

## **Health insurance will benefit all**

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The Free Market Foundation champions free market fundamentalism and the idea that the state should play an extremely limited role in the economy and pave the way for the private sector to render services, including health.

In an article published in *The Messenger*, attacking the National Health Insurance (NHI), the foundation's Johann Serfontein claims: "The overarching reasons given for the implementation of the NHI in South Africa are based on the National Development Plan, which wishes to improve quality in the public sector and reduce prices in the private sector."

This is not the only reason that there must be an NHI; there are two even more powerful reasons.

The first is the Constitution, which declares healthcare as a right for all citizens. It implores the state to ensure that this right is realised by all people, not only by those who have the financial muscle to do so. The NHI is designed to satisfy that part of the Constitution.

The second reason is that NHI is universal health coverage (UHC) for South Africa, adopted by the UN as a sustainable development goal. So, this is a developmental imperative. Who in their right mind can stand against such a powerful development of the world?

What is wrong with the system, incorporated in the National Development Plan's objectives, of reducing the cost of healthcare in the private sector? It is a noble concept, which any reasonable citizen will embrace.

The NHI is a global initiative that has been embraced by various countries, including well-known proponents of the free market system such as Britain, Canada and the US.

No matter what technical argument the foundation can advance to try to rubbish the NHI, it does not take a rocket scientist to know that private healthcare in the country is expensive and thus unaffordable to the majority.

### **Affordable healthcare**

Figures do not lie. The World Health Organisation has recommended that for countries to produce better health outcomes, they should spend at least 5% of their gross domestic product (GDP) on health.

South Africa has been declared an outlier by the World Health Organisation and the Organisation for Economic Cooperation and Development since we are already spending 8.5% of the GDP on health, which is more or less the 9% that European countries are spending.

In other countries, such as Brics – comprising Brazil, Russia, India, China and South Africa – Russia is at 4.5%, China at 4.6% and India at 4.2%. But all are producing better health outcomes than us. The simple reason for this is that out of this 8.5%, 4.4% is spent on only 16% of the population. This constitutes the population that is on medical aid.

The remaining 4.1% has to be shared by a whopping 84% of the population. With this state of gross inequality, is it surprising that the public sector, which serves this 84% of the population with meagre resources, is dogged by long queues, staff shortages and low skills levels?

People follow money. They follow resources. And because money is in the private sector, skilled people tend to go mainly to that sector.

This is what apartheid did to the black child when its proponents introduced Bantu Education in the early 1950s, whereby more than four times was spent on a white child than a black child. But the black child was blamed for underperformance.

We have a similar situation today. The system which serves 84% of the population is blamed for underperformance.

Organisations such as the Free Market Foundation say the 4.4% is private money and that the state must leave them alone. This is a myth.

The private sector is heavily subsidised by the state to the tune of R46.7bn, according to 2015 figures. If the foundation was honest in its claim that the state must not interfere in the private sector, then it must urge the state to withdraw the subsidy that excludes the majority.

In its submission, the foundation wants to project an impression that it is an authority on health and economic issues. Tragically, some in the media believe this. But there are other world experts of higher standing who differ fundamentally from the foundation's views.

For instance, in 2007 former president Nelson Mandela brought together a dozen world leaders to found the group known as The Elders, chaired by former UN secretary-general Kofi Annan, with collective experience and influence on peace, justice and human rights.

One of the contributions they made was to guide heads of state on making a case for UHC. This is their view on health: "Across the world, countries are realising that a free market in healthcare, with people buying and selling medical services like other commodities, will never enable UHC to be reached. In

such a system, only the rich will receive adequate coverage, and the poor and vulnerable will be excluded.

“This not only impacts adversely on the health and welfare of the poor, it also poses a threat to global health security as a recent Lancet review of the Ebola outbreak has demonstrated.”

With regard to the economic benefits of such coverage, the report of The Elders stated: “In September 2015, 267 eminent economists from 44 countries signed The Economists’ Declaration on UHC, which concluded that the economic returns on investing in UHC were more than 10 times the costs.”

NHI is more about making healthcare affordable to all people. Surely this cannot be wrong.

Time and again, when we want to include the poor to share in the country’s wealth, we are told how expensive it is. It is obvious that even in South Africa we have our own Donald Trumps (US president) – those who do not believe that we should make healthcare affordable and accessible to all people, regardless of their economic status.

If this was not their belief, why would anybody attack the NHI, a system geared at delivering quality healthcare to all?

What is puzzling is that labour federation Cosatu has accused the health department of allowing the NHI to be “captured” by the private sector, while the foundation is opposed to the NHI. For us, the NHI is not about political ideology. It is a mechanism to enable all South Africans to access quality healthcare. How can that be wrong?

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