NHI: Why an objective reassessment of the pilot phase is needed (II) – Politics Web 4 October 2018

National Health Insurance: Running Before Crawling – The need for objective reassessment of the pilot phase – Part II

In Part I of the series on health reform and the draft National Health Insurance Bill (NHI Bill), the Centre for Constitutional Rights (CFCR) argued that considering the anticipated costs of the NHI and lack of crucial detail, South Africa needs to urgently assess alternative models to address the healthcare crisis. In Part II, the CFCR assesses the lack of information on the results of the NHI pilot phase, which is supposed to inform the further roll-out of the NHI.

The NHI Bill aims to revolutionise healthcare provision in South Africa by replacing the current two-tiered healthcare financing with the establishment of the NHI fund, which will be the single purchaser and financier of the population's personal health services. The NHI, according to the NHI Bill, is envisioned to be rolled out in three phases spanning over 14 years, with the first phase extending from 2012 to 2017. The second phase is accordingly from 2017 to 2022. The final phase is from 2022 to 2026.

The 2015 White Paper: National Health Insurance for South Africa (NHI White Paper) furthermore provided that the initial phase, the pilot phase, would focus on strengthening service delivery systems in Primary Healthcare (PHC). This would accordingly be done through Municipal Ward-based PHC Outreach Teams; the Integrated School Health Programme; the District Clinical Specialist Teams and lastly through contracting non-specialist health professionals (general practitioners). Phase One logically provides the springboard from which NHI will develop and the NHI Bill provides that in Phase Two these strengthening initiatives will continue to be implemented. This however begs the question whether the strengthening initiatives for the health system were successful and whether this approach indeed provides the blueprint for the further roll-out of the NHI. The NHI Bill is oddly silent about the need for an objective assessment of Phase One and evidence-based results are not as transparent as one would expect.

The 2011 National Health Insurance in South Africa Policy (NHI Green Paper) stipulated key points with estimated time-frames to be addressed in the initial phase. This included management reforms and designation of hospitals; piloting initial work in 10 districts; the audit of all public health facilities; the establishment of the Office of Health Standards Compliance (OHSC) and focusing on increasing the supply of doctors, nurses and pharmacists.

In March 2012, in line with the NHI Green Paper, the Minister of Health (the Minister) announced the 10 NHI pilot sites nationwide. The objectives of the pilot sites included testing whether the healthcare system initiatives would in fact advance quality healthcare and to assess the utilisation patterns and affordability of implementing such a primary healthcare service package. The roll-out of the NHI nationwide therefore hinged on the success of the pilot phase.

A direct National Health Insurance Grant was created in 2012/13, specifically for the pilot project and it has been increased annually from R150 million, to R250 million to R500 million by 2014/15. In 2013/14 a further indirect National Health Grant (with a National Health Insurance component) was created. According to a 2015 National Treasury report-back to Parliament, the indirect grant was created to deal with the underspending and poor performance of the direct NHI grant. The indirect grant initially focused on funding the contracting of general practitioners to assist in public clinics.

The pilot phase was supposed to end in 2017. The results of Phase One, however, appear not to be available in a public report and it requires a consideration of various reports to piece a

picture together. In June 2015, Parliament's National Council of Provinces' Committee on Appropriations was briefed by both National Treasury and Department of Health delegates on the NHI pilot expenditure. It became evident that the NHI direct grant was initially greatly underspent and in 2014/15 the Eastern Cape spent only 19.9% of its allocation. The reasons cited for this state of affairs included lack of coordination on NHI pilots across national, provincial and at local level with development partners, and inflexibility of the grant. The target of contracting 900 general practitioners by 2014/15 via the indirect NHI fund was also not met and it appears that only 253 were placed during that time.

In August 2015, the Minister also gave an update on the NHI pilot sites to Parliament's Health Portfolio Committee and he specifically highlighted plans on the revitalisation and maintenance of 152 Eastern Cape clinics to be transformed to "ideal clinics". In terms of the presentation, construction timelines of eight new clinics in the Eastern Cape were specifically presented. Lusikisiki Clinic was one such clinic. Its construction, according to the presentation, had to commence on 17 July 2015 and be concluded by 16 October 2016.

The appalling conditions of Lusikisiki Village Clinic, which was housed in a tent and mobile unit, caused a great uproar in 2013, highlighting the desperation of this project. However, from media reports in December 2017, it appeared that the construction was only concluded in August 2017 and it was still not open for service in December 2017. Furthermore, the 2016/17 annual inspection report of the OHSC included the inspection of eight NHI pilot site districts, of which the Vhembe District had the lowest average performance score of 42%. It is worth noting that the OHSC's report also noted that "the performance scores for NHI pilot districts were not significantly different from those of non-NHI pilot districts". It is therefore clear that there is a great need for a proper assessment of Phase One.

The NHI proposal is highly ambitious but for it to stand any chance of transforming healthcare, it is crucial that the public be provided with a transparent objective assessment of Phase One to test whether this is indeed the solution to the current healthcare crisis. A failure to do so will be the greatest obstacle to the State's commitment to the provision of universal health coverage. The failure to effectively communicate the results and apparent failures and delays in implementation of Phase One is a departure from fundamental constitutional values. The founding values of the Constitution establish an accountable and responsive system of governance. The values and principles underpinning public administration require the efficient, economic and effective use of resources, together with providing the public with timely, accessible and accurate information. By any measure, the implementation and management of the NHI pilot phase fails the constitutional standard.

**In Part III, the proposed NHI governance concerns will be analysed.*

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