

NHI White Paper: Day 2

This is the second in a series of daily analysis pieces of the NHI White Paper that will be sent to SAPPF- and HealthMan Members.

Different aspects of the NHI will be analysed on a daily basis, which will help to assist providers in understanding how the NHI initiative will impact the private provider and their practice, as well as the impact on their own access to healthcare. Some broader economic impacts will also be included on occasion.

Extract from the White Paper

Transforming the health care financing system also requires changing how revenue is collected to fund healthcare services and, even more importantly, how generated funds are pooled and how quality services are purchased.

Critical Analysis

One of the main reasons provided by the Minister of Health for wanting to implement NHI, is the unequal distribution of healthcare funding in South Africa, with 4.4% of GDP being spent on 16% of South African belonging to Medical schemes, while 4.1% of GDP is spent on 84% of the population using the public sector. Even if one takes out the R22 billion tax subsidy to private individuals, 3.6% of GDP being spent on healthcare, is still

money from private individuals being used for their own private healthcare. Individuals on medical schemes are foregoing spending their contribution money on education, food or entertainment, in order to provide for their healthcare.

At no stage can the government add this funding to the general healthcare funding pot and indicate that it should be more equitably allocated.

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