



REPUBLIC OF NAMIBIA

KEYNOTE ADDRESS

BY

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MINISTER OF HEALTH AND SOCIAL SERVICES*

At the

**OFFICIAL OPENING OF THE ANNUAL NAMAF
CONFERENCE**

Windhoek, 23 September 2009

Programme Director, Mr. Gabriel Mbapaha, CEO of NAMAF
The NAMAF President, Mr. Gert Grobler,
The NAMAF Vice-President, Mr. J. Kafidi,
Members of the NAMAF Management Committee,
The WHO Country Representative, Dr. Magda Robalo,
Distinguished Invited Local, Regional and International Speakers,
Trustees, Principal Officers and Administrators of All Medical Aid
Funds,
Health Professionals and Stakeholders,
Invited Guests,
Distinguished Delegates,
Members of the Media,
Ladies and Gentlemen,

The theme of this conference: ***“AFFORDABILITY, ACCESSIBILITY
& QUALITY OF HEALTHCARE: QUEST FOR THE MISSING
LINK”*** is relevant, poignant and timely.

The aim of this conference, *“to assemble all key stakeholders in the
healthcare industry with a view to consult and exchange ideas and
experiences as part of collaboration towards the common goal of accessible,
affordable, sustainable and quality healthcare for all”* is pragmatic and
could not have come at a more appropriate time.

I believe we need more frequent, open and intensive discussions on health matters between all stakeholders, including Patients, Service Providers, Funders and Government. Our aim must be to ensure the overall sustainability of our national healthcare system.

While we understand that the private sector is in the business of making profit, I believe we can equally expect a strong contribution to the promotion, maintenance, preservation and restoration of health and well-being of our people from this sector. Such partnerships should be based on a win-win outcome for both the public and the private sectors and enhance the health and prosperity of all Namibians.

I am delighted to address this auspicious occasion tonight. There is no doubt in my mind that the Medical Aid Fund Industry is in need of transformation in order to reflect the reality of Namibia and be responsive to the needs of both its members and the public at large.

The affordability of Health care services has become an increasingly central issue for people and Governments in all parts of the world.

In many countries, including Namibia, financial barriers exclude poor people from accessing much needed health care services and many times they are impoverished due to out-of pocket payments for health care.

As the theme of this conference rightly implies, the provision of affordable, accessible and quality healthcare is very complex. Challenges are many and the obstacles are diverse. Not only in Namibia, but my fellow distinguished speakers from other parts of the world will agree with me, that it is rather so worldwide.

We need to be asking three important questions about our health care financing systems in Namibia: how do we raise sufficient funds for health services? How do we pool the funds and spread the financial risks associated with paying for care? And how do we use the available funds to purchase and provide the best quality health services?

Programme Director, Ladies and Gentlemen,

In terms of our Namibia Vision 2030 and National Development Plan III (NDP3), we continue to be guided by our health principles, which are equity of services, accessibility, affordability, sustainability, inter-sectoral collaboration and community involvement and greater citizen participation.

Many milestones on the journey towards quality and sustainable healthcare for all were achieved in the past 19 years. Just to illustrate some of these achievements in terms of Government of Namibia' contributions to the health sector financing, I can tell you that for the 2006/2007 fiscal year, our Total Health Expenditure (THE) as a percentage of the Gross Domestic Product (GDP) was 8.3%, second highest in the region, after South Africa. The healthcare expenditure represented 12.2% of the overall government expenditure (only 2.8% short of the 15% agreed in the Abuja declaration), with a per capita expenditure on healthcare of

N\$ 1959.00. The public health expenditure grew from N\$ 972 million in 2002 to N\$ 1.5 billion.

However, Namibia continues to face a growing disease burden and significant inequalities in the distribution of outcome-based healthcare. Only 5% of the population are members of private medical aid funds, a further 10% are members of the Public Service Employee Medical Aid Scheme (PSEMAS), leaving the remaining 85% of the Namibian population dependent on the already overstretched public healthcare system.

Furthermore, net risk claims incurred by private Medical Aid Funds amounted to N\$ 905.5 million, while gross contributions received over the same period was N\$ 1 billion. Of the total private healthcare expenditure, 3.4% was attributed to the Social Security Commission, 38.8% to PSEMAS, 46.4% to Medical Aid Funds and 11.4% to individual insurance or *out-of-pocket* payments.

Programme Director, Ladies and Gentlemen,

It is alarming to note that 5% of the population is responsible for 46.4% of overall private healthcare expenditure. Since I last spoke at your conference in 2005, the percentage of Namibians with access to private healthcare remains static at 15%, including PSEMAS and 5% excluding PSEMAS.

The question is thus not the availability of resources, but how and where the available resources are spent. With the expertise, intellect and resources at your disposal, the challenge to the Private Medical Aid Funding industry is to reach out to a larger constituency of the employed and entice them to membership with greater innovativeness.

Every Namibian that is gainfully employed should be able to have access to Medical Aid cover. As an industry, you cannot be content with your current membership.

Similarly, it can not be in our interest to maintain aspects of *cherry-picking* or *cream skimming*, where those with higher risks get priced out of access to Private Medical Aid coverage. We need benefit designs and packages that appeal to all our employees and share risks across the spectrum.

Healthcare practitioners too have a huge responsibility to ensure that healthcare is affordable on a sustained basis. In valuing your professional services, you need to be cognizant of the socio-economic realities.

Programme Director, Ladies and Gentlemen,

One of the most imminent factors challenging the sustainability of the system is the impact of HIV/AIDS. I am reliably informed that the private sector may be one of the main drivers of resistance to Anti Retroviral (ARV) treatment as members whose benefits are depleted during the course of the year are dumped on the public health sector just to be re-admitted again the next year when such benefits are renewed. For such instances, there is greater need for

the synchronisation of treatment regimens between the private and the public sectors.

You will also agree with me that the availability of statistical data is very important in identifying and monitoring disease patterns, planning for interventions to mitigate disease prevalence and evaluating whether desired outcomes are achieved. The sharing of such data is imperative and I would like to encourage the private sector to strengthen its collaboration with the Ministry of Health and Social Services, in order to achieve this goal.

The provision of affordable, accessible and quality healthcare is a constitutional right of every Namibian. The private health sector has an important and meaningful role to play in joining hands with Government and the Ministry of Health and Social Services, in particular, to fulfil the government's constitutional mandates, eliminate abuse and wastage of resources allocated for the provision of quality healthcare and ensuring a rewarding environment that will attract and retain access to the best healthcare expertise and *state-of-the art* facilities.

Programme Director, Ladies and Gentlemen,

There is no doubt that NAMAF, which has been established in terms of the Medical Aid Funds Act (No. 23 of 1995) to control, promote, encourage and coordinate the establishment, development and functioning of Medical Aid Funds in Namibia, has a very significant role to play in this complex scheme of things. I therefore welcome your initiative regarding the organisation of this important conference.

Programme Director, Ladies and Gentlemen,

I recall that in 2005, when I was the keynote speaker at your conference, I expressed my sincere wish that the Medical Aid Funding industry will complement the Government efforts of training and retention of healthcare professionals, especially the previously disadvantaged Namibians. It is indeed encouraging to note that some of your members have since responded to the call and are now active in providing financial assistance for the training of Namibians as healthcare professionals.

To defeat the challenges facing our healthcare system, we need a dedicated body of healthcare professionals, both in the public and the private sector, who are committed to serving our people and making a real difference.

I wish to acknowledge that this annual Conference organised by NAMAF has become an important feature on the Namibian healthcare calendar.

I believe that NAMAF shares Government's concerns about the challenges that affordability and accessibility of healthcare present to the Namibian people. Your capacity to bring such a variety of stakeholders together for intense discussions and reflections on healthcare in the country is indeed commendable.

In a democratic and tolerant country such as Namibia, constructive and healthy debate is inevitable. I believe that over the next two days, delegates will deliberate on finding the missing link in the provision of affordable, accessible, quality healthcare.

The Ministry is looking forward to receiving recommendations emanating from this prestigious conference.

Programme Director, Ladies and Gentlemen,

It is now my singular honour to declare the 2009 Annual Namibian Association of Medical Aid Funds (NAMAF) Conference officially open.

I thank you.