

## ***Healthcare for all is the wish and NHI the means yet to be perfected – Business Day 20 August***

THE National Health Insurance (NHI) Bill introduced to the National Assembly aims to move SA towards universal health coverage. The term means something different from either a general legal entitlement for all people to get some type of care, or simply an affiliation to any type of health insurance (or medical scheme as it is known in SA) programme. On one level, universal health coverage is an aspiration that all people can get the services they need, of good quality, without fear of financial hardship. That achievement is just an aspiration because every country, no matter how rich, does not provide everything for everyone. The development of medical technology and the reality that budgets are not unlimited mean that even the richest countries make choices and in the good cases, explicit choices about what their systems will and won't guarantee for their populations in terms of health services and related out-of-pocket costs. As a practical matter, therefore, universal health coverage should be framed in terms of improvements along the three goals embedded in its definition:

- Improving equity in service use relative to need;
- Improving quality; and,
- Improving financial protection (reducing financial hardship due to health service use).

Framed in this way, the concept of universal health coverage is relevant to all countries, and the pathways chosen in any country should be driven by the progressive realisation of these goals. Beyond this, and worth noting, universal health coverage is a populationwide and system-wide aim. This means the unit of analysis for assessing progress on universal health coverage goals and for thinking about related reforms is the entire population and system. This means, specifically, that a concern with universal health coverage means there is no intrinsic interest about whether a particular scheme is making its members better off. What we are concerned about is the impact of that scheme (or reform package) on equity in service use, quality and financial protection, assessed across the entire population. This implies that in contexts such as SA, characterised by multiple insurance schemes, the effects of one scheme on the rest of the system that is, on the achievement of universal health coverage goals for people who are not members of that scheme is a legitimate concern for public policy. Given the fact that private medical schemes cover about 16 percent-17 percent of South Africans but nearly half of health spending flows through these schemes (which is the highest share of spending flowing through voluntary health insurance of any country in the world, one of the main reasons that SA is deemed an international outlier in terms of its health financing arrangements) the inevitable consequence is that scarce health human resources serve the privately insured, where the remuneration is greatest, leaving fewer health workers to serve the majority of the population. Dealing with this core driver of inequity in the health system is therefore central to any serious effort to move towards universal health coverage in the country. Beyond the three universal health coverage goals, there is also a set of intermediate objectives that reflect how health systems, and particularly their financing arrangements, can influence progress towards the goals. These are:

- Improving equity in the distribution of health system resources;

- Improving efficiency in health resource use; and
- Improving transparency and accountability.

The assumption behind the specification of these objectives is that such improvements have a plausible link to improvements in the ability of a country to sustain progress on the universal health coverage goals. Health financing, service delivery and human resource planning and distribution can greatly affect the distribution of system resources (inputs), which in turn are important determinants of the availability and quality of services across a country. Improving efficiency in resource use (via appropriate incentives, ensuring inputs are procured at least cost) enables any country to get more in terms of universal health coverage goals from any level of spending and is key to sustainability. Transparency is also key for the legitimacy of the reforms and is closely linked to benefit specification: are the promised benefits understood by the population and realised in practice? Or is this aim undermined by unavailability of services or the need to pay for things that are supposed to be free of charge?

### **Key objective**

Accountability is also a key objective and is often operationalised in terms of public reporting (to Parliament and civil society) on the uses of funds by the system and the results achieved. As with the universal health coverage goals, these objectives should be assessed at the level of the entire system and population. Finally, it is important to be clear on ends and means. Universal health coverage is a set of goals and therefore an end of health policy. It is not something to implement. The NHI or any other scheme or set of reforms are means and the design and implementation (including adjustments over time) should be guided by their impacts on the universal health coverage goals (and intermediate objectives that influence them). With this as background, it should be clear that there is a vast difference between medical aid schemes (as they are known in SA) and universal health coverage. Of more immediate importance is to spell out the key differences between key attributes of what the NHI should have (as a means to universal health coverage) and the way medical aid schemes now operate. Indeed, what is certain is that if the NHI operates in the same way as the medical schemes have done, universal health coverage will remain a distant dream. For real progress to be sustained, the NHI will need to ensure much more efficient and equitable distribution and use of resources, serving the population as a whole, than has been historically observed under the private medical schemes in SA.

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