Radical White Paper on NHI published

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NHI hoped for over fourteen years….

A White Paper on "The Transformation of the Health System in South Africa" envisaging a functional National Health Scheme or NHI has been published for public comment by Minister of Health, Dr Aaron Motsoaledi. Radical changes to South Africa's health service to communities are envisaged over a period of fourteen years.

A White Paper usually precedes legislation on the subject in the form of a draft Bill which is mostly published for comment by the Minister whose department has drafted the law. This is before any final legislation is tabled before Parliament for further parliamentary public hearings and debate. Regulations to govern any new structuring of public health would then follow. Therefore, proposals at the moment are at a very early stage and at departmental level and already the Minister has issued a statement on some of the more impractical issues presented in the Paper

The process in this case will undoubtedly be a long and arduous one for the Ministry, since any Bill makes a call for the Minister proposing such a plan or policy at law to make a clear declaration on the financial implications for the state. The massive cost involved could make this one of the major Cabinet decisions since democratic elections were held and recent financial developments must have made National Treasury look at this White Paper somewhat askance.

Big money

The cost to the fiscus would clearly be in the billions, few countries in the world having successfully negotiated the road leading to an option of free national health care for all. The focus, says the SA White Paper, will be initially upon primary health care and mainly in the districts.

To place the White Paper in its context, Nelson Mandela said, on receiving his PhD at Harvard University, "The greatest single challenge facing our globalised world is to combat and eradicate its disparities" but the major question will no doubt occur when National Treasury, in its future appropriations, decides upon which of the greatest disparities it can afford – whether Constitutional imperatives are involved or not.

Objectives

The White Paper, as distinct from any legislation or new framework that might follow, has its objective stated as: "To present to the people of South Africa a set of policy objectives and principles upon which the Unified National Health System of South Africa will be based."

Various "implementation strategies" are proposed. However, it is acknowledged in the Paper that in the end everything is related back to cost and the White Paper accepts the fact that any plans made are in the light of "the limited resources available". Yet, nowhere in the world do free national health insurance plans come cheap in part or holistically despite any plans to change South Africa's health systems structurally even over a period of time.

The plan in this case is to start preventative health care in broad principle and free primary health care for all first but it appears that a fully integrated system has to be agreed initially so that enlarging the system and planning can follow.

Who pays

The taxpayer will foot the Bill, presumably for running costs. Capital costs will assumedly be in the form of raised funds but the White Paper is by no means a financial model, nor it is it intended to be, it seems. Nothing specific is given on financial plans but one has to remember that only 2% of the South African population is estimated to pay more than half of income tax.

The history of providing a national health care system goes back to well prior to 1994 when the ANC, emerging from exile, produced such a paper on the subject or probably better referred to as a manifesto. Free health for all has been a refrain of the ANC for many years.

Earlier White Paper

Dr. Nkosazana Dlamini Zuma, when Minister of Health, also produced a White Paper that seems to have struck a chord that survived. This was before the outbreak of HIV/AIDS, which occurred in the time of her successor, and this Paper stated frankly but logically that "health strategies had to be based on the belief that the task at hand requires the pooling of both our public and private resources". Sensible talk at the time.

The goal then was "the creation of a unitary, comprehensive, equitable and integrated national health system", Dr Zuma said. "The challenge facing South Africans was to design a comprehensive programme to redress social and economic injustices, eradicate poverty, reduce waste, increase efficiency and to promote greater control by communities and individuals over all aspects of their lives."

She gave warning signals to the private sector at the time, particularly those major players in the life assurance industry and the fewer medical aid societies which then existed, that the status quo as it stood could not continue.

It is reported that there have been over twenty White Papers or manifestos on national health for all over the last thirty years.

Getting nowhere

To the immense irritation of many successive Ministries of Health, and particularly to the incumbent Minster, Dr Aaron Motsoaledi, very little of substance has been forthcoming and now, on the subject of national health schemes, a somewhat beleaguered ANC is watching some of the major players opting for overseas development from their profits rather than, in the Minister's view, by meeting the department of health (DOH) at least half way locally with some of this investment. However, the Paper is somewhat "fuzzy" over the involvement of the private sector.

Bad timing

The launch of the White Paper was an extremely low-key affair considering it followed the shock announcement of Finance Minister Nene's dismissal. Consequently, Minister Aaron Motsoaledi's long-awaited presentation went largely without intensive questioning by the media as to its practicality.

To put it another way, since the particular briefing on the White Paper on Health Services Transformation was the first head-on meeting between the media and government minsters following President Zuma's announcement of the firing of Minister Nene, Minister Jeff Radebe, (ANC -SACP) introduced Dr Motsoaledi to an audience much more interested in questions regarding the shambles in the financial world.

The DOH Director General of Health was not there and a much rattled Minister Motsoaledi presented his plans. No representative of National Treasury was present. The briefing went largely unnoticed by the press therefore.

The central fund

In essence, the White Paper proposes the establishment of a National Health Insurance (NHI) Fund and a policy requiring substantial changes to the way the current health system works by interlocking or possibly by cooperating with both the private and public health care systems. The exact way this will work is not proposed but in principle referred to. Much is stated on departmental restructuring.

There is clear ideology expressed that that health care should be regarded as a social investment and not subjected to market forces. The parallel with Aneurin Bevan, the Welsh coal miner's son who in 1949, who as the Labour Party left wing socialist Minister of Health spearheaded the establishment of

the British National Health Service, is self-evident. Dr Motsoaledi's plan is to do much the same but this is over fourteen years and in three phases.

The process in the White Paper is described as "unifying the fragmented health services at all levels into a comprehensive and integrated health service". This implementation process will be undertaken by "six work streams" which are stated as already have been set up, the first being to set up an NHI Fund, the "big pot" that pays for all the services provided. Other teams are to deal with such issues as accreditation of providers and the key to service delivery of an NHI, the beefing up of district health systems.

Health mirrors social success

In passing, it is noted that that the White Paper is careful to integrate its goals with that of the Reconstruction and Development Plan (RDP). The Paper sees itself as the litmus test of developmental issues to redress the past in water, sanitation, electricity connections and health education, all factors leading to better community health.

The Paper enlarges on this parallel with the statement, "With the RDP's focus on meeting basic needs, the development and improvement of housing and services like water and sanitation, the environment, nutrition and health care represents its most direct attack on ill health."

"It follows that trends in health status during and following the implementation of the RDP will be amongst the most important indicators of the success of the entire programme. The Department of Health aims to ensure that the health sector succeeds in fulfilling this vital role in ensuring progress." Obviously an attempt to get higher up in the queue for funds.

The three tiers

The White Paper emphasises that the "health sector must play its part in promoting equity by developing a single, unified health system" and also stresses that "the three spheres of government, NGOs and the private sector will unite in the promotion of common goals." Hence, the first phase is very much focused upon the delivery of free primary health care at district level and at "at first point of contact" by the patient.

There are some twenty-four chapters for the technically minded and medical professionals to pour over but in theory the country will be divided into "geographically coherent, functional health districts. In each health district, a team will be responsible for the planning and management of all local health services for a defined population in each."

In passing the Paper notes that peri-urban, farming and rural areas will fall within the same health district as the towns with which they have the closest economic and social links. "The fragmentation and inequity created by the past practice of separating peri-urban and rural health services from the adjacent municipal health services must be eradicated", the Paper says.

National pay parity

The Paper lays down that "There will be parity in salaries and conditions of service for all public sector health personnel throughout the country", adding also "which will include appropriate incentives to encourage people to work in under serviced areas.

The whole idea would seem to involve many billions of rands per year from the taxpayer, the taxpayer presumably having options to re-structure their own insurance cover bearing in mind the eventual "free" system. This is aside from a massive CAPEX call to build the system. The details of either are not indicated, this stage not having been reached assumedly where any further infrastructure build is being considered, so commentators have found it difficult to draw conclusions without knowing the financial burden other than its enormity in the long-term.

As its so happens, South Africa's current private hospital system is rated the fourth best in the world but the moral point is made again and again in the White Paper that the current system is only for

those who can afford good medical intervention. Options on how the private sector will be accommodated are not debated in any detail.

U-Turn
However, in a recent media interview, Dr Motsoaledi backtracked on the inference that all had to use the NHI and that only small sections would be left open for medical aid schemes to negotiate with the public.

The impracticality and overwhelming costs of this must have got home to the Minister, probably in debate with stakeholders, and the general direction seems to be to leave the choices as they are. Rather the impetus will be to focus the White Paper conclusions towards the re-building of primary health care systems and the establishment of improved health care in the more underdeveloped provincial zones and under-serviced particularly rural areas.

The big factor
On the private medical profession itself, the Paper says, "Private health practitioners should be integrated with the public sector with regard to the provision and management of services". Policies adopted "should apply to all private practitioners including private midwives, general medical and dental practitioners, specialist obstetricians and gynaecologists, paediatricians and private pharmacists.

Services delivered by occupational health practitioners, and prison and military health authorities, should be subject to the same principles." Once again, Dr Motsoaledi has toned this down somewhat in subsequent statements but some sort of pooling of resources is envisaged.

Accreditation according to DOH "rules"
The White Paper stresses that all institutions and health practitioners will have to be accredited to an Office of Health Standards Compliance (OHSC) "based on set criteria" and therefore it follows that only those that are accredited by the OHSC as providers, whether suppliers or medical practitioners, will get payment from the NHI Fund, the Paper says.

The White Paper admits that because of potential problems envisaged with a too rapid introduction of OHSC accredited private provider systems, public facilities will remain the dominant public health care providers funded by the government for the first few years. Accredited private providers will be introduced gradually, particularly in currently under-serviced areas, the Paper continues.

Where full and/or part-time OHSC practitioners are in short supply, DOH say that private practitioners' services will be used through referral contracts, and patients will be referred to a general practitioner by the public health system it seems.

Health for all
The White Paper as published sees the end game as an NHI Fund being "financed" by compulsory means from all citizens and permanent residents and the fund will purchase a range of health services from accredited public and private health institutions, as well as contracted private health practitioners.

The end-scenario in the White Paper as published is that all citizens and permanent residents will be able to access the NHI Fund for health services without further payment. Dr Motsoaledi has clearly recognised that such a journey for his Ministry is going to be a long one.

Whilst, again this rather unclear document sees medical schemes as only being allowed to offer "complementary services" not provided by the NHI system this is where the Minister has backtracked even further.

Even specialists handled by NHI

Access to specialists will be dealt with by the NHI system according to diagnosis and needs, says the Paper. Whether DOH has the competency, skills and follow through, even if over fourteen years, and whether doctors, GPs and medical professionals "buy in" to the idea will no doubt be the subject of much media comment before the matter gets to Parliament.

Opposition members have already discounted the programme as "reckless", probably voicing the opinion of many of those who prefer the current system with their medical aid schemes and the reliability of service they get as a result.

Bodies such as the Free Market Foundation have stated that the State would be better occupied worrying about health services for the poor and not overextending State finances on grandiose schemes. Even the trade unions seem unhappy, who have spent many years to achieve medical aid cover as part of their pay packages, it is reported.

Big plans, big obstacles

No doubt matters regarding the White Paper will emerge in the business programme of the Portfolio Committee on Health, once Parliament re-opens – perhaps with a workshop. In all, the White Paper outlines some undeniable health system needs in South African but at the same time the Paper seems very low on the issues of practical application. Probably also the Minister will have to make a lot more adjustments as National Treasury hopefully dig South Africa out of its financial constraints, at long last recognised.

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