

SA can learn lessons from NHI in Africa

THE government's proposed National Healthcare Insurance scheme must be embraced, not just because all citizens have the right to quality healthcare, but because without implementing such a measure, SA will be left behind other major emerging African economies that have already begun introducing similar schemes. According to Olabode Olajumoke, employee benefits actuary at Aon Hewitt SA, many people mistakenly believe that SA will be the first country in Africa to consider offering some form of universal healthcare. He said this was actually not the case, as countries such as Nigeria and Kenya had already introduced some form of medical benefit to their citizens. Both these schemes were still in the early stages and while each faced its own set of challenges, it was however positive that these regions were making strides forward to address the healthcare issue. Olajumoke said given SA's larger economy and more resources at its disposal, not only was it perhaps better equipped to meet the healthcare needs of the country, but was also in a position to learn from the successes, and mistakes, already made by other countries.

Olajumoke said that in Nigeria, the government had introduced some form of NHI for basic income groups, which is expected to later be rolled out to students and then gradually other demographics. In Kenya, the government had also started rolling out a scheme to cater for the healthcare needs of the lower income bracket. Olajumoke said that both of these schemes were income means tested, which seems to be the most practical and fairest way to fund such a model. He said that while the introduction of health insurance schemes in both Nigeria and Kenya should be welcomed, the reality was that currently neither was working optimally, due in part to rising costs and inefficiencies in medical delivery. Olajumoke said the escalating cost of healthcare was one of the biggest challenges of properly funding viable medical benefits in both Africa and globally. This was often as a result of the rising cost of provider fees and importation of medical equipment and drugs. He said the South African government had already highlighted these problems and it was something that did need to be addressed in order to ensure the viability of NHI. Olajumoke said that while it was a challenge to determine how best to resolve the issue of provider fees, one positive was that SA could learn from the mistakes that had already been made by other countries and also identify what had worked to ensure that its own NHI model worked optimally from the outset. A possible initiative by the government could entail working closely with the private sector - including the top medical schemes - to upgrade the inefficient medical facilities in the country.

BusinessLIVE, 16 November 2011