NATIONAL HEALTH INSURANCE: Details on NHI expected shortly

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THE Treasury will "shortly" release further details on its financing proposals for the National Health Insurance (NHI), the government's ambitious plan to reform healthcare, it announced on Wednesday.

Health Minister Aaron Motsoaledi released a White Paper on NHI in December but the policy contained only the broadest brush strokes on the financing aspects of the plan.

Finance Minister Pravin Gordhan emphasised the government would not embark on any policy initiatives it could not afford. "There is no intention to delay NHI but we will only do things we can afford to do, whether it is NHI, nuclear or any other projects," he said ahead of his budget speech.

He went on to reaffirm the government's commitment to NHI, saying "there is no softly-softly message".

In his speech he said that Mr Motsoaledi had "rightly emphasised that public health service delivery improvements must be prioritised and reform of the private health and medical scheme environment is needed".

There are no new provisions in the budget to raise additional money for NHI, nor measures to scale back support for medical scheme members. Monthly tax credits for medical scheme members rise from March 1, to R286 from R270 for the first two beneficiaries, and to R192 from R181 for additional beneficiaries, at a R1.1.bn cost to the fiscus.

The 11 NHI pilot sites are allocated R4.5bn over the medium term. The scope of the NHI indirect grant has been expanded to fund clinic upgrades in the pilot districts. Within the funds allocated for pilot sites, R912.7m has been set aside to pay for private sector healthcare professionals who contract with the state to work in NHI pilot sites, and to continue piloting a model for distributing chronic medicines outside health facilities.

Driven largely by the need to accommodate last year's wage agreement with public servants, consolidated health expenditure is set to grow 7.6% over the medium term, rising from R159.4bn this fiscal year to R168.4bn in 2016-17 and R183.6bn in 2017-18.

In line with the government's commitment to save money but protect essential services, there is extra funding for priority health programmes and cuts for those that have been underspending. An extra R984m has been allocated to expand HIV/AIDS treatment and prevention. About 3.25-million people were on HIV treatment by end-December and the target is to reach 5-million by 2018-19. Conditional grants to provinces for HIV/AIDS programmes are expected to total R52.98bn over the next three years. The scope of this grant has been expanded to cover treatment of tuberculosis (TB). New money has also been found to fight TB (R740m) and for developing a national electronic medicine stock management system (R300m).

"The aim is for every clinic and hospital to have it, using barcode scanning instead of cards. It will enable better (demand) forecasting and stock management," chief director for health and social development Mark Blecher said. However, the health facility revitalisation grant has been cut by R365m over the medium term as it has been underspending. The cut represents 2.1% of the grant and is not expected to adversely affect service delivery, the Budget Review says. A total of R17.1bn is allocated to this grant over the medium term.

By Tamar Kahn – Business Day