NHI the right treatment for SA

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Since 1994 South Africa has invested substantial resources in healthcare services. As a result, it has made significant health gains. For example, nearly 4million people get HIV treatment and mother-to-child transmission has nearly been eliminated.

Service delivery has also been significantly expanded to more than 4000 health facilities. And there's been a large increase in the number of healthcare professionals.

But healthcare needs aren't static. For example, non-communicable diseases like diabetes and hypertension are now responsible for more deaths than HIV and TB combined.

In some instances successes have created challenges. For example, the expansion of HIV treatment has meant that there’s now a large cohort of chronic patients requiring ongoing care.

In addition, the reality of a largely youthful population requires interventions so that health gains aren't lost.

Health services in South Africa are delivered by a large public health system as well as very sophisticated (and profitable) private healthcare providers.

Funding in the public sector has declined progressively for the past six years. The result is that public health services are under increasing strain and unable to deliver adequate care to poor people, particularly those living in rural areas.

The private sector has also been under pressure. This has led to price hikes, making many medical aid schemes unaffordable. Membership numbers aren't growing, partly due to the country's very high unemployment levels - medical aid membership is linked to formal employment. The result has been even more pressure on the public sector.

Reform is clearly needed. All that's in dispute is what it should look like.

The release of the National Health Insurance (NHI) bill is the government's answer to the problem. The central plank of the plan is an NHI fund that will buy healthcare services from health professionals and deliver through both public and private facilities.

The bill has been met with a raft of criticism, included funding concerns and the fact that it won't fix the collapsing public system. But I believe that more fundamental questions need to be asked: does it address the goal of delivering universal access to healthcare? And can it do it in a way that doesn't incur catastrophic expenditure?

The answer to these two questions I believe is yes.

Breaking with the past

Despite the bill's flaws, it has two great merits. The first is that it addresses the country’s current approach to healthcare, where the quality and type of services people receive is informed more by their socioeconomic status rather than their need for care. Instead, it adopts a population-based approach.

This means that budgets would be allocated based on how many people live in an area and what their disease profiles and healthcare needs were.

If properly implemented, this approach would result in lower costs over time because diseases like diabetes and hypertension could be detected earlier and health conditions managed more efficiently.

It's second major merit is that it looks at health services through three vantage points:

1. What services are needed,

2. Who needs them, and

3. Who will deliver them.

This means that it separates who procures the health services from those who will deliver them.

A change of focus

The bill also promises to transform the way money is spent on healthcare because it's premised on separating the procurement and the provision of healthcare services.

This has two benefits.

Firstly, it will mean that health budgets are allocated more efficiently based on health needs rather than purely on use.

Secondly, it can potentially unlock significant savings through strategic procurement.

The country spends just under a half a trillion rand on public and private healthcare combined. But the funds aren't allocated and spent efficiently. For example, nearly half of the money that goes to primary care services is being spent on managing chronic HIV patients.

While spending to maintain access to HIV care is important, funds need to be allocated to dealing with non-communicable diseases which are becoming an increasingly significant public health threat.

The private sector services has its own set of problems. Chief among them is that its approach is curative - that is treating people in hospitals - rather than preventative.

The bill envisages that primary healthcare facilities will become the main point of entry for all patients.

Greater equity

There's another benefit to the proposed scheme: a more equitable spread of services.

There are currently over 4000 public health facilities that service over 80% of the population's primary healthcare needs.

In the private sector, there are close to 5000 GPs who service the healthcare needs of only 16% of the population. And most are concentrated in urban areas.

People in rural areas are therefore largely dependent on an under-resourced public sector.

At the centre of the proposed universal healthcare system is the promise that everyone will have access to healthcare where they need it without incurring vast expense.

By consolidating the health market, the bill opens the door to more equitably allocate resources. If it's successfully implemented, this approach offers a real opportunity to address the country's grossly unequal access to health services.

A marathon, not a sprint

The NHI should be seen as an opportunity to bring about much-needed healthcare reform in South Africa. But South Africans need to wake up to the fact that implementing this highly complex new system will be more like running a marathon rather than a sprint.

The final implementation of NHI is still a long way off - another two phases are planned. And the release of the bill is also only the first legislative step. Over the next four years 12 additional pieces of legislation are expected to be introduced.

South Africans should be prepared to be patient.

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