

R80bn a year more needed for NHI

WERE National Health Insurance to be implemented in South Africa this year, the country would be short of R80-billion a year to pay for it. Chief director for health and social development at the Treasury, Dr Mark Blecher, said that though the government would spend R122-billion on health in this financial year, billions more would be needed to pay for NHI. The government first proposed NHI as a policy to improve all South Africans' access to high-quality free healthcare in August 2011. NHI has been described as a way to provide "financial risk protection" to people who need healthcare but cannot afford it. It is supposed to be phased in over a 14-year period and be fully functional by 2025. President Jacob Zuma, in his January 8 statement, reiterated the ANC's commitment to the scheme. But the Health Ministry has not yet detailed how the government would pay for free high quality healthcare for all. The treasury has been examining how South Africa would pay for NHI. Speaking at Wits University yesterday, Blecher said that the long-awaited white paper on financing options for the NHI had been drafted, and was expected to be released sometime this year. Proposed funding options include increasing VAT, creating a new tax paid by employers - a payroll tax - and using money from private medical aids. Blecher said increased spending by Treasury and taxpayers on health would increase scrutiny on how the Health Department spent money. In addition to working out how best to increase taxes, Treasury has been researching how to pool money spent on health by government and private medical aids into one NHI fund. Despite research conducted on NHI, Blecher said questions still remained about how it would work. These include:

- How much funding is needed?
- What sources of funding would be the most sustainable?
- Who would govern an NHI fund?
- How would the national fund work with provinces and district pools?
- How might medical schemes evolve?