

## **Cost of NHI set to more than double News 24, 24 July 2019**

The DA, which strongly opposes the government's National Health Insurance (NHI) plan, believes it can provide universal health care without pooling private and public funds as well as creating another state-owned enterprise (SOE).

"The global trend in public health is to move toward providing universal health care. It is crucial that South Africa follows suit. With an accumulative budget of more than R222bn across all provincial departments and its entities, this is a possibility for our country, but the devil is in the detail," said DA MP and spokesperson on health Siviwe Gwarube on Wednesday.

This policy was outlined at a media briefing by Gwarube, DA spokesperson on finance Geordin Hill-Lewis and deputy spokesperson on health Lindy Wilson.

Gwarube said South Africa's current two-tier health care system was unsustainable and had over the past two-and-a-half decades created an environment of insiders and outsiders - with 16% of South Africans having health care coverage and over 80% "relying on the crumbling public health system".

While committed to the principle of universal health care, the DA has been staunch opponents of the NHI.

Two weeks ago, the Cabinet approved a new version of the NHI Bill, which will soon be tabled in Parliament and referred to the portfolio committee on health.

The bill provides for the establishment of an NHI fund as a public entity reporting to the minister of health, to be governed by the Public Finance Management Act.

Health Minister Zweli Mkhize has been adamant the NHI will be implemented.

The DA's objections to the NHI include that it will nationalise health care and could possibly eradicate medical aids; its funding is not sustainable; it threatens provincial service delivery and the NHI pilot projects - into which the Department of Health has pumped R5.9bn - have failed.

"We want to state it clearly and unequivocally: The DA supports quality, universal health care for all South Africans, but we don't need to follow the NHI model - which will ultimately nationalise health care, lead to a brain drain and cripple the economy - to bring that about," Gwarube said.

### **Opposition alternative**

The DA calls their scheme Sizani, and it will allocate a universal subsidy for every eligible person in South Africa, irrespective of whether or not they are covered by the public or private health systems.

It involves:

- Every person will be able to choose whether to buy public or private sector cover with their subsidy, with rules against opportunistic movements between the two.
- The value of the subsidy will be set in relation to an affordable and comprehensive package of services available within the public health system. Within medical schemes, benefits will be standardised for the main package, while medical schemes will be allowed to offer top-up cover.
- Public services will be free at the point of service for both those who have medical aid membership and those who do not.

"Ultimately, Sizani will not kill the private health sector like the NHI. Instead, it will offer a sustainable private-public partnership that will offer comprehensive coverage for all South Africans and we would be able to do this within five to eight years," said Gwarube.

"This is mainly because we would not be creating a large SOE in the form of pooled public and private funds and we would be able to roll this out within the current budget envelope."

#### **R222bn budget across SA**

Hill-Lewis explained how the party's proposal would be funded.

"The total accumulative budget of more than R222bn across all departments and its entities will be reallocated to ensure universal health care," he said.

Furthermore, the DA proposed bringing medical tax credits into the main budget and reallocating two items from the national health department budget.

This would free up R27bn and R3.3bn, respectively.

This means taxpayers who get a tax credit from the South African Revenue Service (SARS) for belonging to a medical aid will no longer receive it.

This money will be used to cross-subsidise the universal health care plan.

When asked to explain what the standardised package of care would include and how much this would cost, Gwarube could not provide an answer.

She said it would be "completely ill-advised" for them to say how much primary health care would cost per person.

#### **How much would this cost?**

"So what we would do is put together a team of experts - a team of people who are medical experts but also people in the medical field - to say how do we price this standardised package of care.

"We believe with the current budget, which is R222bn, with the tax credit that will be fed into it, with the realignment of the programmes within the health budget, we believe we would be able to roll out universal health care," Gwarube said.

"The issue has not been money, the issue is bad policy making, the issue is ideological marrying to the establishment of a state-owned enterprise. The issue is not entirely money here. So, we are saying we will be able to rejig the system so that people can get the universal health care they need. But it doesn't necessarily need pooling of funds from public and private health care systems."

Wilson said as soon as the NHI Bill was introduced in Parliament, the DA would ask the chairperson of the portfolio committee on health, Sibongiseni Dlomo, to analyse it.

"Should the fundamental problematic elements we have highlighted still be in the bill, we will work to oppose those sections and fight for amendments in line with the Sizani universal health care plan," she said.

Wilson added the DA would work with the other opposition MPs in the committee, one each from the EFF and FF Plus, to bring about the reforms.