



## NHI Draft Bill Daily Analysis

**The NHI Draft Bill was published in Government Gazette 41725 on 21 June 2018. The South African Private Practitioners' Forum will be sharing an analysis of the Draft NHI Bill with members, highlighting issues of importance and concern.**

### NHI Draft Bill - Day 1 Excerpt from the Health Bill

#### The aim of the Draft Bill and NHI:

“...to provide mandatory prepayment health care services in the Republic in pursuance of section 27 of the Constitution; to establish a National Health Insurance Fund and to set out its powers, functions and governance structures; to provide a framework for the active purchasing of health care services by the Fund on behalf of users; to create mechanisms for the equitable, effective and efficient utilisation of the resources of the Fund to meet the health needs of users; to preclude or limit undesirable, unethical and unlawful practices in relation to the Fund and its users; and to provide for matters connected herewith.

#### In order to achieve:

- ensure financial protection from the costs of health care and provide access to health care services by consolidating public revenue in order to actively and strategically purchase health care services based on the principles of universality and social solidarity;
- create a single framework throughout the Republic for the public funding and public purchasing of health care services, medicines, health goods and health related products, and to eliminate as far as is reasonably possible the fragmentation of health care funding in South Africa;
- promote sustainable, equitable, appropriate, efficient and effective public funding for the purchasing of health care services and the procurement of medicines, health goods and health related products from service providers within the context of the national health system; and
- ensure continuity and portability of financing and services throughout the Republic”

the progressive realisation of the right of access to good quality personal health care services by South African citizens and permanent residents;

## Analysis

The specification of “consolidating public revenue in order to actively and strategically purchase health care services” as well as “create a single framework throughout the Republic for the public funding and public purchasing of health care services” , necessarily implies that the NHI fund will be publically funded.

All public funds originate from Taxes in one form or another, whether personal income tax, employer levies, company tax or VAT. There is no legal indication or precedent that current funds used for Private Healthcare can be incorporated into being considered as part of the public funding apportionment. Although Tax credits may be considered part of the public funding environment, government contributions to the private medical schemes of employees is an employment benefit and not public funding.

Private contributions by individuals or their employers to private schemes are not part of public funding and the reserves held by Medical Schemes are subsequently also not part of public funding.

The NHI Draft Bill document contains no indication of the potential costs of the system or the available funding to be used for budgeting purposes, referring merely that: “The Minister must, in consultation with the Minister of Finance, determine the budget and allocation of revenue to the Fund on an annual basis.”

There is therefore no indication as to the potential funds available to fund the initiative and the included services can subsequently not be finalised until a budget of some kind has been established.