

Good medicine for some, a bitter pill for others - the NHI era has dawned *Saturday Star, 17 August 2019*

THE RECENT tabling in Parliament of the controversial National Health Insurance (NHI) Bill sent ripples of panic through the medical and financial fraternities, with Discovery's share price taking a dive this week. It is as if people had conveniently put NHI out of their minds, hoping it would magically go away. Perhaps they wrongly thought of it as one of those Zuma-era aberrations that our new President would quietly quash. Suddenly, there's no getting away from it. NHI is upon us. Its final form and how it will be funded are still open to debate. Dr Sibongiseni Dhlomo, the chairperson of the portfolio committee on health, which will convene to discuss the bill, says there will be an extensive public consultation process. More legislation is bound to follow - the current bill simply sets out the foundations for the NHI structure, which will take at least five or six years to implement in full. The basic tenets of the bill, on which the government is unlikely to budge, are:

- All South Africans will have equal, free access to healthcare.
- The bulk of healthcare costs will be paid directly by the NHI Fund.
- The NHI controlling body will control the prices and tariffs of almost all healthcare products and services.
- Certain "complementary" services will not be covered by NHI.
- Medical schemes and other health insurance will be necessary only to cover these complementary services.

NHI will incorporate both private healthcare and public health care under a single system. The booklet "Understanding National Health Insurance", issued by the Department of Health, states: "NHI will enter into contracts with private and public hospitals, as well as private health practitioners and public clinics, to provide services. Public hospitals and clinics will be made to upgrade their facilities. Healthcare facilities will only be part of the NHI system if they meet certain standards of care and are accredited by an independent body called the Office of Health Standards Compliance." There is no denying, among even the most vehement critics of NHI, that private healthcare funding in its present form is unsustainable. The gap between actual medical expenses and what medical schemes pay out to cover those expenses is widening by the day. I recently received an email from a pensioner who had to undergo an operation. On his meagre pension, he has to scrape together an extra R15 000 for specialists' fees not covered by his medical scheme.

Insurance, known as gap cover, has been introduced over the years to cover this payment gap in the case of hospitalisation, where specialists routinely charge three or four times the medical schemes' recommended tariffs. (This gap cover is relatively cheap - a few hundred rand a month per family. My question is, why have medical schemes not simply upped their premiums by this relatively small amount to guarantee hospital and specialist payments in full?) One thing that seems certain is that medical schemes in their current form will not survive. Specialists charging what they like will also be a thing of the past. That said, any fee negotiations with specialists will have to take into account the high premiums many of them pay for professional liability insurance, which covers them in case they are sued for negligence. Obstetricians, for example, are paying more than R1 million a year. Funding the system is, of course, the major hurdle, and the media has been abuzz with financial experts saying South Africa simply cannot afford the hundreds of billions of rand a year it will take to implement. But while commentators bemoan how much NHI will cost the overburdened taxpayer, none I know of has examined how much people may save in medical scheme

contributions and those dreaded out-of-pocket expenses.