

## **NHI may take softer approach**

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HEALTH Minister Aaron Motsoaledi said he will present a revised version of the National Health Insurance (NHI) White Paper to a cabinet sub-committee on tomorrow. If the sub-committee approves the blueprint, it will then be considered by the Cabinet. If the Cabinet approves the plans, the legislative process to enact the policy will begin. A key aspect that will be scrutinised is the future role of SA's medical schemes and administrators. The paper proposes mandatory membership of NHI and a reduced role for medical schemes to providing only "complementary services". However, Motsoaledi signalled a potentially softer approach, saying medical schemes would continue to exist in the transition to NHI. He said eventually they will be gone, but it will be a process that takes years and in the transition, there will be consolidation. Not only should the number of medical schemes be reduced, he said, but those that continued should have fewer options so that all members received the same benefits regardless of their socioeconomic status.

The Minister was adamant that the Government Employees' Medical Scheme and other schemes restricted to public servants would cease to exist under NHI. He acknowledged that medical scheme benefits were a key part of wage negotiations with trade unions representing public servants, but declined to be drawn on how the government hoped to persuade them to relinquish these perks. In the 2015 three-year wage negotiations, trade unions secured a 28.5 percent medical scheme subsidy increase. Citing outgoing World Health Organisation director-general Margaret Chan, Motsoaledi said SA's health financing system punished the poor. The state used money that could be spent on public healthcare to provide tax breaks to members of medical schemes. It also gave generous subsidies to public servants and employees of state owned enterprises. He queried whether well-paid members of Parliament needed these perks. The government spent R26.8-billion on medical scheme subsidies and R20-billion on medical scheme tax credits in 2015, said Motsoaledi. These subsidies and tax breaks should be scrapped and the money used to provide public health services, he said.

The Minister's comments were in line with the Treasury's announcement in the February budget of the government's plan to establish an NHI Fund later in the year. The fund might be partially financed by a reduction in the tax subsidy given to medical scheme members, the Treasury said.

*By Tamar Kahn: Business Day*