

Steps in the right direction: the creation of a NHI that works

The question is not whether we can ensure that NHI is rolled out properly in our country. It is not a case of if. We have an ethical and moral imperative to make it work. It has to work! This was the impassioned opinion of Dr Phophi Ramathuba, SAMA Chair and CO-SATU Executive Committee, who spoke at the Metropolitan Health Engage Forum held in Cape Town recently.

She was one of four speakers who explored the critical areas that are vital for the rollout of a successful National Health Insurance (NHI) programme in South Africa.

As a doctor in a rural, public hospital, Dr Ramathuba is perfectly positioned to identify the strengths and shortcomings in our public health sector. She found much to praise, including the thousands of new clinics that have been established since 1994, the free healthcare for pregnant women and the largest ARV rollout in the world.

She had a caveat, however, to those who are expecting first world services in many of South Africa's hospitals. "In Limpopo, the doctors main tool is prayer," she said. "It doesn't matter if you have your fancy medical aid card in your pocket. If you are in an accident and you need specialist care, we don't have the equipment or the facilities. We will pray for you. There is nothing else we can do."

It is a warning that will cause great concern to employers. As Andee Deverell, Manager Research, Strategic Issues Management at Standard Bank pointed out in her presentation, if public healthcare is inefficient and of poor quality, the health and productivity of employees will decline as more time is spent accessing inferior healthcare. "The funding mechanisms for the NHI are still unclear," she said. "But if a mandatory payroll tax is implemented, many Standard Bank employees will not be able to afford both the NHI tax and medical insurance. In



Mark Blecher: Current system unsustainable

this environment, it is highly unlikely that Standard Bank, or any other employer, would be able to insist on compulsory medical insurance for employees without covering or heavily subsidising the cost thereof." Deverell said that her prediction was that many employees would be forced to utilise public healthcare. This would mean that the accessibility and quality of public healthcare would become of primary importance to employers. For Deverell, however, the news is not all bad. She sees the current divide between the quality of care in the public and private sectors as "an opportunity seldom presented". "We are looking at fundamental change. The re-design and reform of the healthcare landscape in South Africa is an incredible opportunity for private and public healthcare to collaborate substantively to achieve better outcomes for all."

"It is clear that it is in the best interests of employers to support universal access to quality healthcare. Doing so will facilitate sustainable economic growth and development in the country." Dr Mark Blecher, Acting Chief Director: Health and Social Development Public Finance, National Treasury, agreed with the wording in the NHI Green paper that described the current system as "unsustainable, unsustainable, destructive, very costly and

highly curative or hospital-centric". It is his contention that the transformation of health-care requires the optimum mix of financing mechanisms in South Africa if it is to be successful.

"There is a lot that needs to be done," he said. "We are not going to see the establishment of an NHI fund next year, or even the year after that. It is going to take four to five years."

"We are deepening research into effective mechanisms for tariff determination and will be issuing pilot tenders to explore what levels of pricing reductions are achievable," he explained. "We are closely co-ordinating with other social security financing developments, and examining the options offered by such mechanisms as proportional payroll taxes, a surcharge on personal income tax and a higher VAT rate."

Dr Blecher took the opportunity to reassure employers and employees that the overall tax burden would remain reasonable. "The tax mix utilised to fund NHI cannot impact negatively on economic growth, employment creation or savings," he said.

Dr Aquina Thulare, Technical Advisor: NHI for the Ministry of Health, confirmed that one of the major objectives

of NHI was to pool risks and funds "so that equity and social solidarity can be achieved".

"Most importantly," she said, addressing the concerns of Dr Ramathuba and Ms Deverell, "We are determined to strengthen the under-resourced and strained public sector. We are aware of the problems and we know we must improve the health systems' performance."

Dr Thulare confirmed that the Ministry had identified the re-engineering of primary healthcare as being of paramount importance. In agreement with the other speakers, she pointed out the imperative to move to a position of proper coordination of care, where specialists are not dealing with issues that should be handled in public clinics. The Government is looking at the Brazilian model for primary healthcare with its three-stream structure.

This includes a focus on:

- District Specialist Support Teams;
- Ward Based PHC Teams with PHC Agents; and
- School based health programmes.

She also confirmed that the Government was planning to revitalise the nursing colleges. An audit of community health works has been completed and 5000 new primary healthcare providers will be trained by the end of 2011. There are a number of services that will be reintroduced in the coming years, which Dr Thulare said would help address some of the concerns of the previous speakers. These will include health promotion, prevention and curative health services that address the health needs of school-going children, including those children who have missed the opportunity to access services such as immunisation during their pre-school years.

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