

LETTER NHI funding idea absurd – Business Day 30 July 2019

Anthony Still hit the nail squarely on the head by saying the proposals for how to finance national health insurance (NHI) boil down to nothing more than an additional, dedicated health tax on SA's already overtaxed taxpayers ([“NHI will raise middle-class tax”](#), July 26).

The proposal states that medical scheme members should pay their monthly contributions into a central national insurance fund that will provide services to the whole population. This, of course, means it will not be the relatively few members of existing medical schemes and their families who will benefit from the monthly contributions, but the whole population.

If this approach is to be implemented by the government, one must ask why it would stop there. Similar taxes could be instituted for other services rendered by private providers where similar services are also provided by taxpayer-funded entities.

In this regard, think of private security service providers — the SA Police Service could be given that money to pay for the services they provide to the whole population. A great amount of money is involved in the private security industry in SA. The country overview of SA on Wikipedia states that SA has the largest private security industry in the world, employing about 400,000 registered active security guards — more than the police and army combined. And what about private schools? Provincial departments of education could use the privately paid school fees to rather support public schools.

If health care is regarded as different, perhaps because it represents an essential service, why could more private money not be collected for the provision of more or better essential services in other areas, such as providing food and shelter to the poor? Think of it: instead of buying a private home for use by one's family, potential homeowners could contribute that money to a central housing fund so a state department official can decide who gets what accommodation.

Of course, this approach is ridiculous and would quickly lead to a brain drain and flight of capital out of SA like the country has never experienced before. It would be devastating for SA and leave its indigent citizens in an even worse situation. Dare we hope that sanity will prevail?