

Can we afford the HIV programme?

An overview of the budget for and cost of HIV care in South Africa

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Budget

- Links the state's constitutional responsibilities to the actual implementation of priority policies and people's rights
- Reveals government priorities

2014 National Budget Statement

2014/15 to 2016/17

- National economy has recovered from recession and is growing steadily (2.7% to 3.5% growth expected)
- Non-interest expenditure estimated at R1.1 trillion to 1.3 trillion for 2014/15 to 2016/17 (↑ by 2.6%)
 - 48% for national g'vt departments (most of it through Conditional Grants to provinces)
 - 43% for provinces
 - 9% for municipalities¹

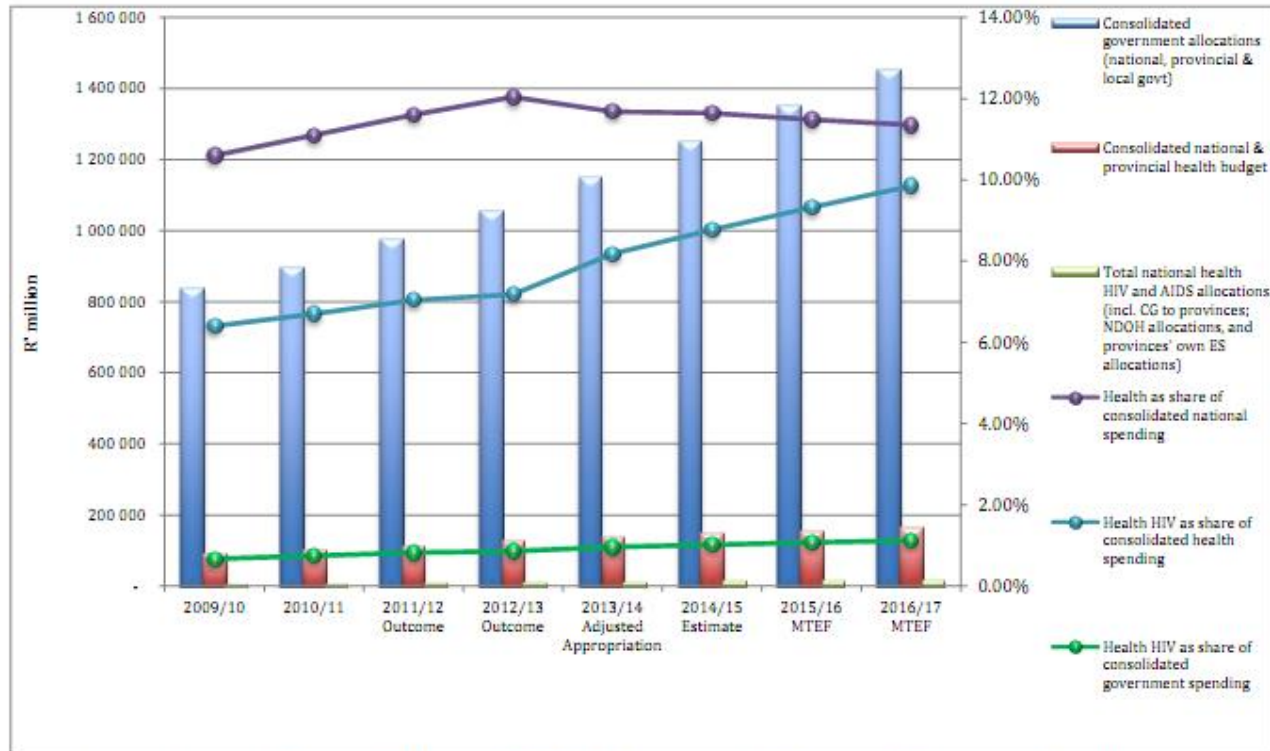
¹ National Treasury, 2014 Budget Speech by Finance Minister Pravin Gordhan, 26 Feb 2014

Health budget

2014/15 to 2016/17

- Health budget **↑ by 2.2%** in real terms
- Of this, R43.5 billion budgeted for HIV
 - Includes HIV/AIDS Conditional Grant and provinces' equitable share
 - **↑ by 6.1%** from 41 billion in 2009/10 to 2013/14

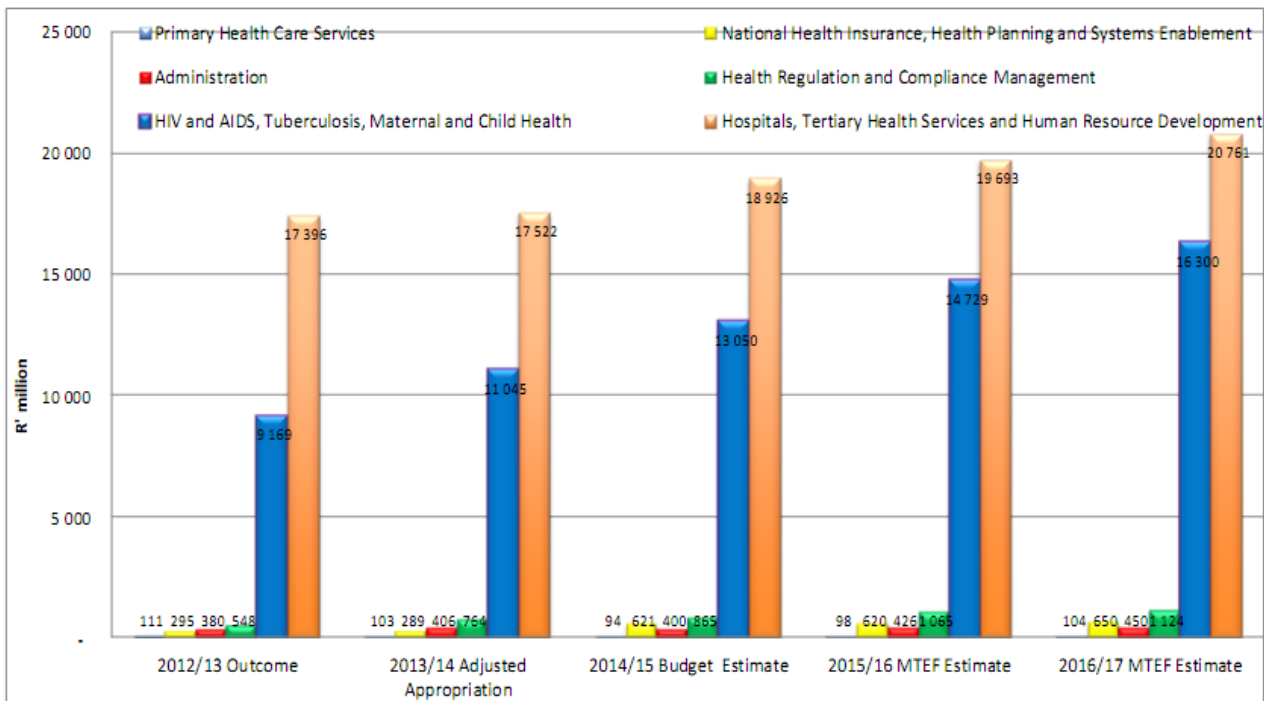
Comparison of total, health, and HIV budgets 2009/10 to 2016/17



Source: National Treasury (2010/11 – 2014/15 documents): Estimates of Provincial Expenditure; Estimates of National Expenditure; Budget Reviews. Author's calculations.

- Health 10-12% of total government expenditure
- HIV now 9% of total health expenditure, 1.1% of total government expenditure

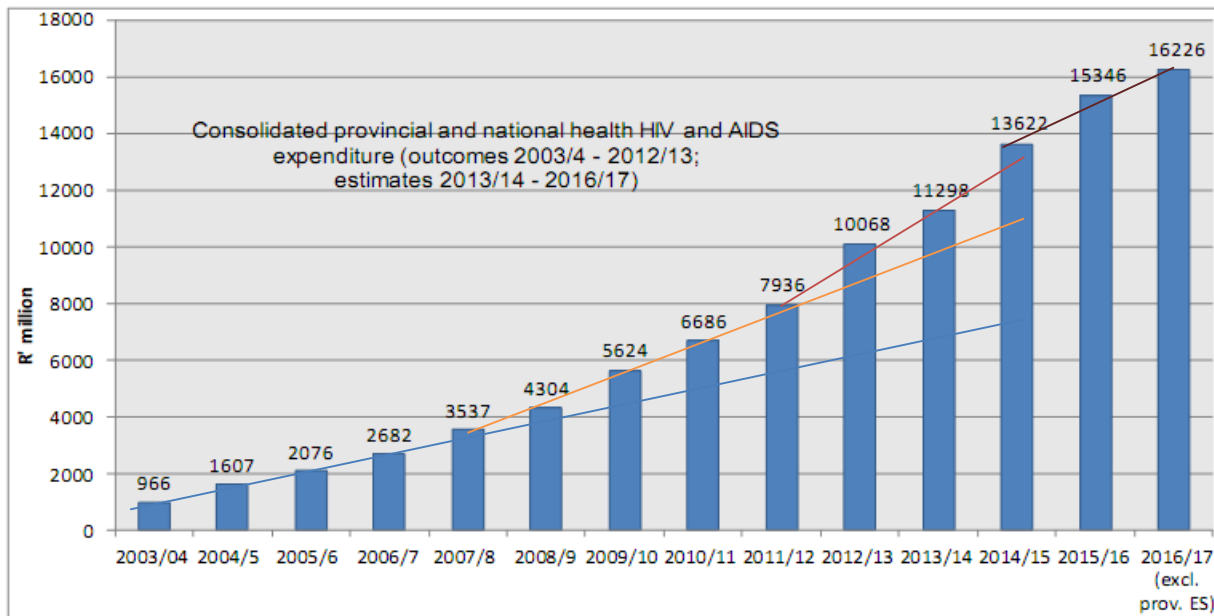
Health budget 2014/15 to 2016/17



Source: National Treasury (2014/15): Estimates of National Expenditure; Budget Reviews. Author's calculations.

- 62% to 53% for hospitals, tertiary services and HR development
- 33% to 41% for HIV/AIDS, TB and maternal and child health

HIV budget and planned expenditure 2003/04 to 2016/17

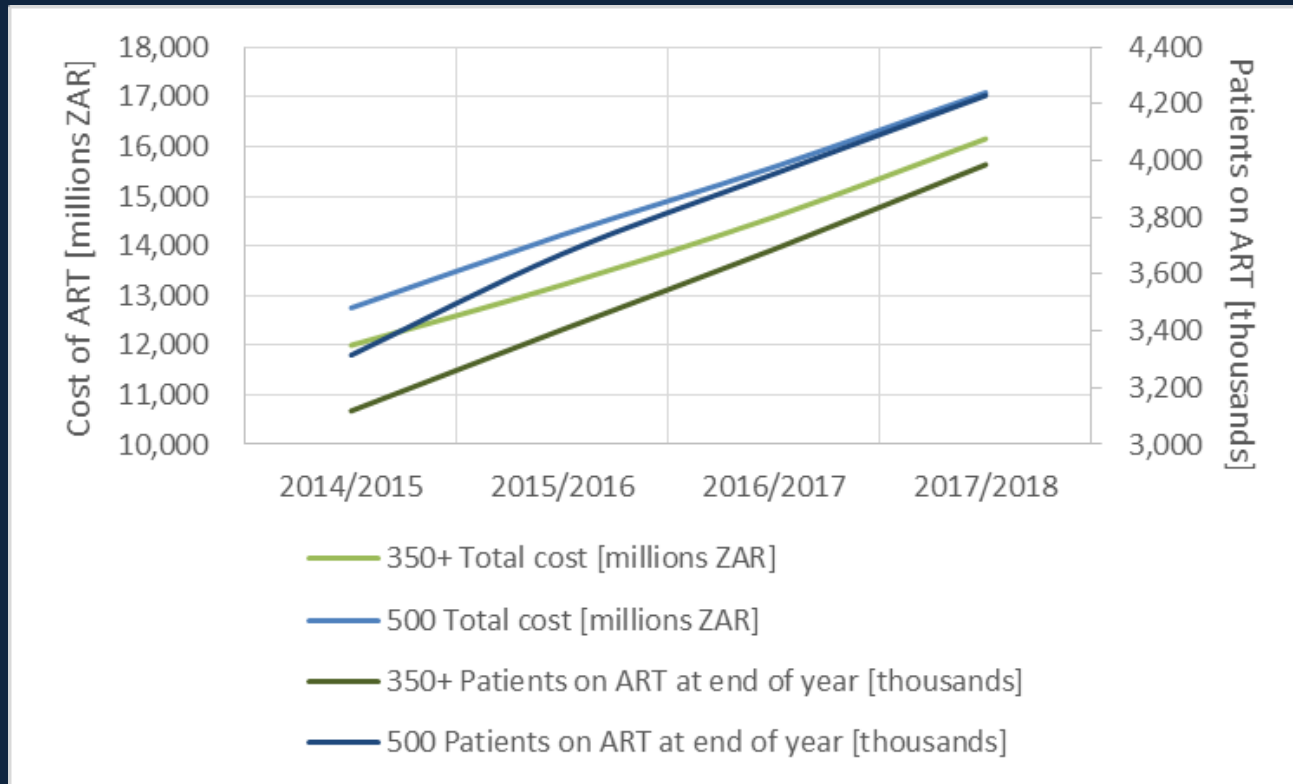


Sources: National Treasury (2004/5 – 2014/15 documents): Estimates of Provincial Expenditure; Estimates of National Expenditure; Medium Term Budget Policy Statements; Budget Reviews; Division of Revenue Bills/Acts.

- 1300% growth in allocations to HIV over the last decade
- Annual growth in nominal allocations 15% on average

Cost

Results of National ART Cost Model (NACM)



- Growth in total cost of programme is dictated by prevalence, not eligibility
- ART cost absorbs 54-60% of planned HIV budget, depending on eligibility

So- can we afford it?

- We are not “we”; we calculate cost or analyse budgets, but government decides on affordability
- ART is costly, despite massive reductions in drug and operational cost
- Since ~2009/10, HIV budgets have grown in accordance to need – without bankrupting the country
- Increases in eligibility increase cost marginally; prevalence and incidence drive total ART cost much more
- Increasing eligibility isn't the next frontier. Fixing the health system is

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