‘No will to drive NHI’

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Johannesburg - Falling state revenue collections and warnings from the finance minister that South Africa has a very constrained package and tough choices have to be made might drive a rift between National Health Insurance (NHI) hard liners and those seeking other funding options to improve health services for more South Africans.

The keynote speaker of this year’s SA Medical Association conference, which opened at the Sandton Convention Centre on Friday, Olive Shisana, blamed the lack of political will for the lack of progress in implementing the proposed NHI.

“The political will is just not there. Nine years after the ANC Polokwane resolution to implement NHI, we still do not have the legislation to introduce NHI,” she said.

She was adamant that there was enough money in the fiscus to fund NHI, as the 8.5 percent of gross domestic product that South Africa currently spent in both the private and public sectors was more than the amount spent by some countries with universal health coverage.

She also insisted that the single payer system proposed in the White Paper released last December was the best way forward as it eliminated the current two tier health system.

However, she expressed disappointment with work done to date at the 11 NHI pilot sites, saying that funds earmarked for the pilots had been intended for funding innovative NHI systems and experimental contracting with private sector doctors. Instead, this money had been spent on routine Department of Health projects.

When challenged by doctors in the audience about the low remuneration offered to private sector doctors working in NHI clinics and the apparent schism between private sector doctors and the minister of health, she told doctors that they were key stakeholders in the NHI system and that they should “keep knocking on the door” until it was answered.

Another proposal was presented by Anthea Jeffery, the head of policy research at the Institute of Race Relations, who spoke at a media briefing hosted by the Free Market Foundation this week.

She said that the Department of Health was wrong in its analysis of the contributing factors to rising health costs, and was taking the wrong path to combat rising prices and improve health care.

“The main cost drivers are a combination of increased utilisation, the growing burden of disease, ageing populations, new medical technologies, increased labour costs, high administered prices, generally high inflation and the falling rand, not only provider greed,” she said.

“In this environment, the correct response is to permit more private hospitals and day hospitals, to allow the employment of doctors, to allow the private training of doctors, to take the necessary measures to increase both the number of doctors and the number of care facilities, in order for competition to force prices down. Supply should be expanded, not rationed.”

She said the proposed NHI scheme had flawed assumptions and should not be introduced against the backdrop of the management crisis and poor performance of public hospitals.

Don’t qualify

She said that if the NHI went ahead tomorrow, only 16 percent of the government’s health facilities would qualify for use in terms of the guidelines introduced by the Office of Health Standards Compliance, a body set up to inspect health-care institutions and to ensure they comply with strict maintenance and cleanliness standards.

“I would encourage a review of the single exit price and the prescribed minimum benefits, so as to investigate mechanisms that reduce medical scheme premiums and make medical scheme membership more affordable,” she said.

She suggested that the government should increase the affordability of medical aid cover and health insurance for the unemployed and their children by introducing state-funded health-care vouchers.

She said the current medical aid tax credit could be combined with a portion of current provincial health expenditure, for example, to yield significant amounts of annual revenue. This could be used to provide every household within this category with a voucher which could be used for health-care services.

This would allow the poor to join low-cost medical schemes. This, in turn, would give them access to private providers for their out-of-hospital needs, while they would continue to rely on the state for hospital treatment. These vouchers would also allow them to top up their cover by buying medical insurance for adverse changes in health status resulting in treatment costs not adequately covered by their medical aids.

The introduction of health-care vouchers, in combination with the other reforms proposed, would enable the country to build on its existing health care system.

Lizz Still in Personal Finance News