



UNIVERSITY OF
KWAZULU-NATAL™
INYUVESI
YAKWAZULU-NATALI

HEALTH AND HEALTHCARE SYSTEMS

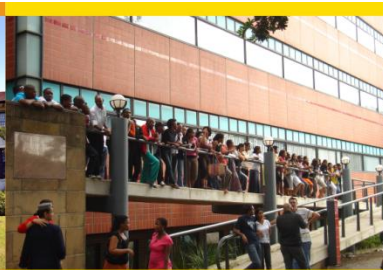
Ass. Prof OZAYR MAHOMED
PUBLIC HEALTH MEDICINE SPECIALIST



EDGEWOOD CAMPUS



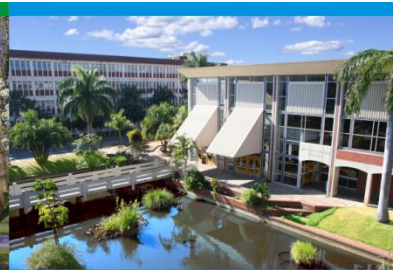
HOWARD COLLEGE CAMPUS



NELSON R MANDELA SCHOOL OF MEDICINE



PIETERMARITZBURG CAMPUS



WESTVILLE CAMPUS

UKZN INSPIRING GREATNESS

Health and Health Care in South Africa

HCI van Rensburg
EDITOR



JE Ataguba · SR Benatar · JE Doherty · MC Engelbrecht · JC Heunis
AP Janse van Rensburg · NG Kigozi · DE McIntyre · AJ Pelser
E Pretorius · N Redelinghuys · F Steyn · HCI van Rensburg · E Wouters

Introduction

- Review of What is Health?
- Many terms used- conceptual confusion
 - Health system
 - Healthcare system
 - Health services system
 - Healthcare delivery system
 - Medical care system
 - Medical system
 - Health sector
 - Health services organization

**"IT IS HEALTH THAT IS
REAL WEALTH AND
NOT PIECES OF GOLD
AND SILVER."
~ MAHATMA GANDHI**

Introduction

- *Health is one of those things that most people assume they understand.*
- *But if we just stop and consider it for a moment and try to focus on it, it starts to float about in our minds. (Johnson, 2007: 45)*

Health

- Health is difficult to define but easier to understand.
- There is **no consensus (agreement)** about any definition of health.
- There is **knowledge** of how to **attain(reach)** a certain level of health, but health itself **cannot be measured**.

What does health mean to you?

<https://www.youtube.com/watch?v=OkLsHvUwHcE&feature=youtu.be>

<https://www.youtube.com/watch?v=0wjzQVuDej4>

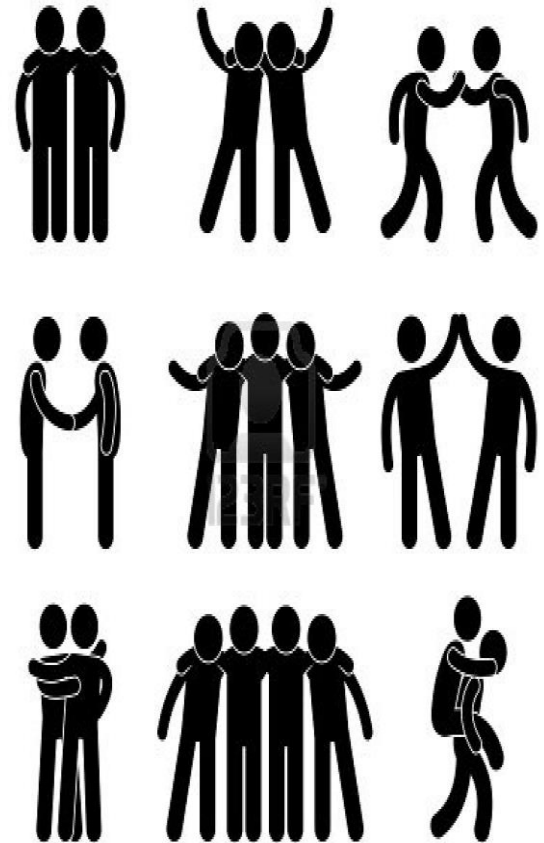
Factors affecting our understanding of Health

- our education and training
- cultural factors
- the context we live in,
- one's own personal interests.

Most people define and describe health as the following:

- Being free from symptoms of disease and pain as much as possible.
- Being able to be active and to do what they want or must.
- Being in good spirits most of the time.

- To an anatomist
Healthy body means it should confirm to normal anatomical structures.
- To a physiologist
Health means normal body functions

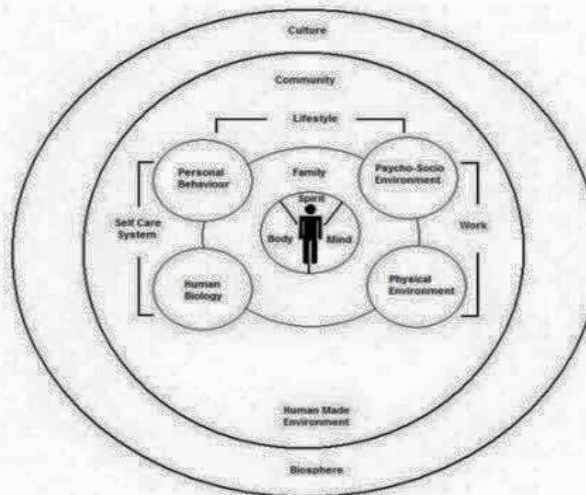


-
- To a biochemist- It means normal biochemical levels / values
 - To a pathologist- It means normal cellular make up.
 - To a geneticist- It means correct existence of genetic potential
 - To a clinician it means no abnormality in structure and function of the body -When a clinician fails to detect anything abnormal by his clinical wisdom and laboratory tests he labels a person no abnormality detected (NAD).
 - To a psychiatrist- It means well adjusted and a balanced personality



Definition of Health

Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.



Source: Health Mandala described by Trevor Hancock in 1993 in Health, human development and the community ecosystem: three ecological models Health Promot. Int. (1993) 8 (1): 41-47. doi: 10.1093/heapro/8.1.41

Wellness

- <https://www.youtube.com/watch?v=UgizCwaeFZs>

Dimensions of Wellness



Longevity- Health span versus Lifespan

- <https://www.youtube.com/watch?v=vTCv-gNh-NM>

What is healthcare

Health care is the prevention, treatment, and
Management of illness and the preservation of
Mental Health through the services offered by
the Medical, Nursing, and Allied Health
professions.



4/11/2009

What is Healthcare?

- Totality of organised social action in response to the occurrence of disease and disability and for averting risk to health
- Actions and institutions that strive to promote, protect or restore the health of individuals and population

Healthcare system- Recap

- <https://www.youtube.com/watch?v=LMHxxvbzFqc>

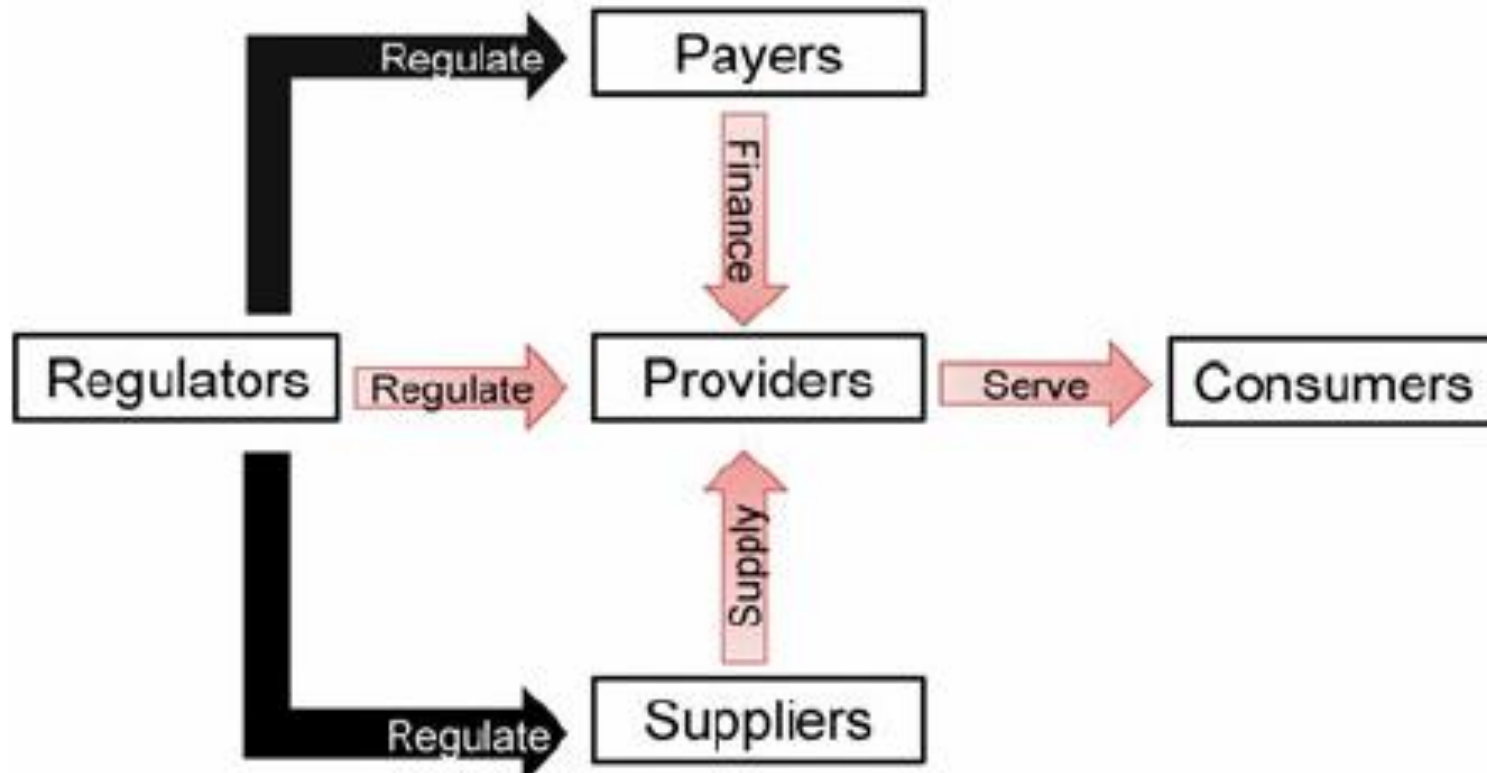
Health service or health care system

- Institutions of society that deliver health services
- the channels used to deliver health care services to the human population.
 - Micro level- hospitals, clinics, private practitioners
 - Macro level- medical, dental, nursing services etc

Healthcare systems

- “organizations that both deliver care and medical services (hospitals, physicians’ practices, clinics) and that arrange for the financing of care (governments, agencies, states, local communities, and private insurance companies).

Components of the Health Care Delivery System

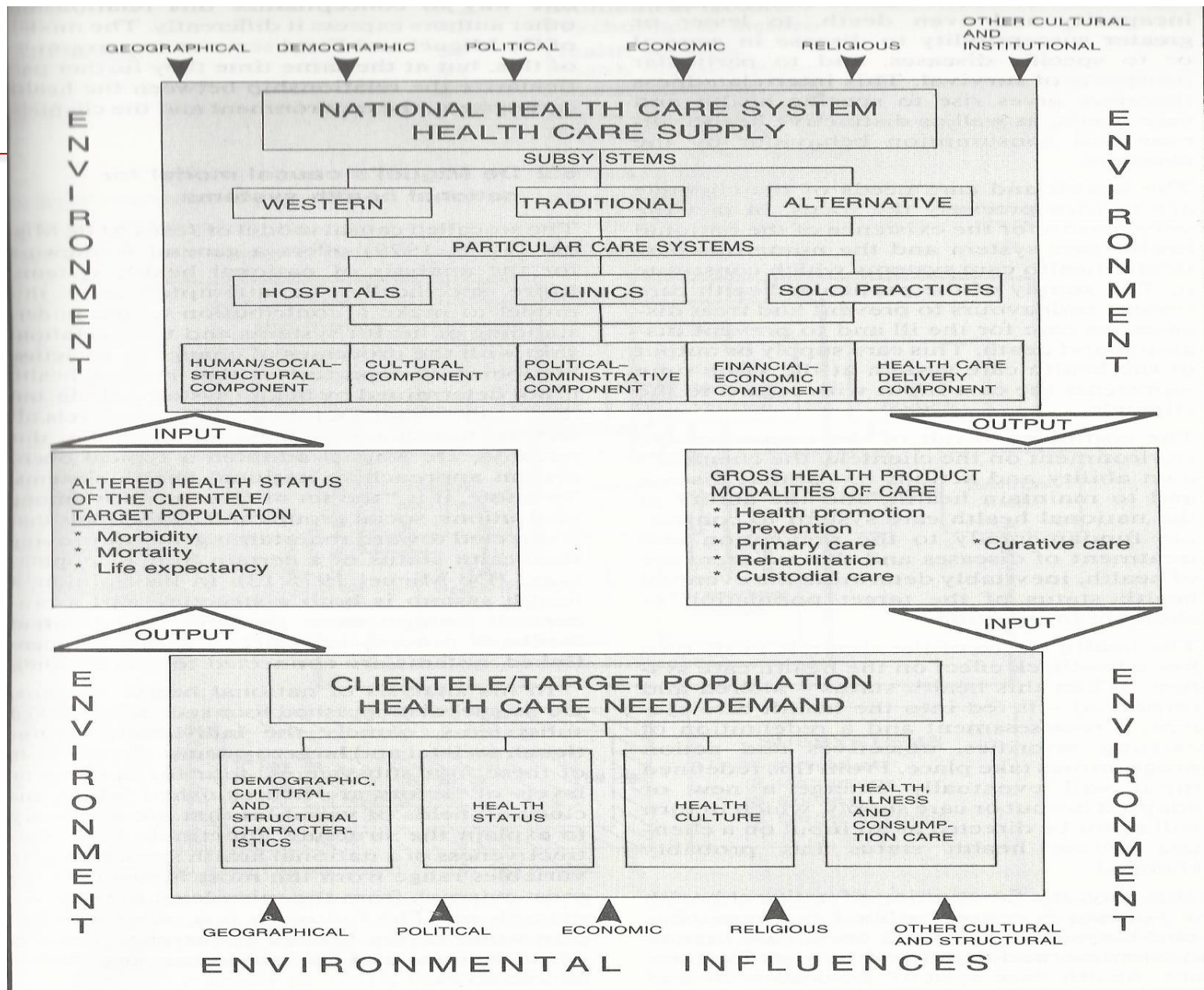


OBJECTIVES OF HEALTH CARE SYSTEM:

- To improve health status of population and clinical outcomes of care
- To improve social justice equity in the health status of the population
- To reduce the total economic burden of health care
- To raise and pool the resources accessible to deliver health care services

National healthcare system

- Total network or system of services (Policies, programmes, institutions and actors) that provide health care in a specific country
 - Includes official delivery system
 - Traditional health services



Components of the National Healthcare system

- Internal determinants
 - Human Resources
 - Cultural
 - Political-administrative
 - Financial-economic
 - Care

External determinants

- Socio-cultural
 - Historical context of countries development
 - Economic climate
 - Political
 - Religion
 - Cultural beliefs

Natural environment- Demography and climate

- Climate
- Rainfall
- Temperature
- Topography
- Vegetation
- Structure of the population

National healthcare systems- Types and typologies

- Healthcare systems of countries display enormous variation
- No single uniform scheme of classification
- No pure types exist in practice
- Healthcare systems not static

Models of Health Care System

```
graph TD; A[Models of Health Care System] --> B[According to Delivery Methods]; A --> C[According to Funding Methods];
```

According to
Delivery
Methods

According to
Funding
Methods

Types of healthcare systems

- Milton Terris (1978)
 - Public assistance
 - National health insurance
 - National Health Service

Public Assistance

- Pre-capitalistic countries
- Economy is predominantly agricultural
- Land ownership is tribal
- Health services financed by taxes
- Few personnel, overworked and involved in private practice
- Population served in state hospitals or health centres
- Developing countries in Africa, Asia and Latin America

National Health Insurance system

- Industrialised countries
- Capitalistic economies
- Healthcare is managed by state and private insurance schemes
- Based on fee-for service private providers
- Doctors and other practitioners are entrepreneurs
- Contract with state or authorised medical schemes

National Health service system

- Provide services in form of salaried health personnel at state hospitals and clinics
- Financed out of state budgets- income tax
- Services provided free of charge
- National, Regional and local levels are responsible for all health services
- Community participation, primary healthcare and sectorization of services enjoy high priority
- Russia, Cuba and South European countries

Five Field typology

- Field- 1980
 - Anomic (Emergent system)
 - Pluralistic
 - Health insurance system
 - National health service system
 - Socialised health system
- based on ownership and doctors' autonomy

Table 1.1 Field's five-part typology of national health care systems

Health system	Type 1 Emergent	Type 2 Pluralistic	Type 3 Insurance/ Social Security	Type 4 National Health Service	Type 5 Socialised
General definition	Health care as item of personal consumption	Health care as predominantly a consumer good or service	Health care as an insured/ guaranteed consumer good or service	Health care as a state-supported consumer good or service	Health care as a state-provided public service
Position of the physician	Solo entrepreneur	Solo entrepreneur and member of variety of groups/ organisations	Solo entrepreneur and member of medical organisations	Solo entrepreneur and member of medical organisations	Solo entrepreneur and member of medical organisations
Role of the professional associations	Powerful	Very strong	Fairly strong	Fairly strong	Weak or non-existent
Ownership of facilities	Private	Private and public	Private and public	Mostly public	Entirely public
Payments	Direct	Direct and indirect	Mostly indirect	Indirect	Entirely indirect
Role of polity	Minimal	Residual/indirect	Central/indirect	Central/direct	Total
Prototypes	Russia, US, western Europe in 19th century	South Africa, Switzerland, US in 20th century	Canada, France, Italy, Japan, Spain, Sweden,	Australia, UK in 20th century	Cuba, eastern Europe, USSR in 20th century

Roemer fivefold typology

- Under-developed systems
- Transitional systems
- Modern systems
 - Free market
 - Welfare state
 - Socialist system

Under-developed

- Resources are extremely deficient
- Majority of population outside the reach of health system- dependant on traditional healers
- Social insurance absent
- Hospitals found in large towns-operated by government with salaried personnel
- Population predominantly rural, impoverished and illiterate
- Predominantly infectious diseases

Transitional

- Majority of population live in poverty stricken condition
- Modest structure of organised service developed
- Beginning of social insurance

Free-enterprise system

- Predominantly free market
- Health services are bought and sold
- Distribution of service dependant on purchasing power
- Minimal state intervention
- Private sector play a huge role

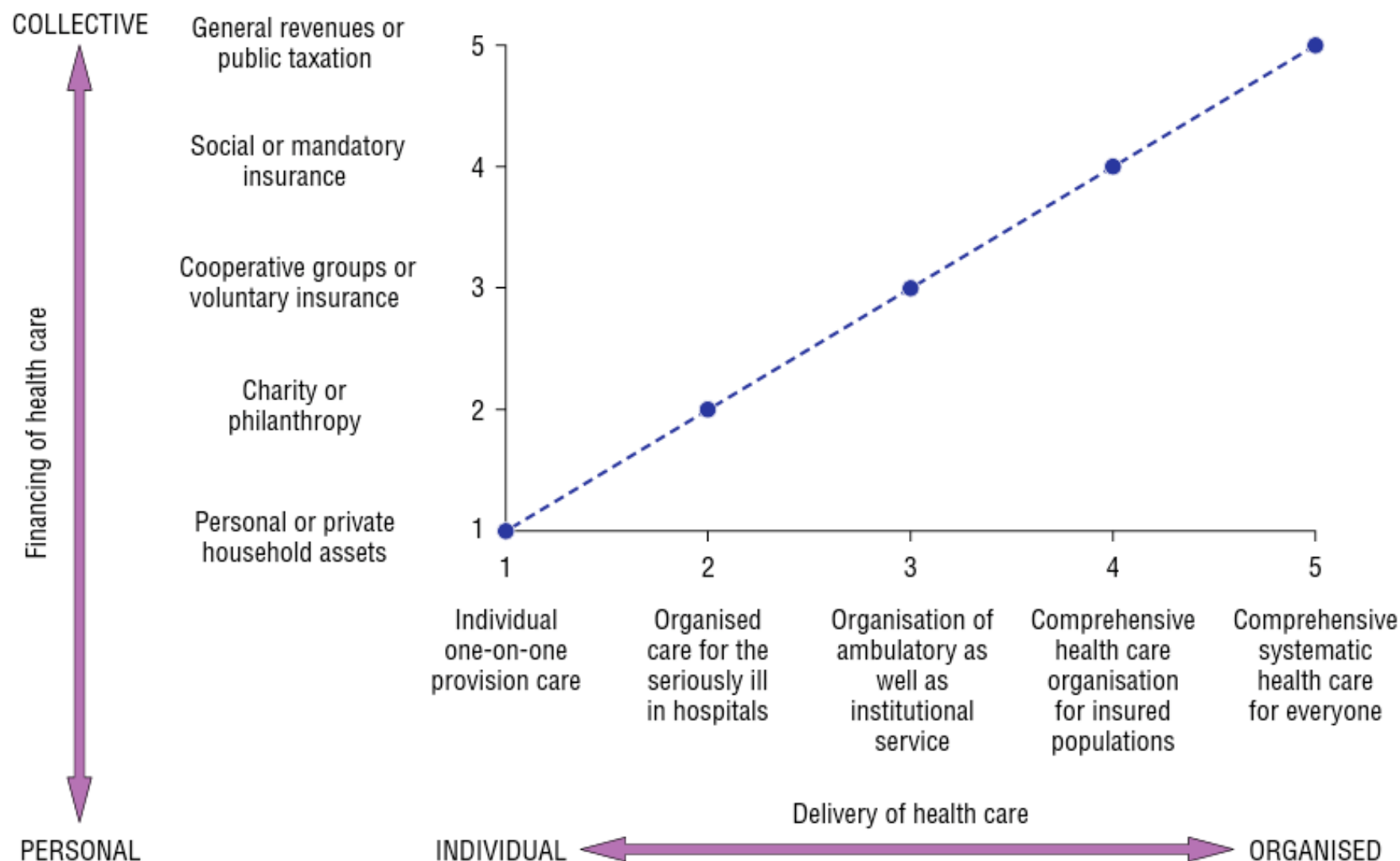
Welfare state system

- Government assumes responsibility for assuring health services for majority of population
- Collective financial responsibility- by social insurance
- Provision of services largely in private hands with variety of state measures to control cost
- Hospitals under state control with salaried personnel
- Majority of doctors are GPs
- Provision of preventive services separate from curative services

Socialist system

- Comprehensive health services free of charge to all citizens
- Healthcare is a right
- Health service is a public good
- All personnel employed as civil servants
- All facilities owned by government
- Preventive and curative services provided in one channel

Figure 1.1 Roemer's typology of national health care systems



Source: Adapted from Roemer 1980.

Different Healthcare Models

- Each nation's health care system is a reflection of its:
 - History
 - Politics
 - Economy
 - National values
- They all vary to some degree

A• Under a **national health service** (e.g. the United Kingdom and Spain), universal coverage is publicly financed through taxation. Healthcare delivery occurs via mostly public mechanisms; hospitals are publicly owned, and medical services are primarily delivered by government-salaried physicians .

B• In an **entrepreneurial model of healthcare** (e.g. the United States), people voluntarily purchase employment-based or individual insurance, and the healthcare delivery mechanisms (providers and healthcare facilities) exist largely in the private sector. Financing can

come from both private and public sources . Consumerist-commercial-capitalist

- Between these two extremes lies the **mandated insurance model**, in which compulsory universal coverage is publicly financed and health **care is delivered by both public and private entities** . Within this category, systems can be further classified as following a national health insurance/**single-payer model** (e.g. Sweden) or a **multi-payer** health insurance model that relies on sickness funds to provide universal health coverage (e.g. Germany and France) .

Based on the source of their funding, three main models of national healthcare systems can be distinguished:

- 1. the Beveridge model,**
- 2. the Bismarck model**
- 3. the Private Insurance model**

1. THE BISMARCK MODEL

- ◉ Germany, Japan, France, Belgium, Switzerland, Japan, and Latin America
- ◉ Named for Prussian chancellor Otto von Bismarck, inventor of the welfare state
- ◉ Characteristics:
 - ◉ Providers and payers are private
 - ◉ Private insurance plans – financed jointly by employers and employees through payroll deduction
 - ◉ The plans cover everyone and do not make a profit
 - ◉ Tight regulation of medical services and fees (cost control)

2. THE BEVERIDGE MODEL

- Named after William Beveridge – inspired Britain's NHS
- Great Britain, Italy, Spain, Cuba, and the U.S. Department of Veteran Affairs
- **Characteristics:**
 - Healthcare is provided and financed by the **government**, through tax payments
 - There are no medical bills
 - Medical treatment is a public service
 - Providers can be government employees
 - Low costs b/c the government controls costs as the sole payer
- This is probably what Americans have in mind when they think of “socialized medicine”

3. THE NATIONAL HEALTH INSURANCE MODEL

- ◉ **Canada, Taiwan, South Korea**

- ◉ **Characteristics:**

- ◉ Providers are private
- ◉ Payer is a government-run insurance program that every citizen pays into; has considerable market power to negotiate lower prices
- ◉ National insurance collects monthly premiums and pays medical bills
- ◉ Plans tend to be cheaper and much simpler administratively than American-style insurance
- ◉ Can control costs by: (1) limiting the medical services they will pay for or (2) making patients wait to be treated

4. THE OUT-OF-POCKET MODEL

- Rural regions of Africa, India, China, and South America
- “non-system” countries
- Characteristics:
 - Only the rich get medical care; the poor stay sick or die
 - Most medical care is paid for by the patient(out-of-pocket)
 - No insurance or government plan

5 MYTHS ABOUT HEALTH CARE AROUND THE WORLD

1. **It's all socialized medicine out there**
 - Many countries provide universal coverage using private providers, hospitals and insurance plans
2. **Overseas, care is rationed through limited choices or long lines – some truth.**
3. **Foreign health systems are inefficient, bloated bureaucracies**
4. **Cost control stifles innovation**
 - False. This pressure to control cost can generate innovation
5. **Health insurance companies have to be cruel**
 - Insurance plans in other countries accept all applicants
 - Cannot deny on the presence of a preexisting condition
 - Cannot cancel as long as you pay your premium

William Cockerham

Type	Definition	Characteristics	Country examples
Free-market medicine	Free-market medicine is primarily based on wider free-market principles, particularly private financing by fee-for-service, private initiative and ownership, and least state or third-party intervention. Such systems are characterised by a two-track system of financing and of health care delivery, i.e. a private track (based on individual purchasing power) and a public track (based on welfare provision).	<p>Free-market medical systems</p> <ul style="list-style-type: none"> • have both private and public systems of financing and organisation of health care services • have providers which are mainly private entrepreneurs • have facilities which are privately and state-owned • do not guarantee equal access to the general population and are mostly highly inequitable • encourage (even enforce) private care for patients who are able to pay for such services 	<p>US Switzerland South Africa</p>
Socialised medicine (<i>Beveridge model</i>)	Socialised medicine refers to a system of health care delivery in which health care is provided in the form of a state-supported consumer service financed by taxation. That is, health care is purchased but the buyer is the government, which makes the services available at little or no additional cost to the consumer. There are several different forms of socialised medicine.	<p>In socialised medical systems, the government</p> <ul style="list-style-type: none"> • directly controls the financing and organisation of health care services in a capitalist economy • directly pays providers • owns most of the facilities (Canada is an exception) • guarantees equal access to the general population • allows some private care for patients willing to be responsible for their own expenses 	<p>UK Canada Scandinavian countries Italy Spain Saudi Arabia Kenya</p>

Decentralised national health programmes (<i>Bismarck</i> model)	Decentralised national health programmes differ from systems of socialised medicine in that the government control and management of health care delivery is more indirect. The government acts primarily to regulate the system, not operate it. Often the government functions in the role of a third party, mediating and coordinating health care delivery between providers and organisations involved in the financing of services.	<p>In decentralised national health programmes, the government</p> <ul style="list-style-type: none"> • indirectly controls the financing and organisation of health services in a capitalist economy • regulates payments to providers • owns some of the facilities • guarantees equal access to the general population • allows some private care to patients willing to be responsible for their own expenses 	<p>Germany Japan France The Netherlands Mexico Belgium Austria Switzerland Luxembourg</p>
Socialist medicine (<i>Semashko</i> model)	Socialist medicine is a system in which health care is a state-provided public service. The state controls, organises, finances and allocates health care directly to all citizens free of charge. No third-party organisations or insurance companies are interposed between health care providers and patients. The state owns all facilities and pays a salary to all health care workers.	<p>In socialist medical systems, the government</p> <ul style="list-style-type: none"> • directly controls the financing and organisation of health services in a socialist (communal) economy • pays providers directly • owns all facilities • guarantees equal access • bans/restricts private care 	<p>Former USSR and eastern Europe – Hungary, Poland, Russia People's Republic of China Cuba</p>

Santerre-Neun framework model

	Germany	Canada	UK	USA
Feature	Socialised insurance	National health insurance	Public contracting	Pluralistic
Health insurance coverage	Near universal	Universal	Near universal	84 %
Financing	Payroll and general taxes Single-payer system	General taxes Single-payer system	General taxes Single-payer system	Voluntary premiums or general taxes Multipayer system
Reimbursement	Fixed payments to hospitals Negotiated point-fee-for-service to physicians	Global budgets to hospitals Negotiated point-fee-for-service to physicians	Global budgets to hospitals Salaries and capitation payments to physicians	Mostly fixed payments to hospitals Mostly fee-for-service to physicians
Consumer out-of-pocket price	Negligible	Negligible	Negligible	Positive but generally small
Production	Private	Private	Private but public contract	Private
Physician choice	Unlimited	Unlimited	Unlimited	Relatively limited

Source: Santerre and Neun (2010, p. 103)

Health Care Delivery System

There is no perfect healthcare delivery system for a country.

Some models seem to work better than others but each has its own advantages and drawbacks.

Broadly, healthcare delivery models could be classified under **tiered system** or **diffuse system**.