

PRIVATE PRACTICE REVIEW

In this Special Issue:

In this special issue of *Private Practice Review* we focus on the recent approval of the NHI Bill by Cabinet and its implications for the healthcare sector in South Africa. We take a look at reactions to the announcement as well as the views and analysis of several healthcare experts. A separate edition with other news items will be circulated early next week.

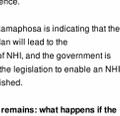
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Food for Thought

OPINION

Government is rolling the dice on everyone's health



Winston Churchill once said: "Failure to plan, is planning to fail," wrote health consultant, **Dr Johann Serfontein** in *Business Day* (2 August 2019).

Planning is, however, not a guarantee of success. The government has proved itself quite adept at drafting plans and policies to fix everything from SAA and Eskom to the ailing economy. What has proved elusive, is the capabilities to implement these plans. Now a grand plan to solve the public health system crisis has been launched with much fanfare. But it remains a plan, one that will only succeed if it can be implemented successfully.

It seems the future of the entire health system is being bet on the government being able to implement its plan and turn the public health system around, without even waiting to see if it makes any difference.

President Cyril Ramaphosa is indicating that the success of this plan will lead to the implementation of NHI, and the government is proceeding with the legislation to enable an NHI fund to be established.

"The question remains: what happens if the Presidential Health Compact fails to fix public healthcare?"

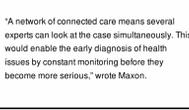
Read more on Dr Serfontein's opinion in the ATTACHMENTS:

Rolling the dice

NHI - J.Serfontein

SAPPF on NHI Bill

Healthcare needs 'radical re-imagining'



"There is an urgent need for the current public health leadership to realise that the NHI must be aimed at re-imagining and redesigning healthcare for the future as a primary basis," wrote **Chris Maxon** in *City Press* (4 August 2019).

"There is no need for creating a gulf between private and public healthcare.

"Nor is there a need to see citizens as patients and not active participants in reimagining and redesigning the care they want.

"For example, opening walk-in health posts where a person could get more than a health screening. Or opening clinics near tertiary institutions and taxi ranks so as to make it convenient for the people and reduce the cost of access.

"Anticipating future skills needs for health professionals is crucial for meeting the new demands of healthcare – for example: the shift from care in hospitals to the provision of care closer to home, to cope with elderly patients with multiple chronic conditions, such as heart disease and diabetes; the growth of new technologies, new medical appliances and diagnostic techniques, which requires technical knowledge in addition to clinical knowledge; and the expansion of e-health, which enables distant diagnostics services – and requires new ways of working.

"A network of connected care means several experts can look at the case simultaneously. This would enable the early diagnosis of health issues by constant monitoring before they become more serious," wrote Maxon.

NHI Bill: News & Comments



COMMENTS: NEWSPAPERS

City Press & Rapport, 11 August

SA's healthcare bill is 'too prescriptive'

"Under the NHI system, doctors will be given instructions regarding exactly which brand of medicine they may prescribe and when they may request tests. The NHI Bill makes provision for the drawing up of a list of medicines to be used and protocols related to when services may be offered. Doctors who do not comply, may be kicked out of the NHI system and will not be able to renew their accreditation every five years to provide services. In addition, the bill has the contentious provision that the NHI Fund itself will decide how much it will pay a service provider, and all doctors will have to go along with this," wrote **Riana de Lange**.

De Lange quoted **Dr. Johann Serfontein, senior healthcare consultant at HealthMan and SAPPF**, saying the provisions for treatment create a tremendous ethical problem for practitioners who are responsible for the effective treatment of their patients.

"Although several medical aid funds also have preferred drug lists and protocols for treatment, the doctors are not bound to them. These are funding policies, but the member of the medical aid and his or her doctor can still decide which medication they want to take, and which treatment is appropriate. Although doctors will be able to make their own treatment decisions for patients who pay privately or have medical aid, fewer people will be able to afford it when they also have to contribute to the NHI. This could leave doctors with no choice but to be an NHI-contracted doctor," said Serfontein.

BusinessLive, 12 August

A perfect example of state overreach

"Not implementing NHI will not ruin the economy and will not chase thousands of taxpayers and healthcare professionals out of the country. Not implementing it creates the opportunity to look at ways of addressing the current problems in the healthcare sector in a pragmatic way, which might lead to positive changes," wrote **Dr Johann Serfontein**, senior health consultant at HealthMan.

The funding of the bill is based on employer and employee tax, an income tax surcharge and cancellation of medical scheme tax credits. The average taxpayer could therefore expect to pay for the threefold, wrote Serfontein.

"Schemes will be allowed to offer additional services not covered by the NHI. However, elsewhere it states that if one skips the referral chain, the NHI won't cover those specialist services. If the NHI ceases to cover a service, it means your medical scheme may do so. Schemes would therefore be able to cover everything but basic primary care, in an instance where the referral chain is skipped.

If you choose to see a healthcare provider who is not contracted or accredited with the NHI, your medical scheme should be able to pay for any services, as services by such a provider will not be covered by the NHI fund at all. This will leave us in exactly the same position we are in now, except it will cost a whole lot more."

"Eight years after the plan was first officially proposed, it emerged that the government still does not know what it will cost, whether there will still be a place for private medical aid schemes or, crucially, whether patients will still have a say over which doctors they consult and which hospitals they are admitted to," wrote **Katharine Child**.

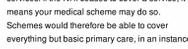
"What the National Health Insurance (NHI) Bill does say, is that the Health Minister will be given extraordinary powers to make regulations over the private and public health sector. The NHI will essentially become a state-owned entity with an annual budget that could top R450-bn.

"What we will be getting for our billions is an elephantine state-owned enterprise at least twice the size of Eskom, so centralised in structure that it will be a sitting duck for state capture and corruption.

"There is a way out of the logjam, and it doesn't require fantastical amounts of public money: for a start, improve primary healthcare, put accountable and competent staff in charge of hospitals, dump policies that deter growth, enlarge the circle of those with medical aid by expanding employment, and make proper use of our existing facilities. We are a middle-income country with many pressing demands being made on the fiscus. Let's act like one," wrote Child.

Business Day, 14 August

Stock market reacts negatively



On 14 August *Business Day* reported that JSE-listed healthcare stocks have lost about R14-bn in value in the three days of trading since the NHI Bill was tabled in parliament.

Share prices of the biggest medical aid administrators continued to fall as details of the bill drove uncertainty in the market about the future of private healthcare.

Medischeme operator AfroCentric Health was down 4.04% (R104-m) and Momentum shed 2.19% (R326.9-m).

Discovery took the biggest hit and was down 11.79% (R9-bn) at the close on Tuesday, bringing the sector down about a combined R9.44-bn. Aspen shaved off 10.2% to close at R75.91; Netcare declined 4.04% to close at R15.93; and Mediclinic fell 1.33% to close at R57.35.

Mail & Guardian, 8 August

What about PMB's and migrants?

"The changes to PMBs are one of the early signs – at least publicly – that government is moving on recommendations made by the Competition Commission as part of its four-year investigation into the spiralling costs of private healthcare ahead of government's plans to begin buying services from the sector," wrote **Laura Lopez Gonzalez**. The commission found that not only were consumers paying more for less when it came to private healthcare, but that the array of packages made it impossible for people to compare offerings between schemes. Standardising a basic option ahead of the NHI will likely cut down confusion, the commission said in its preliminary report, but would not necessarily address high costs.

Regarding migrants the Bill says that citizens, permanent residents, refugees, inmates and as yet undefined or other foreign nationals will be covered by the NHI. "However, undocumented migrants and asylum seekers – people waiting for their refugee status to be determined – will only be entitled to emergency medical care and treatment for notifiable conditions, such as tuberculosis," wrote Gonzalez. Currently, the legislation says that asylum seekers as well as undocumented migrants from Southern African Development Community (SADC) states – including Lesotho, Mozambique and Zimbabwe who need hospital care – should be treated like South African citizens at public hospitals, paying what they can, based on the standard means test.

Sunday Star, (Editorial Comment) 11 August

Time not right to realise NHI

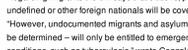
"Government is determined to roll out what appears to be an imperfect scheme on to a failing system and fund it through what it terms 'social solidarity' – a euphemism for even more tax to meet the initially estimated cost of R256-bn.

"This is a dangerous precedent for many reasons. What are the implications for other aspects of SA life where those who can, pay their taxes for the benefit of others, yet still choose private alternatives because they want to: like security, education and even housing?"

"Most of all though, with the potential implosion of Eskom looming like a perpetual pall over the entire South African economy, what does it say for a government that is never held to account for its own failures, yet is meekly allowed to keep taxing but never fixing? This may not be the right time to consider implementing the NHI."

COMMENTS: GENERAL

Critics scrutinise the NHI Bill



DA's shadow minister of health, Siviso Gwarube, believes it will "be nothing more than another state-owned enterprise that will be completely vulnerable to grand corruption at the expense of the nation's entire health system". The DA has an alternative policy, which it calls Sizani. 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.

IFP chief whip in Parliament, Narend Singh, argues the department should rather focus on improving the basics, such as dilapidated hospitals and infrastructure, broken hospital management systems, overworked and underpaid healthcare professionals, nursing and community healthcare worker vacancies, and a shortage of doctors, before implementing other legislation.

HealthMan senior consultant Dr Johann Serfontein describes the bill as "disappointing", "extremely vague" and "heading to be a major disaster".

the final nail in the coffin for cash-strapped consumers struggling to make ends meet.

The HPCSA's president, Kgosi Letlape: "If we are creating the NHI as a single fund, then there should be clear communication around the phasing out of medical schemes." He criticised the private sector as being a "mafia land" where everyone could create their own codes for procedures, resulting in a lack of uniformity.

FF Plus MP and spokesperson on health, Philip van Staden: The NHI will lead to SA healthcare professionals leaving for greener pastures abroad. The FF Plus cannot see how the NHI will save the country's health services. It will instead destroy SA's health services.

Coats's parliamentary co-ordinator, Matthew Parks: NHI remains the best vehicle to usher in universal health coverage.

The unequal distribution of health spend in SA and the deteriorating state of public healthcare necessitates the implementation of the NHI.

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During these dire economic times, the NHI tax will be



Special News

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MED BRIEF AFRICA
A news app for all medical professionals

Within 24 hours of the National Health Insurance (NHI) Bill being presented by Health Minister, Dr Zweli Mkhize, to parliament and later to the media last week Thursday, several sector leaders attending the SA Medical Association (SAMA) Conference in Durban, Friday were given the opportunity to express their views on the implementation in parliament.

In this exclusive Med Brief Africa report, brief responses and comments are given in answer to "what did you like about the Bill and what concerns you most" ...

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Read the second edition of *Private Practice Review* - August 2 - for news on government, financials, pharmaceuticals and medical schemes.

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