

### *Delivery issues plague NHI before it even begins*

THE true viability of the National Health Insurance (NHI) scheme will be tested in the government's ability to improve the delivery of medical services to the general public. This is the evaluation, by leading analysts and healthcare administrators, of the planned implementation of NHI, which the government hopes will bring universal primary healthcare to all South African citizens. Kevin Aron, managing director of Medscheme, said that irrespective of NHI, there needed to be drastic improvement in the delivery public health services - with a specific focus on infrastructure development and human resources. He said without "better management" and "improved skills and resources", attempts to introduce NHI could prove futile. And, if it continued in this way the NHI could well be a mere pipe dream or at best a very expensive exercise for the South African government and public.

The challenges Aron refers to are readily apparent. The provincial health departments of Limpopo and Gauteng are currently under central government control after being put under administration in December. There are also many reports of hospitals failing to provide basic services to patients and failing infrastructure. Despite the disparity between what the government wishes to implement and what it is succeeding in delivering, finance remains an issue, for the state has yet to clarify funding models for the NHI. Finance Minister Pravin Gordhan is expected to address this in his 2012 Budget speech today. According to the policy paper, the government has planned for an additional R145-billion in funding for the implementation of the scheme over the next 14 years. The most obvious way to muster the necessary funding would be to increase taxes.

However, Professor Alex van den Heever of the University of Witwatersrand's school of public and development management says that bankrolling NHI is the least of the country's worries. He said that even if the government found the money to fund this scheme, it was very unlikely that it would be spent properly under current circumstances. Van den Heever said Health Minister Aaron Motsoaledi should "concentrate on the basics" and not treat the NHI as "silver bullet". He said the basis of decent public health services was good corporate governance, adding that the Minister could not only think of infrastructure development and forget about the skills utilising it. Van den Heever said the Minister was not dealing with the matters that related to the heart of running SA's health system.

The idea of the importance of capacity over cost is also shared by Gina Schoeman, senior economist at Absa Capital. Schoeman said the government - in particular the Finance Minister - was well aware of the challenges surrounding capacity to deliver. She said the treasury was well aware of this, because in the medium-term budget policy statement, it was estimated that the 25 percent rate of underspending at municipal level and 16 percent at national level was directly attributed to the lack of capacity in human resources. As such, Schoeman said capacity issues need to be immediately addressed, as it was a "problem that would not rectify itself". She added that it was not simply about getting people to spend the money but having someone to spend it wisely. Despite the challenges described by others, the Congress of South African Trade Unions, one of the main proponents of the scheme, said the NHI should be rolled out regardless. Spokesperson Patrick Craven said there were capacity issues throughout the public service but it was by no means justification for not rolling out or even delaying the implementation of NHI.

*Nickolaus Bauer: Mail & Guardian, 22 February 2012*