Public perceptions on national health insurance: Moving towards universal health coverage in South Africa

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Background. Since 1994, considerable progress has been made in transforming the South African health care system, implementing programmes that improve the health of the population, and improving access to health care services. However, amid escalating health care costs disparities continue to exist between the public and private health sectors. The implementation of a national or social health insurance remains elusive despite three government-appointed committees on the matter.

Method and objective. This paper reports on the findings of a national probability household sample of the South African population, drawn as part of the 2005 HIV/AIDS national survey, to gauge public opinion on universal health care coverage. The perceptions of South Africans were assessed on selected health care affordability and financing issues.

Results. The majority support efforts to contain medicine costs and one-third are of the opinion that the country can provide everyone with all the needed health care and medical services. A large percentage of participants thought it more important to provide improved health care coverage even if it meant raising taxes, while a small percentage said it is better to hold down taxes despite lack of access to health care for some South Africans. Almost a quarter of participants were unable to comment on questions posed to them, indicating the need for improved public education and communication.

Conclusion. The study provides important insights into public opinion on key policy issues. However, greater public awareness is needed to ensure an informed debate, while the design of a universal national health insurance scheme must take into account both the current context and public opinion.

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Worldwide an estimated 1.3 billion people lack access to effective and affordable health care, while annually an additional 150 million persons in 44 million households face financial catastrophe as a direct result of having to pay for health care. More than 100 million individuals are pushed into poverty by the need to pay for health services.[1]

The goals of national health systems are to improve and promote people's health, to protect them against the financial costs of illness by reducing/eliminating out-of-pocket spending, and to achieve some form of universal coverage. Universal coverage is defined as access to key, affordable preventive, curative and rehabilitative health interventions for all. In the long term the aim should be to develop some mix of pre-payment mechanisms, such as tax-based financing of health care, national or social health insurance.

South Africa is a middle-income country with a population of 46.9 million people,[2] and with a history of massive social and economic inequalities. A reasonably well-established public health system coexists with a large private health sector, the latter with a history of more than 100 years of private insurance, based largely on mutual insurers called medical schemes or medical aid societies.[3] Since democracy in 1994, considerable progress has been made in transforming the South African health care system, in implementing programmes that improve the health of the population and in improving access to health care services. However, the implementation of a national or social health insurance remains elusive despite three government-appointed committees on the matter.[4,5] Wide disparities in health spending, professionals and access to care continue to exist between the public and private health sectors amid escalating health care costs. Table I shows variations in access to medical aid schemes by race.[6]

Annually the cost of private health insurance is escalating above general inflation, with medical aid contributions

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Table I. Trends in access to medical aid schemes by race, 1996 - 2003

Race	1996	1998	1999	2003
Black	10.0	6.3	8.4	5.0
Indian	29.5	24.0	28.9	10.0
Coloured	21.7	24.0	21.3	14.0
White	68.8	63.3	67.8	47.0
Total	18.1	14.1	16.3	11.0

Source: Statistics South Africa, 1996 - 1999, Finmark Trust Finscope, SA 2003.

increasing from 7.1% of formal sector salaries in 1982 to 17.4% in 1998.[7] Despite post-apartheid changes in legislation to stabilise this industry, there has been a decline in private health insurance coverage from 18% in 1996 to 11% in 2003, with fewer people able to afford private insurance and medical care provision becoming increasingly unaffordable. Hence, many patients who previously relied on private health care are now using the public sector, increasing the burden on an overstretched public health system. Several contributing factors are highlighted below.

Although less than 20% of the population have private insurance coverage, the majority of doctors, dentists and specialists work in the private sector owing to low remuneration and adverse working conditions in the public sector.[8] The number of nurses being registered in South Africa is declining,[9] in part owing to restructuring in the education sector where training of professional nurses is a competency of tertiary institutions, with a projected shortfall of 19 000 nurses by 2011.[10] The migration of health professionals and the impact of the HIV/AIDS epidemic are exerting additional pressure on health workers, creating stress and overload. Health care inflation is several times higher than general inflation. This is largely because of personnel and pharmaceutical costs, together with over-treatment and overuse of health services, particularly in the private sector. All these factors impact on the ability of the health care system to provide adequate and affordable health care for all.

Many of the inequalities that the South African government has attempted to address during the past 12 years continue to exist in the health sector. The situation will be exacerbated by the HIV/AIDS epidemic, which will continue to put pressure on the resources available in the public health sector. At the same time, experience suggests that unregulated or poorly designed private health insurance systems can indeed exacerbate inequalities and lead to cost escalation. Given these challenges, public opinion has never been gauged on universal health care coverage. This is the first study to test South African public perceptions on options for health care coverage and financing, thus contributing to a broader public policy debate on universal access to affordable health care.

Methodology

The objective of the study was to investigate public perceptions of national health insurance and selected health financing policy issues. A national probability household sample of the South African population was drawn as part of the 2005 HIV/AIDS national survey.[11] The survey design allowed for reporting of results at the level of province, type of locality, age and race group. Public opinion questions, adapted from those tested in other countries (unpublished ABC News/Washington Post poll, opinion/poll methodology, 9 - 13 October 2005) were drawn up to assess the perceptions of South Africans on selected health care and financing issues. Variables included participants' employment status, age and race. Participants' opinions were elicited regarding affordability of medical care, medicine costs and pricing regulation; perceptions of national health insurance; and opinions on limits to choice of own doctors and introduction of non-emergency treatment waiting lists.

Results

The analysis is based on a sample of 16 398 people aged 15 years and older: 34.8% were youth (aged 15 - 24 years) and the remainder were adults (aged 25 years or older); 38.7% were male and 61.3% were female. A third of the participants were from households whose income was derived from employment, in another third income was from contributions by adult family members or relatives, 15% of households received grants or pensions, and 10.8% had income from other sources.

The majority of respondents utilised public health services (hospitals 45.4%, clinics 25.2%), 13.2% used private hospitals/clinics or general practitioners, and the remainder used mining hospitals or traditional healers.

Affordability of medical care

Participants were asked to indicate whether they had difficulty in affording necessary medical care. The majority of South Africans (77%) had no difficulty affording the cost of necessary medical care, but 16.6% had great difficulty in affording it, with the remainder (6.5%) unsure. Those who could not afford the cost of medical care were more likely to be black (18.7%), followed by whites (14.5%), Indians (13.4%) and coloureds (12.9%).

Similarly, 16.1% had great difficulty in affording the cost of prescription drugs, with variation by race (blacks 18.4%, whites 15.9%, Indians 14.7%, coloureds 11.3%). The survey assessed people's views on policies introduced by the Department of Health to reduce the cost of medicines, and found that 44.4% of South Africans supported the policy that allowed doctors with a special certificate to dispense medicines from their rooms; 30.1% opposed it and slightly over a quarter (25.5%) had no opinion on the matter. When analysed by race, half of the whites (50.7%) supported the notion of doctors with special certificates dispensing medicines from their rooms, followed by Indians (45.0%), blacks (44.1%) and coloureds (39.3%). On the other hand, 37.6% of whites were opposed to this, followed by coloureds (35.1%), Indians (33.5%) and blacks (28.3%). Whites were most likely to express an opinion on this matter.

When respondents were asked for their opinions on the government policy of regulating medicine prices, 57.2% supported the policy, 19.8% opposed it and 23.0% did not express an opinion. Indians (60.4%) showed the most support

for the policy, followed by blacks (58.0%), whites (57.0%) and coloureds (49.3%). On the other hand, whites (33.6%) were twice as likely as blacks (17.2%) to oppose the policy, followed by coloureds (25.0%) and Indians (22.5%).

The South African Constitution states that everyone has a right of access to health services. The survey tested the public perception on this. Slightly more than one-third (34.2%) of respondents believe that the country can afford to provide everyone with all the health and medical services they need; 40.9% said that it would cost the country too much to provide for this need, while one-quarter (24.9%) were unsure. Whites (56.5%) were more likely than other groups to think that it would cost too much, compared with coloureds (42.2%), Indians (40.3%) and blacks (37.5%).

Perceptions on health care coverage and national health insurance

Respondents' opinions were tested on the importance of providing health care coverage for all South Africans even it is meant raising taxes, versus holding down taxes even if this meant some South Africans do not have health care coverage. The majority (56.9%) thought it was more important to provide health care coverage for all, while 20.7% said it is better to hold down taxes. Whites (34.2%) were more likely than blacks (18.8%), coloureds (22.0%) or Indians (17.7%) to indicate that it is better to hold down taxes than provide health care to all. On the other hand, blacks (58.8%) were more likely than all other groups, Indian (55.3%), coloured (52.0%) and white (47.8%), to indicate that it is more important to ensure coverage for all even if it meant raising taxes.

Participants were asked to indicate their preference for either the current medical aid system in South Africa, where some people and their families get their medical aid through employers, or a universal national health insurance programme in which everyone is covered under a programme financed by taxpayers. Almost half of the respondents (47.3%) indicated that they would prefer a universal national health insurance as opposed to the current medical scheme system (26.1%), with 26.6% not expressing an opinion. Indians were far more likely than other groups to prefer universal national health insurance to the current medical scheme. This is shown in Table II.

Those who indicated support for a universal programme were then asked to comment on whether they would support a national health insurance scheme if it limited their choice of doctors or if waiting lists for non-emergency services were introduced. The results are shown in Table III.

With regard to limiting choice of doctors, 41.4% said they would support the idea while 47.1% opposed it and 11.6% did not express their opinion. Coloureds and Indians (47.6% and 46.1% respectively) were more likely to support the idea than blacks (40.8%) and whites (39.8%). Similarly, 48.6% said that they would oppose a universal national health insurance programme if it meant there were waiting lists for non-emergency treatments, while 36.3% would support the idea and 15.1% expressed no opinion. Coloureds (43.3%) and Indians (40.0%) would support the idea more than whites (38.0%) and blacks (35.2%).

Table II. Preference for current medical aid system versus a universal national health insurance programme, South Africa, 2005

Race	Current system *N* (%), 95 % CI	Universal programme *N* (%), 95 % CI	No opinion *N* (%), 95 % CI	Total
Black	2 377 (24.0%)	4 433 (48%)	2 709 (28.1%)	9 519
	22.0 - 26.1	45.6 - 50.4	25.5 - 30.7	
White	673 (37.4%)	812 (43.5%)	397 (19.2%)	1 882
	32.9 - 42.1	39.3 - 47.8	16.4 - 22.2	
Coloured	930 (33.1%)	1 275 (42.3%)	741 (24.6%)	2 946
	30.6 - 35.7	39.5 - 45.2	22.1 - 27.3	
Indian	354 (19.3%)	950 (58.7%	426 (22.0%)	1 730
	16.1 - 23.1	52.7 - 64.5	17.2 - 27.6	
Total	4 334 (26.1%)	7 470 (47.3%)	4 273 (26.6%)	16 077
	24.4 - 28.0	45.3 - 49.2	24.6 - 28.7	

Discussion

Universal access to health care is a socio-economic right and a critical public policy issue. The need for informed public debate on key public policy issues is urgent given the decline of grassroots-led public participation since 1994. This study found that although the majority of respondents indicated no difficulty in affording the cost of necessary care, 16.6% (or 5.2 million South Africans 15 years and older) faced affordability difficulties. Although whites remain more likely than other groups to have access to private health insurance, the proportion covered declined dramatically from 68.8% in 1996 to 47% in 2003. There is an overall downward trend in private health insurance coverage, together with changing demographics, with major implications for an over-stretched public health system. Hence, there is a critical imperative for health financing reforms in South Africa.

The majority of respondents (57%) support the efforts of the government to regulate the cost of medicines. However, there appears to be more support for regulating medicine prices than for the policy of only allowing doctors with a special permit to dispense medicines from their rooms. Almost a quarter of respondents had no opinion on these two policies, reflecting insufficient public knowledge or information, with blacks least likely to express an opinion. This points to the need for targeted and user-friendly information, education and communication to enable informed public debate and engagement on critical policy matters.

Table III. Support for a universal national health insurance progamme when limiting choice of doctors and introducing waiting lists for non-emergency treatment, South Africa, 2005

Race	Level of support	Limited choice of doctors *N* (%)	Introduction of waiting lists *N* (%)
Black	Support	1 786 (40.8%)	1 517 (35.2%)
	Oppose	2 068 (46.2%)	2 182 (48.2%)
	No opinion	555 (13.1%)	719 (16.6%)
	Total blacks	4 409 (100%)	4 418
White	Support	313 (39.8%)	291 (38.0%)
	Oppose	452 (56.6%)	453 (55.3%)
	No opinion	44 (3.6%)	67 (6.8%)
	Total whites	809 (100%)	811 (100%)
Coloured	Support	618 (47.6%)	554 (43.3%)
	Oppose	525 (42.3%)	563 (42.7%)
	No opinion	124 (10.1%)	150 (14.0%)
	Total coloureds	1 267 (100%)	1 267 (100%)
Indian	Support	461 (46.1%)	386 (40.0%)
	Oppose	436 (49.6%)	482 (51.8%)
	No opinion	49 (4.3%)	78 (8.3%)
	Total Indians	946 (100%)	946 (100%)
All respondents	Support	3 178 (41.4%)	2 748 (36.3%)
	Oppose	3 481 (47.1%)	3 680 (48.6%)
	No opinion	772 (11.6%)	1 014 (15.1%)
	Total*	7 431	7 442

*Only those who indicated support for a universal national health insurance scheme were included in the analysis.

A key question of this paper has been to explore public perceptions on a national health insurance. The study found that a third of South Africans believed that the country can provide everyone with all the needed health care and medical services. However the issue of a national insurance cannot be explored without investigating opinions about possible sources of funding such as increased taxes. The study explored two scenarios: health care coverage for all South Africans even if it means raising taxes, or holding down taxes even if it means some South Africans do not have health care coverage. The results showed that a large percentage of participants thought that it is more important to provide health care coverage for all (56.9%), while a small percentage (20.7%) said it is better to hold down taxes even when it means some South Africans do not have access to health care. Differences by race were found, with whites (34.2%) more likely than blacks (18.8%), coloureds (22.0%) or Indians (17.7%) to favour holding down taxes, thus sacrificing coverage for some South Africans. By contrast, blacks were more likely to indicate that it is more important to ensure coverage, despite possible higher taxes. Given historical inequalities, whites are more likely to have education and employment and contribute to taxes, and this may explain the differences in opinion. Almost half of South Africans (47.3%) indicated a preference for a national health insurance system, as opposed to the current medical aid system.

The survey tested people's opinions on a national health insurance scheme with the introduction of limits to one's choice of doctors and of waiting lists for non-emergency services. Indicated support for limiting choice of doctors and waiting lists was only 41.4 % and 36% respectively. However, this response must be viewed within the context of the majority of people depending on the public sector, where they do not have a choice of doctors.

Public policy implications

South Africa's choice of health financing system should be guided by how best it can achieve universal coverage given the current reality. Government has an important stewardship role in this major transformation process.[12]

This is the first study to test South African public perceptions on options for health care coverage and financing, thus contributing to a broader public policy debate on universal access to affordable health care. The major policy issues raised by this study are:

- Information, education and communication (IEC) to enable

the broadening of public discourse on critical policy issues, and

- Incorporating public opinion into the design of a universal national health insurance system.

The study found that about one-quarter of respondents were unable to express an opinion on the majority of questions put to them, with blacks more likely not to express an opinion. This has major implications for informed public discourse. Hence, greater efforts are needed to improve the public's understanding of these critical policy issues.

The study found that 17% of respondents had problems affording needed care. If extrapolated to the general population, this implies that 5.2 million adults aged 15 years and older in South Africa have experienced difficulties in affording needed health care. The outcome of inequity in access to care is that there are many missed opportunities for early prevention and care.[13] Hence, there is a policy imperative to design a health care financing system that offers social protection in health, and ensures that no one should suffer financial burden because of illness. National health insurance allows contribution-based financing to be combined with tax-financed subsidies or tax-financed partial population coverage, e.g. for covering specific sub-groups within the population. A mix of financing methods would share the burden of health care expenditures between employers, employees and the population working in the informal sector, and with government possibly subsidising insurance for the poor. A critical issue raised by the study is the incorporation of informed public opinion into the design and implementation of a national or social health insurance system.

Achieving universal coverage is a long-term process. A number of factors determine the speed and form of transition: political will and effectiveness of government stewardship; the institutional and legal framework; the relative acceptance of the values and concepts of equity and solidarity in society; the population's confidence in government and its institutions; health care infrastructure; and the availability of skilled administrative, medical and nursing personnel to facilitate the effective implementation of a universal system.

Government stewardship, a strong political will and a champion to drive the necessary health financing reforms are critical.

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