

NHI budget comments confuse health researchers

THE controversial National Health Insurance (NHI) scheme got more than a token mention in this year's budget, but Finance Minister Pravin Gordhan still left everyone in the dark about what implementing the system will mean in real terms. He announced that R1-billion would be allocated to the "National Health Insurance pilot projects and increasing primary healthcare visits". According to the Budget Review, the money will be a conditional grant and the pilot sites will focus on upskilling managers and improving facilities and the quality of primary healthcare. But healthcare researchers are perplexed. Daygan Eagar, researcher for Section27, a public interest law centre, and co-ordinator of the Budget Expenditure Monitoring Forum, said "he was not entirely clear on what the R1-billion was going to be used for and more detail was required. He asked the Treasury to release a clearly articulated budget plan that would outline precisely how these grants would be used and said it was still unclear how the government would fund the scheme, or even what it meant by National Health Insurance. The scheme will be phased in over 14 years, starting this year, and is expected to require about R6-billion in additional funding in 2014-2015. According to the Budget Review, its full implementation by 2025 could require public health financing to increase from the current four percent of gross domestic product to six percent. Gordhan said this could be raised by increasing value-added tax, a payroll tax on employers, a surcharge on the taxable income of individuals, or a combination of these.

But Nhlanhla Ndlovu, programme manager at the Centre for Economic Governance and AIDS in South Africa, said he doubted the viability of these proposals. He said he was not sure these options would provide the funds that were needed, adding that they would have serious implications for taxpayers and be resisted by organised labour and trade unions. Economist Alex van den Heever, chairperson of social security at the Wits Graduate School of Public and Development Management, said the concept of national health insurance had been politicised and this had fed into the budget. Although a chapter of the Budget Review was dedicated to the scheme and despite Gordhan having raised the issue in his speech, the details described strategies to provide general health services at the district level of the health system and not a move towards a National Health Insurance scheme. Van den Heever said it was disappointing and the government was misrepresenting what it was doing. This had been brought about by political pressure from the alliance partners. There was nothing in the budget documents to suggest a turnaround strategy for the way the public health system was run. Patricia Kopane, the Democratic Alliance spokesperson on health, concurred. She said although the DA welcomed the concept of National Health Insurance, it would not solve the country's healthcare problems. She asked whether there were competent people to implement these pilot projects.

Faranaaz Parker: The Mail & Guardian, 24 February 2012