

NHI is a good idea, but must be forged by consultation *Sunday Times, 18 August 2019*

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THE way National Health Insurance (NHI) is being formulated is a classic example of how to condemn a policy to failure before it's even been implemented. Most people can readily agree that healthcare, for rich and poor alike, should be affordable, accessible and of acceptable quality; and that it should be based on clinical need, not the ability to pay. How to achieve this is the issue. Years of state capture and public-service incompetence have undermined trust in the government. If it is not perceived to be credible, trustworthy and effective, many ordinary citizens will view any policy, no matter how good, with suspicion; as yet another lucrative opportunity for corruption, patronage and failure. The public service, which will have to run the NHI, is, with some exceptions, near collapse. So far, there appears to be little acknowledgement of this, which means there is little political will to clean it up and make it meritocratic, nonpolitical and honest. Policymaking is frequently too ideologically rigid idealistic and pie-in-the-sky - plans are built on the basis of ideology, idealism and wishful thinking, not cold reality. It is rare that prior analysis is conducted of the potential unintended consequences of a new policy. There seldom seems to be an attempt to work out the financial implications of bringing in a new policy, as opposed to keeping an existing one. Recently many policies, even some that were absolutely necessary, have been so poorly thought-out they have had to be scrapped after being challenged in court. The same may happen to the NHI in its present form, which would probably cost upwards of R250-billion a year. Money-guzzling state-owned enterprises (SOEs), collapsing infrastructure and failing public services are likely to require more bailouts, additional funds and resources. Corruption, incompetence and waste have shrunk the fiscus. SA's economy is in the worst state possible. In spite of all the optimistic government forecasts, growth is unlikely to pick up. ANC and government doublespeak, internal ANC battles that paralyse administration, populist rhetoric and a lack of clear, mature leadership continue to sabotage attempts to boost growth, investment and revenue. Public finances will for the foreseeable future be constrained by rising debt and the haemorrhage of bailout money into SOEs, municipalities and provinces. The NHI Bill envisages that the policy will be funded by taxes, including personal income tax, and by abolishing medical scheme tax credits. But SA is close to the point where citizens come to regard the quality of what they get in return for their taxes - public education, policing and healthcare - as so poor that they rebel. Adding to taxpayer disaffection is the "double tax" of having to spend extra on services such as security and education from the private sector, because those provided by the government are so poor; and the corruption and wasting of resources by elected and public representatives. Many ANC politicians appear not to understand that although they may have the power to unilaterally cobble together policies, successful implementation depends on wide consultation with stakeholders - including those who will carry them out, those who will pay for them, and those who fear being harmed in some way. Negotiation is essential and compromises must be made where necessary. The current

health system is ineffective. Private healthcare, although of better quality, is unfair, often generates obscene profits, regularly abandons loyal members when their treatment costs are deemed too high, and only serves a handful of people. Nevertheless, causing it to collapse would probably bring down the public health system too. A pragmatic NHI, tailored to our context, finances and capacity, would combine the two systems into a dual public private service, with the private health care providers compelled to serve the public sector also, share costs, expertise and infrastructure with the public sector, and end profiteering. There is seldom an attempt to work out the financial implications of a policy