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CIVIL SOCIETY ORGANISATIONS CALL FOR PRINCIPLED CONTRACTING WITH PRIVATE SECTOR IN THE COVID-19 HEALTH RESPONSE, AS WELL AS MORE COORDINATION AND TRANSPARENCY

The undersigned civil society organisations welcome the measures put in place by government to combat the spread of COVID-19. The nationwide screening, testing and contact tracing programmes are to be commended. We applaud the Department of Health (DOH) for developing the legislative and regulatory frameworks necessary to provide equitable access to healthcare services for everyone currently in South Africa, including the COVID-19 Block Exemption for the Healthcare Sector 2020 Regulations.

This crisis has, however, magnified the substantial inequalities between the public and private health sectors in South Africa, and has demonstrated the urgent need for a coordinated approach to ensure universal health coverage. Now is the time to coordinate the health response to COVID-19 and to develop much needed trust between the public and private sectors that will benefit all in South African for years to come.

Coordination between public and private health sectors

The new COVID-19 block exemption regulations allow for an unprecedented level of coordination between public and private health institutions, including hospital groups and private sector professionals, to deliver equitable health services. Until this point, attempts to coordinate the private and public healthcare systems have been unclear Agreements between the public and private health systems, would, we believe alleviate the strain on the entire health system. Furthermore, if these agreements are made thoughtfully, they would prepare the South African health system for sustained and positive changes.

Despite the impressive steps taken by the DOH, there is more work to be done to ensure there is equitable access and dignified treatment for users of both public and private healthcare service providers. Part of what needs to be done, we believe, is to better coordinate efforts between the private and public health sectors.

But until this point, engagements with the private health sector have happened outside of the public eye, and the conditions on which contracting the private sector for medical goods and services is taking place remain unclear. There does not appear to be a comprehensive or coordinated approach to these agreements. Transparency about these agreements is critical.

We call on the DOH, as well as the National Corona-Virus Command Council, to embark on a transparent and principled process of contracting with the private sector in order to secure sufficient capacity in terms of critical care and isolation beds.

Bottom lines for contracting with the private sector

Failing to get the agreements with the private sector right may result in the jeopardising of the right to access healthcare services for millions. There are a number of bottom lines which we demand for contracting with the private health sector, which we have illuminated in letters to the DOH on both 8 April 2020 and 12 May 2020. In our view, all agreements between the public and private sectors must:

1. Be **constitutionally compliant, transparent** and **accessible** to the public;
2. Ensure that **everyone has access to health care services**;
3. Ensure that measures designed by the State, including agreements with the private sector, realise the right of access to healthcare services in a **comprehensive sense** and place those most in need of constitutional protection at the centre of the respective measures;
4. Ensure that there is **equitable access to healthcare services**, which requires close cooperation between the public and private healthcare sectors;
5. Ensure that all have access to **dignified treatment**, through the **equitable sharing of resources** across both the public and private healthcare sectors for the purposes of responding to the COVID-19 pandemic;
6. Explicitly **provide for critical care and isolation bed capacity**, as it is unlikely that the public healthcare sector alone has sufficient capacity for the needs of the population;
7. Provide **value for money** for the national health system as a whole and should consider alternative models of reimbursement, as the fee-for-service model is not feasible in the circumstances.

Complying with these principles will allow for a standardised and transparent response, which will put the needs of vulnerable groups first.

Drawing from international best practice

To ensure the equitable access to healthcare services so desperately needed in this period of national crisis, the government can draw on the experiences of a number of other countries – like the United Kingdom, Australia, Ireland and Spain. These countries face similar challenges in the wake of the COVID-19 pandemic and have attempted to weather the storm through increased cooperation between public and private health sectors. This has allowed for the movement of medical staff to where need is greatest, and freeing up critical care beds and ventilators for the use of the public sector.

Government must be the price-maker, not the price-taker

Another critical element to the question of private sector agreements is that of prices of private medical goods and services. The National Disaster Management regulations and directives allow for the setting of maximum prices on private medical goods and services for testing, prevention and treatment of COVID-19. The DOH must cost medical goods and services and correctly prioritise public health importance above the profit making incentives of the private sector. The finding by the Competition Commission Health Market Inquiry that the Minister had failed to regulate the private healthcare sector adequately can and must be remedied as a matter of urgency not only to

effectively implement National Health Insurance in future but to ensure the appropriate public health response to the COVID-19 national disaster in the immediate context.

If agreements are brokered between private and public health sectors – as we believe they must – alternative models of reimbursement will need to be considered at this time. The fee-for-service model is not feasible in our current context, and an agreed-upon flat rate per patient admitted into private healthcare facilities, we believe, would be more appropriate.

This is an extraordinary health challenge, and we will need extraordinary levels of cooperation in order to meet the demands of the COVID-19 national disaster. Nonetheless, if such agreements are struck, and are constituted by prioritising the needs of the most vulnerable, the South African health system will be changed for the better in lasting ways.

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ISSUED BY: SECTION27, Treatment Action Campaign (TAC), Rural Health Advocacy Project (RHAP), Sexual and Reproductive Justice Coalition (SRJC), TB Proof, Peoples Health Movement, Cancer Alliance, Healthy Living Alliance (HEALA), Public Health Action Team (PHACT), Triangle Project.

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