

# 11

## Financial Implications

This section estimates the costs of providing the following key interventions outlined in the NSP:

- Life skills interventions in the education sector
- Behavioural change programmes
- Condom provision
- Programmatic interventions to strengthen STI management
- Post exposure prophylaxis for survivors of sexual assault
- Post exposure prophylaxis for occupational exposure
- Increasing uptake of HIV-testing (VCT)
- Comprehensive care and support including antiretroviral treatment, community and home based care and food support for HIV-infected adults and children
- Prevention of mother-to-child transmission of HIV
- HIV-testing for infants
- Policy for orphans and vulnerable children

Estimates of annual and total costs have been based on targets contained in the NSP regarding the coverage of each intervention or programme together with the associated unit costs. While costing covers many of the key programmatic areas, some areas have been omitted because costing can only be done once detailed Operational Plans have been finalized. These areas include the creation of an enabling social, political and regulatory environment and the creation of information systems for monitoring and evaluation. Similarly, the costs of a variety of grants such as the proposed chronic care grant and grants covering social protection for children. Costs will need to be assessed once policy has been finalized. Finally, it will be important to consider the resources required to address the needs of disabled and other special needs groups.

The key driver of costs is adult antiretroviral treatment, at approximately 40% of the total cost. The second-most expensive programme (7% of the total) relates to the support of orphans and vulnerable children thus emphasizing the importance of safeguarding families through delaying maternal and paternal mortality.

**The cost implications of the NSP are large, in some options exceeding 20% of the health budget without considering the costs arising from the effect of the epidemic on hospital and primary care services. In attempting to increase the feasibility of this plan, some of the key considerations are:**

- Extending prevention programmes and getting them to work is critical to reduce long-term morbidity and costs. A simple example is PMTCT. If this programme was functioning properly, it would radically reduce paediatric AIDS cases.
- Innovative financing arrangements such as partnerships with the key donors (Global Fund to Fight AIDS, TB and malaria and PEPFAR) as well as partnerships with the private health sector, business and a range of other stakeholders is crucial.
- Attention should be placed on increasing the affordability of medicines.
- To enhance efficiency, attention must be given to strengthening the primary health care infrastructure so that the location of care can be shifted out of hospitals into quality primary health care services, especially at the community health centre level. This will also improve the accessibility of the service to patients.
- Improved monitoring and evaluation is essential to show value for money for the large amount of resources being allocated to the programme. In addition, weaknesses in existing monitoring and evaluation systems makes it very difficult to adequately cost the NSP because of uncertainty around baseline performance and outputs.

Attention needs to be given to programmes to improve adherence to treatment; poor compliance and associated rapid development of resistant strains would lead to increasing reliance on more expensive lines of treatment.

#### **Total Costs**

*Table 3* and *Table 4* outline the costs of the key interventions contained in this report, grouped according to priority areas (e.g. prevention), goals (e.g. reduce HIV transmission) and interventions (e.g. post-exposure prophylaxis) contained in the NSP.

In *Table 3*, low cost scenarios are summarized, with the key difference relating to the assumption of only 60% of new AIDS cases receiving ART by 2011. In *Table 4*, high cost scenarios are summarized, where 80% of new AIDS cases receive ART by 2011.

When considering these costs, the following points should be borne in mind:

- Home-based care and ART treatment will avert the inpatient care costs that would have been incurred for patients in the absence of these interventions.
- Some estimates need to be revised once Operational Plans have been developed.
- Costs relating to the creation of an enabling political, social and regulatory environment and monitoring and evaluation systems have not been included.
- During the Operational Plan, it will also be important to pay attention to the needs of disabled and other special needs groups.

The key driver of costs is adult antiretroviral treatment, at approximately 40% of the total cost. The second-most expensive programme (7% of the total) relates to the support of orphans and vulnerable children thus emphasizing the importance of safeguarding families through delaying maternal and paternal mortality.

Table 3: Summarized total costs for the low-cost scenarios (million Rands, 2005/06 prices)

Priority area	Goal	intervention	Year					% Total
			2007	2008	2009	2010	2011	
Prevention			643	792	951	1,098	1,247	12%
	<b>Reduce sexual transmission</b>		<b>642</b>	<b>790</b>	<b>949</b>	<b>1,097</b>	<b>1,245</b>	<b>12%</b>
		Behavioural change interventions	300	400	500	600	700	6%
		Condom provision	145	152	172	180	180	2%
		Life skills	158	168	177	186	185	2%
		PEP for sexual assault	10	10	11	11	12	0%
		STI management	30	60	90	120	150	1%
	<b>Reduce transmission through occupational exposure</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0%</b>
		PEP for occupational exposure	1	1	1	1	1	0%
Care, support and health system strengthening			4,042	5,612	6,960	8,474	10,012	88%
	<b>Scale-up access to VCT</b>		<b>260</b>	<b>420</b>	<b>423</b>	<b>426</b>	<b>428</b>	<b>5%</b>
		HIV testing	260	420	423	426	428	5%
	<b>Maintain health of HIV-infected adults</b>		<b>2,495</b>	<b>3,365</b>	<b>4,250</b>	<b>5,301</b>	<b>6,360</b>	<b>55%</b>
		Antiretroviral treatment for adults	1,588	2,296	3,115	4,036	5,014	40%
		Food support for adults	521	586	652	782	912	9%
		Home and Community Based Care	386	483	483	483	435	6%
	<b>Address the special needs of mothers and children</b>		<b>1,007</b>	<b>1,267</b>	<b>1,447</b>	<b>1,627</b>	<b>1,823</b>	<b>18%</b>
		Antiretroviral treatment for children	245	359	488	635	791	6%
		OVC	452	561	589	618	649	7%
		PMTCT dual therapy and infant testing	310	348	370	374	383	4%
	<b>Strengthen the health system</b>		<b>280</b>	<b>560</b>	<b>840</b>	<b>1,120</b>	<b>1,400</b>	<b>11%</b>
		Strengthen TB programme management	30	60	90	120	150	1%
		Increase CHC coverage	250	500	750	1,000	1,250	9%
<b>Grand Total</b>			<b>4,685</b>	<b>6,404</b>	<b>7,910</b>	<b>9,572</b>	<b>11,259</b>	<b>100%</b>

Table 4: Summarized total costs for the high-cost scenarios (million Rands, 2005/06 prices)

Priority area	Goal	intervention	Year					% Total
			2007	2008	2009	2010	2011	
Prevention			643	775	990	1,207	1,247	11%
	<b>Reduce sexual transmission</b>		<b>642</b>	<b>773</b>	<b>989</b>	<b>1,206</b>	<b>1,246</b>	<b>11%</b>
		Behavioural change interventions	300	400	500	600	700	6%
		Condom provision	145	135	212	289	369	3%
		Life skills	158	168	177	186	195	2%
		PEP for sexual assault	10	10	11	11	12	0%
		STI management	30	60	90	120	150	1%
	<b>Reduce transmission through occupational exposure</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0%</b>
		PEP for occupational exposure	1	1	1	1	1	0%
Care, support and health system strengthening			4,329	6,075	7,786	9,804	11,893	89%
	<b>Scale-up access to VCT</b>		<b>278</b>	<b>364</b>	<b>451</b>	<b>568</b>	<b>714</b>	<b>5%</b>
		HIV testing	278	364	451	568	714	5%
	<b>Maintain health of HIV-infected adults</b>		<b>2,724</b>	<b>3,809</b>	<b>4,926</b>	<b>6,309</b>	<b>7,714</b>	<b>57%</b>
		Antiretroviral treatment for adults	1,816	2,739	3,791	5,044	6,367	44%
		Food support for adults	521	586	652	782	912	8%
		Home and Community Based Care	386	483	483	483	435	5%
	<b>Address the special needs of mothers and children</b>		<b>1,047</b>	<b>1,343</b>	<b>1,570</b>	<b>1,808</b>	<b>2,064</b>	<b>17%</b>
		Antiretroviral treatment for children	285	434	611	816	1,032	7%
		OVC	452	561	589	618	649	6%
		PMTCT dual therapy and infant testing	310	348	370	374	383	4%
	<b>Strengthen the health system</b>		<b>280</b>	<b>560</b>	<b>840</b>	<b>1,120</b>	<b>1,400</b>	<b>9%</b>
		Strengthen TB programme management	30	60	90	120	150	1%
		Increase CHC coverage	250	500	750	1,000	1,250	8%
<b>Grand Total</b>			<b>4,972</b>	<b>6,850</b>	<b>8,777</b>	<b>11,011</b>	<b>13,320</b>	<b>100%</b>