

Financing plans for NHI unlikely to be in Gordhan's budget

THE Treasury's delayed discussion document on financing options for South Africa's National Health Insurance (NHI) is unlikely to be released with Finance Minister Pravin Gordhan's budget next week. The proposals are of keen interest to taxpayers and health economists alike, as employees may find themselves handing over a greater proportion of their earnings to the government to complement what is allocated directly from the fiscus. Mark Blecher, chief director for health and social development in the Treasury, told delegates to a conference at the University of the Witwatersrand last month that the NHI proposals in the government's Green Paper would require an extra R80bn to be raised over and above the health budget by the 2025-26 fiscal year. Payroll taxes, increased value-added tax or a surcharge on taxable income are possible mechanisms to raise this revenue. In last year's budget, Gordhan said a discussion document on financing mechanisms for the NHI would be released by April, but officials were subsequently given more time to broaden the scope of their analysis. Then, during the October adjustment budget, Andrew Donaldson, head of public finance in the Treasury, said the document would be released by February. On Friday, Dr Blecher told parliament's standing committee on appropriations that a 100-page document had been prepared and discussed by the Ministers of Finance and Health. It was now being discussed by their director-generals and was likely to be released "around the same time" as the White Paper on the NHI, which follows the Green Paper released in August 2011. Anban Pillay, deputy director-general for regulation and compliance in the Department of Health, said Health Minister Aaron Motsoaledi was still consulting stakeholders on the NHI White Paper. This implies it will still be some time before South Africans have the details of how the government plans to fashion the financing mechanisms.

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