

## **Treasury butts heads with Ramaphosa's adviser over unilateral NHI changes** BUSINESS DAY 16 NOVEMBER 2018 -

Treasury is at loggerheads with President Cyril Ramaphosa's special adviser Olive Shisana, after she apparently overturned key aspects of the draft National Health Insurance (NHI) Bill that it had specifically fought to have included.

The revised version of the bill, which she was seeking to introduce to cabinet, had reintroduced several problems that the ministers of finance and health had resolved, the Treasury said in a strongly worded letter sent to Shisana last week.

The bill is the first piece of enabling legislation for the NHI, which seeks to provide universal health coverage that is free at the point of care.

It paves the way for the establishment of a central fund that will purchase health-care services from accredited providers on behalf of the population and was released for public comment on June 21, in tandem with the Medical Schemes Amendment Bill.

### **Numerous problems**

The letter, a copy of which has been seen by Business Day, says the latest version of the NHI Bill creates a number of problems, including relegating medical schemes to a complementary role in which they can only provide cover for services not offered by NHI.

The Treasury said this was premature and would be perceived as a threat to the private sector, current medical aid users and taxpayers, opening the bill to legal challenge.

In the letter, the Treasury's then acting director-general, Ismail Momoniat, expressed concern about the changes made to the bill after the public comment period closed at the end of September. These changes were at odds with amendments agreed to by former minister of finance Nhlanhla Nene and health minister Aaron Motsoaledi in May, which he said had allowed Nene to support the publication of the bill for comment.

"However, the bill has now, without any consultation with the Treasury or minister of finance, been very substantially amended in October 2018 and the previous amendments effected to satisfy the Treasury's concerns around the intergovernmental financing system have been unilaterally removed," he wrote.

Another area of concern is the fact that more than half the functions of provincial health departments had been "unilaterally removed", without spelling out where the functions would be relocated and without consultation with the budget council, as required by the Intergovernmental Fiscal Relations Act.

Momoniat confirmed the authenticity of the letter, but said that it was "unfortunate" that it had been leaked.

"Treasury officials have been working intensively with the presidency and the department of health, and since the letter have already worked towards agreement over the large majority of issues."

Attempts to obtain comment from Shisana on Thursday were unsuccessful.

Momoniati suggested the NHI "war room" Shisana established in the presidency be reconfigured as an interministerial committee and technical committee to drive the NHI forward, given that so many government departments were involved.

The letter also says the bill failed to include an assessment of the cost implications of new measures it introduces, such as the creation of 300 contracting units for primary health-care services, and paying for health services in prisons.

"The fiscal situation has also changed significantly since the original costing and financing was presented in the white paper," says the letter.

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