

# Editorial

## Personal View

### The crisis in public health care and academic medicine — proposal for a radical restructuring

The present crisis in health care provision was an inevitable problem awaiting the first democratic government that came into office. Indeed it was naïve of activists and policy-makers not to have anticipated it. A situation in which the bulk of health resources was directed towards the minority of the population could not last forever — once the government of the day undertook to deliver health care to the entire population, especially the most disadvantaged, either the size of the fiscal cake had to increase dramatically, or something else had to give way.

The challenge facing the Department of Health is to cut spending while maintaining the quality and quantity of health care, particularly to the neediest communities. The biggest practical problem, however, is how to reduce this expenditure, most of which is allocated to salaries. In order to reduce expenditure on salaries the number of posts will have to be reduced; the only way to maintain existing services while simultaneously reducing the number of posts is to improve productivity per staff member. The present unpopular policy adopted by the provincial administrations, namely the unilateral cutting of overtime payments across the board in various disciplines, is clearly flawed. The adverse effects of this approach may not be visible in the short term, but the detrimental effect on the education and training of undergraduates and postgraduates, and the future development of medical specialties, will be felt by future generations. Furthermore, the net effect of this is that the most industrious members of staff will be the first to become frustrated and leave the service for greener pastures. They will also be the ones who are more marketable and therefore better equipped to survive the harsh competition in the private sector and in foreign countries. Those who have always been sheltered in the public sector will remain. As a result the standard of public service will fall even further.

Within each stratum of doctors there is a range of professionals, including the few who are excellent, most who are average, and some who are simply awaiting their retirement packages. How does the State retain those who are productive while encouraging those who are not to increase their productivity? Innovative means need to be found to bypass this impasse.

I believe that, for a start, the State should cancel all permanent appointments and fixed salary scales. Each professional should have an individual contract with the State. Remuneration should be based upon the individual's experience, qualifications, past performance, and proposed job description, and the duration of the contract should coincide with the funding and budgetary cycle, typically 3 - 5 years. After this period the contract may be renewed, renegotiated or allowed to lapse depending on performance during the contractual period. Contracts should be designed to accord with the needs of the Health Department, for example posts in needier areas or needier specialties could provide higher salary packages. The State should also decide in advance what after-hours services it requires, and budget accordingly.

This form of performance-related pay would improve productivity. It would prevent senior members of staff getting juniors to perform their duties as job descriptions would be clear, and doctors would know exactly what their financial packages were going to be with or without overtime. If the State was unhappy with the services of a particular doctor, it need not renew the contract on expiry. Those seeking to teach or whose services are sought by medical schools should negotiate contracts with these institutions. This would avoid some of the problems encountered by academic staff working under joint agreements in certain academic centres.

According to the proposed system all doctors would essentially be in private practice, offering their expertise and services to the State and universities. A performance-related system makes it possible to avoid overspending, and allows the State to reward productive and committed professionals, while enticing others to better performance.

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