

Expect conditional NHI audit grant in Budget

A CONDITIONAL grant may be given in February's Budget to help fund an audit of health facilities prior to the National Health Insurance (NHI) rollout, according to a tax expert. Implementation of the new health policy is due to take place over the next 14 years, but expert from Deloitte, Ashleigh Theophanides, said this would likely start with an audit of existing facilities. She said there had been a lot of poor management at healthcare facilities, for example the number of nurses to patients was too low. She said money could be saved through a proper management system. In SA 8.3 percent of GDP is spent on healthcare, split 50-50 between private and public, but only 15 percent of people are in the private sector, so the general aim of the policy is to create more equity. There is a R121.5 billion budget for health, which is lower than the R125 billion mentioned in the green paper on NHI. That amount will grow to R225 billion in 2025. Theophanides said Treasury was now looking at these numbers in greater detail. She said that in the next few months we should get a better idea of the cost. For example, if there was saving in the public sector, there could be saving in the private sector. According to Theophanides, this year will see the introduction of a tax credit system, and the savings in the system, which will see lower salaried people paying less, did allow for lowering in the rebates. But on NHI she cautioned that SA needed "something appropriate for SA rather than taking something else and thinking it would work in an SA context". She said answers were needed for a sustainable health system. Raising VAT as a health funding model has met with resistance, but Theophanides said raising individual taxes was equally problematic due to the small tax base.

Evan Pickworth: BusinessLIVE, 26 January 2012