An excerpt from:
Better Health & Social Care: How are Co-ops & Mutuals Boosting Innovation & Access Worldwide?
An International survey of co-ops and mutuals at work in the health and social care sector (CMHSC14)
Volume 2: National Cases

For the research framework, the analysis of the national cases, and other research components, including a description of the research team members, refer to Volume 1: Report.

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SOUTH AFRICA[1]

2014

HEALTH SYSTEM[2]

Health care in South Africa varies from the most basic primary health care, offered free by the State, to highly specialized, high-tech health services available in the both the public and private sector.

However, the public sector is stretched and under-resourced in places. While the state contributes about 40% of all health expenditure, the public health sector is under pressure to deliver services to about 80% of the population. The private sector, on the other hand, is run largely on commercial lines and caters to middle- and high-income earners who tend to be members of medical schemes. It also attracts most of the country's health professionals.

This 2-tiered system is inequitable and inaccessible to a large portion of South Africans. Moreover, institutions in the public sector suffer from poor management, underfunding, and deteriorating infrastructure. While access has improved, the quality of health care has fallen. The situation is compounded by public health challenges, including the burden of diseases such as HIV and tuberculosis (TB), and a shortage of key medical personnel.

The South African government is responding to this situation with a far-reaching plan to revitalize and restructure the country's health care system:

- Fast-track the implementation of a National Health Insurance scheme,[3] which eventually will cover all South Africans.
- Strengthen programmes against HIV and TB, non-communicable diseases, as well as injury and violence.
- Improve human resource management at State hospitals and strengthen coordination between the public and private health sector.
- Deploy health teams to communities and schools.
- Regulate costs to make health care affordable to all.
- Increase life expectancy from 56.5 years in 2009 to 58.5 years in 2014.

Population (in thousands): 52,386

Population median age (years): 25.7

Population under 15 (%): 29.53

Population over 60 (%): 8.44

Total expenditure on health as a % of Gross Domestic Product: 8.8

General government expenditure on health as a % of total government expenditure: 12.9

Private expenditure on health as a % of total expenditure: 52.1

TYPES OF HEALTH & SOCIAL CARE COOPERATIVE

Three types of cooperative were identified and studied: 1) Health Cooperative - a cooperative whose business goals are primarily or solely concerned with health care; 2) Social care cooperative - cooperatives whose original and current sole function is to provide social care services to users, i.e., persons in need of that care. 3) Multipurpose Cooperative – which provides both health services and social care services.

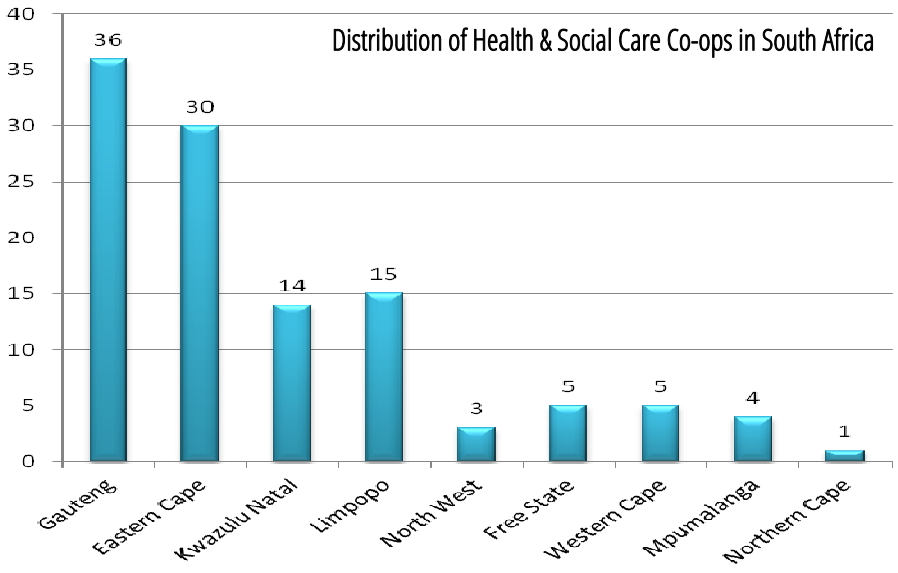
Of these three types, we have identified 113 health cooperatives and social care cooperatives in South Africa. (See Table at right, and the graphic presentation on the next page.)

Distribution of Health & Social Care Co-ops in South Africa

Province	Number of co-ops	% of total
Gauteng	36	31.9
Eastern Cape	30	26.5
Kwazulu Natal	14	12.4
Limpopo	15	13.3
North West	3	2.7
Free State	5	4.4
Western Cape	5	4.4
Mpumalanga	4	3.5
Northern Cape	1	0.9
Total Co-ops	113	100.0

HEALTH COOPERATIVES

At least 70 of the 113 cooperatives identified under this survey are health cooperatives. These cooperatives provide services like illness/accident prevention, wellness and health promotion, and treatment and cure. Within this group, detailed information is available for three cooperatives located in Limpopo. Sources of revenue for these three cooperatives are consultation fees, sales of health products, consortium funding, loans from the land bank, and grants from the Department of Rural Development and Land Reform, etc.



Health Cooperatives (in Limpopo)

Name of cooperative	Type	Number of members	Number of customers	Product/Service	Employees	Annual turnover (2013)
Sedikong Organic Farming	MS	15		Medicinal Plant		$2,813 USD (30,000.00 ZAR)
NTL Baraka Eco Farming & Tourism	MS	6		Medicinal Plant	27	$23,466 USD (250,000 ZAR)
Dibolane Cooperative	MS	18	1,836	Advice and cure	18	$18,773 USD (200,000 ZAR)

Case Study

The **South African Medical Care Co-operative** (SAMCC)[4] was formed after two significant events in 1995.

From 1992 to 1995, various groups across the country organized themselves into Independent Practitioners Associations (IPAs). For the most part these were isolated groups working independently with many functions and much duplication of effort. There was an attempt to create a National Association of IPAs, which included the Orange Free State, Pretoria, the Eastern Transvaal, and parts of the Western Transvaal.

In 1995, Dr. Morgan Chetty, saw the need to unite the existing IPAs. With the sponsorship of Adcock Ingram (a leading South African pharmaceutical manufacturer), and using their infrastructure, Dr. Chetty convened a meeting of some 75 leaders from most parts of the country. At this meeting, a steering committee was formed to discuss the need for a national body.

At a second meeting later that year, a national body was established and Dr. Dennis Dyer and Dr. Morgan Chetty were elected chair and deputy chair. It was decided that SAMCC members would be groups of doctors organized as IPAs. The expertise and resources within these groups would be utilized for the good of the whole group. The integrity and autonomy of each region would be respected.

The organization has developed over the years. In response to changes in the private sector demanding a national solution to health care issues, SAMCC has been more conspicuously branded and its central structure strengthened. The SAMCC is proudly representative of modern South Africa. It is a registered cooperative with a voluntary membership of 3,500 doctors, and is part of a national network of general practitioners which is fully BBBEE (Broad Based Black Economic Empowerment) compliant. Of its members, more than 60% are Historically Disadvantaged Individuals.

It is SAMCC's vision is to be South Africa's premier BBBEE general practitioner organization involved in network management, health care solutions, and investments. Its mission is to deploy all the strategies necessary to create:

- a truly representative national footprint of accredited general practitioners.

- the operational capacity necessary to provide quality, affordable, accessible, appropriate, sustainable health care to as many people in South Africa as possible by engaging stakeholders in both public and private sectors.
- value-adding BBBEE business initiatives.
- better conditions for the health care consumer and general practitioner.

To achieve this vision and mission, SAMCC recognizes three key elements:

- **The Health Care Provider**. As coordinators, general practitioners are the crucial element in containing downstream healthcare costs. SAMCC will work with all interested parties to ensure that GPs are integral to Primary Health Care delivery, to Public Private Partnerships (PPPs), and to private ventures.
- **The Healthcare Consumer**. SAMCC fully supports consumerism in medicine at the level of the patient as well as that of the caregiver.
- **National and Regional Health Care Policy**. SAMCC is fully competent to service government contracts and subscribes to the philosophy of the Health Charter,[5] PPPs, BBBEE, and the Low-Income Medical Scheme.[6]

SOCIAL CARE COOPERATIVES

We found two kinds of social care cooperative in South Africa: Multistakeholder and Producer. They number in total approximately 43. Their fields of activity are services to elderly persons, fitness associated to care and health, massage, home-based care, and assistance to people living with disabling diseases, etc.

SOURCES

[1] A more detailed version of this case is available upon request. For more information on Health cooperatives in South Africa, contact: Ursula Titus, Tessera Development Solutions, Tel: +27 82 7788674 Email: ursula.c.titus@gmail.com Skype: ursula_sa.

[2] The next section has been drawn from SouthAfrica.info. 2014. "Health care in South Africa." Retrieved August 19, 2014 (http://www.southafrica.info/about/health/health.htm#.U_Ov-GNOvoI).

[3] NHI is a 10-point plan to improve service provision and health care delivery. It includes major investments in health facilities (nursing colleges and tertiary hospitals) as well as stricter regulation. The NHI is to be phased in over 14 years, commencing 2012. In 2012/13, the government earmarked $94m USD (1b ZAR) to its pilot projects. (SouthAfrica.info 2014.)

[4] SAMCC South African Medical Care Co-operative. 2014. Website. Retrieved August 19, 2014 (http://www.samcc.co.za/).

[5] In 2005, a Health Charter was drafted for purposes of "improving access to and quality of healthcare in the country, as well as raising black economic empowerment in the sector." See Modisane, Tumelo. 2005. "Charter to improve healthcare." *SouthAfrica.info*, July 12. Retrieved August 27, 2014 (http://www.southafrica.info/about/health/health-charter-120705.htm#.U_4VBmMQM1I).

[6] The Low-Income Medical Scheme (LIMS) was developed to deliver low-cost medical care to employees who previously could not afford coverage. "So far, finding the correct balance between the cost of LIMS for employers and the amount of benefits offered by providers has proven difficult, due mainly to the increasing costs of medical care and the lack of young, healthy employees to balance out the benefits." Oxford Business Group. 2008. *The Report: South Africa 2008*. South Africa Department of Trade and Industry. P. 165.