

Motsoaledi's prescription for health is incoherent

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IF YOU think healthcare is expensive, wait until you see how much it costs when it is "free". If you lament the deplorable state of public healthcare, wait until you see how bad it is after they "improve" it. Healthy people who felt ill after reading the white paper on National Health Insurance (NHI) should call their doctor ... before they lose their right to choose.

Informed people know that "NHI" and the penumbra of policies surrounding it entail the opposite of insurance. The white paper proposes socialisation at the expense of insurance.

There will be "insurance" if the government turns its 4,200 healthcare facilities into transformation and empowerment opportunities, with it being the private care insurer of last resort. Instead of unhealthy facilities, it could liberate thousands of opportunities for the provision of quality care at no extra cost.

During a white paper debate, Health Minister Aaron Motsoaledi said he wanted "universal healthcare" without seeming to appreciate that there are better ways of achieving it. He offered no reason for believing this would require the destruction of consumer autonomy. The constitutional right to healthcare, he said, implied the suppression of private care. That is as irrational as saying the corresponding right to housing, education and other "second-generation" rights requires the suppression of private provision. The healthier approach of other ministers is to welcome private alternatives to the overstretched public sector.

NHI fantasies clash with prohibitive costs. Motsoaledi seems to imagine substantial tax increases to be a feasible source of limitless revenue. In a moment of realism, the white paper concedes "payroll taxes" might increase unemployment. Higher personal income taxes affect "disposable income (and) economic activity" and have a "negative impact on savings". NHI financing requirements are "uncertain". At current rates, the cost of "minimum benefits" would be R374.2bn, whereas personal income tax yields only R251.9bn.

Motsoaledi repeated his "exorbitant" cost of private care mantra without appreciating the illusion that healthcare costs outstrip inflation. Spectacular improvements in health technology cause costs to rise initially, then fall. Medical advances entail added costs. Anaesthetics add anaesthetists, brain surgery adds brain surgeons, robotic surgery adds robots, and Viagra adds virility at a previously nonexistent cost. Life expectancy, thanks to better care, adds costs that rise exponentially with age. Comparing like with like reveals falling costs. When patents expire, cheap generics flood the market. Prices fall when initially costly equipment is mass produced.

Motsoaledi's falling popularity matches falling prices he thinks are rising. The Democratic Alliance adores him so much that he topped its Cabinet "scorecard" with straight As until last year, when it downgraded him to C due to "nonsubmission of annual reports ... failure to meet ... targets ... bills and regulations stuck in the ministry and ... unacceptably slow ... bureaucracy". The Mail & Guardian found the Health Professions Council of SA "in a state of ... dysfunction". In Business Day, Michael Settas enjoined him to "focus on internal efficiency rather than NHI". Neil Kirby of Werksmans Attorneys thinks "many areas" of the proposals may be unconstitutional.

The obvious way to cut costs is to allow competition, to which end he should scrap the apartheid-era "certificate of need" requirement, according to which little grey bureaucrats throttle supply and inflate healthcare prices. As Thomas Sowell observed: "It is amazing that people who think we cannot afford doctors, hospitals and medication somehow think that we can afford doctors, hospitals, medication and a government bureaucracy."

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