

## *NHI funding options 'to be unveiled soon'*

THE Treasury's discussion document on financing options for National Health Insurance (NHI) is a year and a half late, but it is "nearly ready", according to director-general in the National Treasury, Lungisa Fuzile. The government hopes to overcome the inequities in people's access to health by introducing NHI, but exactly what form it will take in order to achieve this goal and how it will be paid for are questions it has yet to answer. Consumers and health economists are particularly keen to see the financing proposals, as it is likely that better-off individuals will pay higher taxes of some kind to supplement what the state allocates directly from the national fiscus. When Finance Minister Pravin Gordhan delivered his budget speech last year, he said a discussion document on financing mechanisms for NHI would be published by April last year, but the deadline has been repeatedly extended since then. Fuzile said during a press briefing shortly before Mr Gordhan presented his medium-term budget policy statement to parliament yesterday that part of the delay had been due to the fact that the Treasury was hoping to get perfect alignment between the broader policy paper that the Health Department had responsibility for and the one that dealt with options for financing NHI. He said the Treasury's views on financing NHI were linked to its long-term fiscal plan, which "should go through the Cabinet process once we are over this busy period". Gordhan has previously made the point that the affordability of NHI would hinge on the growth of the economy: when he delivered his budget in February he said major new policy initiatives such as NHI would be affordable with limited adjustments to tax policy only if growth rose towards five percent a year and government revenue doubled in the next 20 years. But if growth continued along its present trajectory, substantial spending commitments such as NHI would need significant adjustments in revenue, and reductions in other areas of spending. Important lessons were being learnt through NHI pilot sites, which would give the Treasury a better sense of the costs involved, he said. The Treasury's chief director for health and social development, Mark Blecher, said given the tight fiscal environment the overall health budget remained largely unchanged, but there had been "quite a bit of effort" to reprioritise funds. The statement said extra funds are to be allocated to the provinces over the next three years to enable the rollout of a new human papilloma virus vaccine, which protects women against cervical cancer. Additions to the provincial equitable share of R2.5bn in 2014-15, R4.3bn in 2015-16 and R5.1bn in 2016-17 were to be used to fund shelters for victims of abuse and the rollout of the new vaccine. The Department of Health has reduced the national health grant, which includes funds for National Health Insurance pilot projects and health facility revitalisation, in response to slow spending. The statement said the government aims to maintain staffing levels over the next three years, but this does not mean there would be a hiring freeze for health, said Blecher. Health was one of those areas where there tended to be some flexibility, he said, adding there would be a seven percent - eight percent growth in personnel next year, which was above the projected inflation rate. The statement shows the number of health employees increased by 41 percent between 2005 and this year, rising from 225 900 to 318 56 during this period.