

NHI: SAPPF Proposes Alternative

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Dr Johann Serfontein discusses why SAPPF is disappointed with the NHI White Paper and what they believe is an alternative model to universal healthcare.

Following the release of the NHI White Paper in December 2015, the public was invited to submit comment on the paper until 31 May 2016. Senior Consultant at HealthMan Consultancy, Dr Johann Serfontein, and one of the authors of the South African Private Practitioners Forum (SAPPF) White Paper response, discusses why the organisation of over 2,600 healthcare specialists is disappointed with the NHI White Paper and what they believe is an alternative model to universal healthcare.

The resounding consensus is that SAPPF is disappointed with the NHI White Paper. A policy White Paper is supposed to provide policy clarity and information that will inform decision making. Despite the widespread interaction alluded to in the NHI White Paper, there are still too many uncertainties and unaddressed issues in the Paper, from the extent of the private sector's involvement in NHI to the lack of realistic funding models.

NHI costing models

A major issue with the implementation of NHI is that the Treasury costing models have not been updated in four years. The costing contained in the NHI White Paper still deals with costs in 2010 prices, while the rand has depreciated 26% to the US dollar in the interim. It also sketches scenarios based on 3.5% GDP growth, while we are currently experiencing 0.6% GDP growth. Private healthcare spend is also not considered in the costing, while private patients will be included in the NHI model.

In March 2015, in response to a parliamentary question, the Health Minister indicated that the Financing Paper on NHI was being prepared by the National Treasury, with inputs from the National Department of Health (NDoH). Due to the strong links between the two papers it was agreed that they would be published and tabled together. This has not happened despite the Minister indicating in August 2015 that it has been completed.

On top of this, the nature of the basket of care is still too vague, and definition of the basket of services is required before costing can be done. We could thus all be labouring towards NHI when in fact South Africa probably can't afford it as a healthcare funding model.

Relevance of the NHI pilot sites

NHI pilot studies do not address the differences in the funding model that would pertain under NHI. Pilot sites are thus not a reflection of the actual way NHI will be run at all, as the largest component

in NHI is the single funder payment model. Doing the cost projections for this funding model is thus of the utmost importance, to determine affordability.

Administrative inefficiency

The size of the required administrative infrastructure to manage the NHI fund as a single payer would not be feasible based on current government administrative inability. The Compensation Fund is an example of government being unable to administer a system where medical claims are paid out of a central fund in an effective and efficient manner. The compensation fund budget is only 3% of that projected for NHI.

Lack of quality and standards enforcement

The quality of public sector health facilities is currently very poor and these facilities are unlikely to be able to cope with the increased load that will result from the implementation of NHI in its current format.

While the Health Minister has promulgated that norms and standards will immediately help to improve the quality of public health facilities without any additional costs to South African tax payers, SAPPF is seriously concerned about the inability of the Office of Health Standards Compliance (OHSC) to enforce quality norms and standards on any healthcare facilities.

SAPPF is further concerned with the capacity of the OHSC to inspect and certify the estimated 33,000 to 74,000 private healthcare facilities in South Africa for accreditation under NHI before 2025. There is no indication of the creation of this capacity in the OHSC Annual performance plan for the fiscal year 2015/16 to 2019/20, which would lead to the private sector not being able to contract into NHI at all.

Our proposed alternative to NHI: The National Combined Health Insurance Plan (NCHIP)

South Africa is in a unique economic situation and a unique solution needs to be implemented for reaching universal healthcare. NHI is not it. South Africa needs to look at unique funding mechanisms that are affordable to South Africa. We cannot look at how other countries are doing and then just copy them.

The SAPPF proposal, the NCHIP, is based on the principle that government should look after the poor and indigent and let those who can afford to, look after themselves. SAPPF believes that this model addresses the universal healthcare requirements of all South Africans, without placing an undue tax burden on the already small tax base and without any costly reorganisation of the entire healthcare system and healthcare funding environments. It also improves equity and provides access to the private sector for people that currently utilise the public healthcare system, through the Private Health Access Fund.

The initial aim of the NCHIP model is to fuel debate on the universal healthcare issue and actually getting government to admit that there are possibilities, other than NHI, to achieve universal healthcare in South Africa. If sufficient support can be garnered for this proposal, one can start looking at logistics and operating systems of the model.

By Terri Chowles ehealthnews