

De Klerk Foundation says NHI will have 'disastrous consequences' – ANA – POLITICS 23

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Cape Town - The planned National Health Insurance will have disastrous unintended consequences for a country that cannot afford them, the FW de Klerk Foundation said on Friday.

The foundation said the NHI, as set out in draft legislation, was illustrative of the African National Congress's policy of wealth redistribution and while there were many good examples of national health care services in first world countries, it should be born in mind that South Africa was not a first world state.

"The ANC's first motivation is its ideological commitment - confirmed by its Nasrec resolutions - to impose equality through wealth redistribution - rather than by evolving equality through decent education, sustained economic growth and job creation," the foundation said.

It said the ANC was right about the inequality of health care service, while noting that this was not skewed along racial lines, but was ignoring warnings from quarters including National Treasury and the Davis Tax Committee, that its planned national service was not affordable unless the country were to see sustained economic growth.

The foundation said while it was true that 4.5 percent of GDP is spent on private healthcare for some 16 percent of the population, the ANC was forgetting that the money spent by citizens and companies for private medical care was discretionary spending from their after-tax incomes.

It argued that improving health care would be better achieved by raising expenditure on it from the current 4.1 percent to six percent, addressing the dysfunction of health care delivery and incentivising more companies to extend medical insurance to "many more" employees.

The foundation agreed with other critics who argue that parts of the NHI bill may be unconstitutional, particularly in the way it would erode the responsibility of provinces for the provision of health care.

"The NHI is full of good intentions. However, the road to healthcare perdition is paved with such intentions and terminates in potentially disastrous unintended consequences. All those who are concerned about the extension of more equitable health care to all the people of South Africa should say 'No!' to the NHI.

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"They should unite to work for a fair and practical system that will significantly improve public health care delivery - and that will not, at the same time, erode South Africa's existing private health care system."