

Cost of NHI set to more than double

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Parliament - The National Health Insurance continues to be at the centre of the government's spending priorities, with the National Treasury estimating that full implementation of NHI will more than double expenditure in health.

It said in its Medium Term Budget Policy Statement in Parliament on Wednesday that if there was an economic growth rate of 2.5% in 2025, spending on public health would rise to 6.8%.

Currently, the government spends 3.9% of GDP (Gross Domestic Product) on public health. But the full implementation of the NHI will boost its cost to 6.8%.

However, this was dependent on the economic growth rate.

At the moment, the economy is stagnant. The National Treasury has revised this year's growth rate from 1.7% to 0.7%. This is due to the poor performance of some sectors of the economy.

The National Treasury has forecast growth at 1.9% in 2019. This is a far cry from the target of 5% by 2019 set by the government.

When the government took office in 2009, it said it was targeting growth of 5% by the time its leaves office in 2019.

However, the economy has not grown in the past eight years, and it has shed tens of thousands of jobs.

The last time the economy grew at about 5% was in 2005.

But in the MTBPS yesterday the National Treasury spending on public health was projected to rise because of the full implementation of the NHI in the next eight years.

It said the cabinet approved the White Paper on the NHI in June.

"The White Paper estimates that full implementation of the NHI would increase public health spending from 3.9% in 2017/18 to 6.2% of GDP by 2025/26. This projection assumes a long-term economic growth rate of 3.5%," said the document.

"However, working with an assumed economic growth rate of 2.5% and the White Paper's costings, the National Treasury estimates that full implementation of the NHI will increase public health expenditure to 6.8% of GDP in 2025/26," said the MTBPS document.

When he announced the White Paper in July, Health Minister Aaron Motsoaledi broke down the costs of the full implementation of NHI.

Pre-natal care

He said R22.8 billion would be spent on pre-natal care for pregnant women. This would be over a three-year period.

He said R24.6bn would be spent on breast cancer and this would also be spread over the three-year period.

The state would also spend R4.9bn on the treatment of cervical cancer, R5bn on school health, R548million on hip and knee replacements for the elderly and R934m on cataract surgery for the elderly.

Motsoaledi had also said R5.5bn would be used to treat the mentally ill, R1bn on the treatment and rehabilitation of the disabled and R3.6bn on school cancer.

By SIYABONGA MKHWANAZI in Daily News