare delivery. Up to 40% of healthcare resources are wasted owing to inefficient and inequitable allocation.

The development and implementation of universal healthcare coverage is a gradual process that is intrinsically linked to sustainable economic growth. He added that the selection of health financing mechanisms requires a careful balancing act.

Centralised systems

In his presentation, Kowallik pointed out that the successful expansion of services for HIV/Aids, TB and malaria has highlighted the inadequacy of existing services to deliver interventions for other health needs.

To address these challenges and speed up healthcare delivery, consideration should be given to changing systems based on the successful experiences of other countries.

This includes the implementation of centralised regulatory systems that will speed up medicine registration and access, the establishment of centralised hubs to improve supply chain management through mobile technologies, and a focus on patient education and healthcare partnerships.

For planning purposes, the collection of data on both CDs and NCDs are imperative while a bigger emphasis should be placed on improving the quality of primary healthcare, addressing medication compliance issues, implementing a structured approach to improve healthcare delivery, patient safety and rooting out drug counterfeiting, Kowallik said.

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