

NHI- Abstract

An extract of the main points covered by the White Paper are highlighted below:

Coverage

- NHI will be implemented over the next 14 years and will allow universal health coverage, which is free at the point of delivery, for all citizens and permanent residents.

Membership

- NHI membership will be mandatory and all citizens and permanent residents of South Africa will be able to access these services without further payment.

Services

- The basket of health services that is to be included (or excluded) under NHI has not been defined. Health Minister Motsoaledi stated: 'We will design it [NHI] in such a way that it is affordable for the people of South Africa.'
- Medical schemes will only be allowed to offer complementary top-up cover for services that are not covered by the NHI, and provide medicines approved by the NHI.

Funding

- Three potential sources of tax revenue have been identified for funding the shortfall: increasing VAT, a payroll tax, and a surcharge on personal income tax. Five alternative scenarios – using various combinations of these tax bases – were identified as possibilities.
- The paper also states that medical schemes will be restructured to spend more money on the NHI fund. Government medical schemes, such as the Government Employees Medical Scheme, the scheme for the Police, Polmed, the Parliamentary Medical Scheme and the National Fund for Municipal Workers would reallocate those funds towards a single NHI fund. This could mean the end of medical schemes that serve the government sector.

Contracting of health service providers and institutions

- A central NHI Fund, financed by compulsory contributions from all citizens and permanent residents, will be established to fund the benefits through a single purchaser and single payer system.
- This Fund will purchase a basket of health services directly from accredited public and private health institutions, and private health practitioners, including accredited private hospitals and emergency medical services.
- Contracting will be based on pre-determined criteria to 'realise value for money, accountability and equity, among others'.
- How specialists, in short supply even in public health, will be persuaded to work harder for less in a single health system is unclear and this was also one of the major weakness emanating from the initial 11 NHI pilot districts.
- The NHI Fund, in consultation with Minister Motsoaledi, will determine its own pricing and reimbursement mechanisms. Providers, who wish to contract with the NHI Fund, must comply with the stipulated pricing and reimbursement mechanisms.
- All institutions and health practitioners will have to be accredited to treat patients. The Office of Health Standards Compliance (OHSC) will evaluate and inspect institutions based on set criteria, including infection control, patient safety and staff attitudes. Only facilities that are accredited by the OHSC will get money from the NHI Fund.
- The Office of Health Standards Compliance (OHSC) was established to ensure quality of health services and will be key in the certification of health establishments throughout South Africa.
- All NHI providers will be issued contracts, which will set out performance expectations in respect of: patient management, patient volumes, quality of services delivered, adherence to

clinical protocols and treatment guidelines, and improved access to health services. Payment will be linked to health outcomes, but the definition of these is vague.

- Central hospitals, such as Charlotte Maxeke Johannesburg Academic Hospital and Groote Schuur Hospital, are to become centralised assets, rather than being under the control of provincial health departments.

Health provider registration system

- A health provider registration system will be a key building block for the development of enterprise architecture for NHI information systems.
- The creation of a Health Provider Index will create a link between the Master Patient Index and the Health Provider Index through health information exchange middleware.

Access

- Everyone will have to start treatment at a primary healthcare clinic, which will be a huge adjustment for medical aid members, who currently have direct access to specialists. Access to specialists will be reserved for those that need it.

Implementation

- Six task teams will lead and oversee the implementation of the NHI, and they will cover aspects like financing, health services and the future role of medical schemes.
- NHI will be phased in over a 14-year period, which will be demarcated as follows:

Phase I: 2012/2013 to 2016/2017 financial years

During the first phase, the structure and financing of central hospitals, training platforms, research hubs and centres of excellence at both local and national levels will be transformed into national assets.

Phase II: 2017/2018 to 2019/2021 financial years

In the early part of the second phase, the population will be registered and issued with a NHI Card at designated public facilities, and a transitional Fund will be established to purchase from certified and accredited public and private providers at non-specialist level. The Medical Schemes Act will also be amended to pave the way for complementary services (to be defined).

Phase III: 2021/2022 to 2024/2025 financial years

The third phase will focus on ensuring that the NHI Fund is fully functional. At this stage, eligible health services will have been certified by the OHSC and accredited by the NHI Fund.

Work-streams to take forward the work

Six work-streams will be established to support the required activities. These are:

- Work Stream 1: Prepare for establishing the NHI Fund, including reviewing other relevant legislations and inter-governmental functions and fiscal frameworks that will be impacted by the implementation of NHI
- Work Stream 2: Clarification of the NHI benefits and services, including the PHC (Primary Health Care) 'Lab'
- Work Stream 3: Preparation for the purchaser-provider split
- Work Stream 4: Review of medical schemes to define their future role
- Work Stream 5: Completion of NHI Policy Paper and NHI Bill
- Work Stream 6: Strengthening of the District Health System in preparation for functional DHMO (District Health Management Offices)