



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 2 Excerpt from the Draft Bill

The Objective of the Act is to:

"...establish a Fund that aims to achieve sustainable and affordable universal access to health care service..."

Duties of the Fund

(d) enter into contracts with certified and accredited public and private service providers based on the health care needs of users;

(e) establish rules and mechanisms by notice in the Government Gazette for the regular, appropriate and timely payment of health care providers, health establishments and suppliers;

Analysis

Only 5 out of 696 public healthcare facilities were in compliance with the norms and standards of the Office Health Standards Compliance (OHSC) in the 2016/2017 inspection results. By extrapolation of these results, only 25 out of the 3500 Public Health Facilities would currently qualify to contract with the NHI Fund. This implies that unless the government takes serious steps to improve the quality of the public sector right now, there will not be sufficient facilities available to contract with the NHI Fund to render services to patients in the NHI.

An oversupply of services in a specific area would lead to only selective contracting of providers in said area. The remaining providers of services might be offered NHI contracts in underserved areas, such as deep rural areas.

Providers will be faced with the option of running a cash practice in their current area, or having to relocate to an alternative area to start up an NHI funded practice. Hospital buildings are not as easy to relocate and there is no indication whether hospital contracting will be managed in a similar fashion, but one can assume that areas with an over-supply of hospitals could lead to certain institutions not being approached by the NHI fund to be contracted. If quality of care is the metric for contracting, one might find public hospitals in certain areas not being contracted, with private hospitals being contracted. It is uncertain what would happen to the staff at these uncontracted public facilities.

The establishment of rules for regular timely payments is not the legal equivalent of publishing a Regulation which states that payment must happen within 30 days, as is currently the case in Regulation 6 of the Medical Schemes Act. There is thus no legal recourse for providers, should they not be paid within 30 days by the NHI Fund.

It creates some questions about the payment of staff salaries in Public facilities, in the absence of regular income. It would also imply that the Contracting Unit for Primary Healthcare situated at District Level, would need to be a legal entity which would qualify to open up a bank account for reimbursement from the NHI Fund and also to be able to reimburse staff and contracted private providers in the District. There would be a need for either an overdraft, or a government guarantee, should the costs of rendering services in the District exceed the income derived from the NHI Fund in any particular period.