

NHI White Paper: Day 13

This is the thirteenth 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

The NHI Fund in consultation with the Minister will determine its own pricing and reimbursement.

Acting as a single-payer and single purchaser, the NHI Fund will be able to reap the efficiency benefits of monopsony purchasing power and economies of scale.

Critical Analysis

If the NHI Fund Administrator along with the Minister is going to determine pricing and reimbursement in the NHI, why is a single payer model necessary to reap the benefits of Monopsony buying power?

Outside of Pharmaceutical industry, there will be no need for bulk buying power to reduce prices if these are already pre-determined by the Minister and the NHI fund.

This is most certainly an ambiguity in the Policy paper that needs to be addressed by government.

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