



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 3 Excerpt from the Draft Bill

Duties of the Fund:

“...5. (1) The Fund must -

(b) actively purchase and procure health care services, medicines, health goods and health related products from service providers, health establishments and suppliers that are certified and accredited in accordance with the provisions of this Act, the National Health Act, the Public Finance Management Act and any other applicable law;

(2) The Fund must perform its functions in the most cost –effective and efficient manner possible and in accordance with the values and principles enshrined in section 195 of the Constitution and the provisions of the Public Finance Management Act.

Functions of the NHI Fund:

(f) may draw, draft, accept, endorse, discount, sign and issue promissory notes, bills and other negotiable or transferable instruments, excluding share certificates;

(h) may purchase health care service, medicines, health goods and health related products that are of a reasonable quality; ”

Analysis

Theoretically, the section that states that “The Fund must perform its functions in the most cost – effective and efficient manner possible” might be an indication that private administration of the fund should, and must, be considered if it proves more cost-effective and efficient than running public administration of the fund. This might be one proviso that could end up being challenged in court by private administrators if it gets included in the Act as is.

Some of the worrying concerns are that the fund will be allowed to issue Bond certificates, should it choose to do so. The issue of Bonds to finance the day to day running of the NHI fund, without any of the proceeds going towards infrastructure, is akin to a household borrowing money to buy groceries.

It will create a severe strain on the system should it come to a point where bonds need to be issued to finance the payment of services in the NHI and there is a very real danger of the NHI Fund being caught up in a spiralling debt trap should this option ever be utilised.

A second concern is the statement that the fund “...may purchase health care services”. This appears to add an optionality to purchasing of healthcare services and related goods. It could also be interpreted that the reasonable quality of services could be optional. This creates ambiguity when read in conjunction with Section 5. 1(b) which states that “The Fund must - (b) actively purchase and procure health care services, medicines, health goods and health related products from service providers, health establishments and suppliers that are certified and accredited in accordance with the provisions of this Act.”