

## **NHI cannot be conjured from existing materials** – IOL 18 August 2019

"The system will then be driven down to the lowest common denominator - less medicine and equipment, fewer doctors and nurses, and broken buildings," writes Naushad Omar. Picture: Tracey Adams/African News Agency(ANA)

*In reference to ["Expert opinions on NHI Bill still split"](#) (Cape Argus, August 15):*

The report on the NHI pilot schemes is telling. It suggested inadequate planning, a lack of resources, inconsistent communication and a lack of co-ordination were problems limiting its success.

The war room in the Presidency should do courses in micro and public economics.

It teaches why the failed Soviet central planning system cannot be a substitute for the market and price mechanism. The job of the market and price mechanism is to plan, allocate, communicate and co-ordinate people and resources.

Second, we have the problem of moral hazard. If people receive the same benefits whether they are on medical aid or not, it is obvious they will opt out. And some will emigrate too. So the money will shrink and this new state-owned enterprise will ask for bailouts too.

Pricing will be controlled by central planners which will cause a shortage in the supply of medicine and a shortage of doctors and nurses.

The system will then be driven down to the lowest common denominator - less medicine and equipment, fewer doctors and nurses, and broken buildings. Sounds like Zimbabwe. Add to this the potent mix of cadre deployment, cadre redeployment, tenderpreneurism, AA, B-BBEE, crony capitalism and wholesale looting: you have a ginormous disaster waiting to happen. And don't forget "the cost of doing business".

Companies will be forced to retrench more workers to accommodate the extra NHI taxes. Add another 3% to our unemployment rate. The root cause of the current dysfunctional health system is not money or inequality, it is cadre deployment/redeployment. Cadres who do not order the medicine beforehand, have no clue how to go about maintaining equipment and buildings, who steal from the pharmaceutical, equipment and maintenance budgets and who are the cause of why doctors and nurses leave in droves.

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The ANC's solutions are always alchemical in nature - how to convert base metals into gold, dysfunctional cities into megacities, dysfunctional trains into bullet trains and now dysfunctional hospitals into the NHI.

The ANC's philosopher's stones to make this happen are political will, creativity, innovation and the "we must pull together" nonsense.

