

### *NHI pilot sites not able to guarantee payouts*

THE Department of Health cannot ensure that people using healthcare facilities under the National Health Insurance (NHI) pilot projects will not be left with extra financial liabilities nor that all healthcare service providers will be paid. In a written response to parliamentary questions from the Democratic Alliance, Health Minister Aaron Motsoaledi said the funding framework used for the financing of the NHI pilot projects was "neither intended to ensure that patients are not left with any out-of-pocket liabilities; nor to ensure that all providers, particularly district hospitals, are paid". Instead, he said, the focus of the pilots was to test innovations that would be necessary for the implementation of NHI, to undertake health system strengthening initiatives in identified districts as well as to provide strategic resources for supporting the pilot districts in implementing selected health service delivery interventions. Motsoaledi said service providers in the NHI pilot districts were paid from the budgeting and resource allocations provided for within the national and provincial Treasury prescript and regulations. The Department of Health, in liaison with the National Treasury, established a funding framework for the NHI pilot districts and a schedule five conditional grant allocation was made to these provinces. The 2012/13 Budget allocated R150 million for the NHI grant to test innovations necessary for implementing the NHI and to support selected pilot districts. Other conditional grants were made for nursing colleges and schools (R100m), and for hospital revitalisation programmes (R4.1 billion). Motsoaledi said one of the key interventions being tested was the ability of the districts to contract with general practitioners within their geographical boundaries. One of the objectives Motsoaledi mentioned when he announced the 10 districts in March was to examine the extent to which communities would be protected from the financial risks of accessing needed care by introducing a district mechanism of funding for health services. The pilots would also assess the utilisation patterns, costs and affordability of implementing a primary healthcare service package. Old Mutual chair in social security systems at Wits and health economist Alex van den Heever said it was unclear what was being piloted as it looked like most of the things that needed to be tested were not. He said it was not merely the funding model that they should be testing as this was not an NHI pilot but, testing of district health systems. Van den Heever said for this to be a serious pilot study, district health authorities should be given authority to allocate funding and to contract with district health providers on their own. He said they should be able to make decisions at district level without first having to go through the higher level. Van den Heever said the fact that there was no formal document on what the pilot projects aimed to achieve was of concern. The Health Department has not said when the other aspects of the NHI would be tested.

*Londiwe Buthelezi: Business Report, 28 June 2012*