

Get private sector involved in the NHI – SAPPF

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Instead of pressing ahead with the complex and expensive reforms needed for National Health Insurance, the government could provide universal healthcare by getting the private sector to play a greater role, the SA Private Practitioners Forum said.

“The private (healthcare) sector is an asset worth protecting,” said the forum, which represents specialists in private practice, in a *Business Day* reports. The forum has previously voiced criticism of the government’s white paper on the NHI, which was released for comment on December 11 2015. The comment period closed on May 31.

The report says in its submission on the policy, the SAPPF has proposed an alternative scenario, which it says would enable the government to increase the funds available for public healthcare without raising taxes. The forum suggests that the government make it compulsory for all wage earners to belong to medical schemes, with a smaller basket of benefits for people earning low incomes. At the same time, employers would be required to provide additional gap cover. It argues that this would not only lessen the load on the public sector but also reduce medical scheme premiums, because a larger risk pool would see healthy members cross subsidising the sick and reducing underwriting costs by 20%.

Instead of passing these savings onto members, the money would be pooled using a medical scheme levy into a new fund, called the Private Health Access Fund (PHAF), which would provide private primary healthcare services to the poor and indigent by contracting with private sector providers.

“At the latest medical scheme contribution figures, a 20% (saving on contributions) would lead to an annual income of R26.6bn for the PHAF,” said the forum in its written submission. This figure was about half government spending on district health services in 2012-13, it is quoted in the report as saying.

The Private Health Access Fund also suggests scrapping the Compensation Fund and the Road Accident Fund, and directing the money currently flowing into their coffers into the Private Health Access Fund instead. The access fund would outsource its administration, inviting medical scheme administrators to bid for the contract.

“The PHAF will not cost the government anything and will reduce the patient burden on the public sector by 50%,” the South African Private Practitioners Forum said in the report. It estimates the reforms it proposes would bring an extra 9.3m people into the medical schemes market, which currently covers about 8.8m people, or 16% of the population.

Source: Medical Brief