

## **Business Day Letter: DA plan trumps NHI**

*30 June 2016*

NATIONAL Health Insurance (NHI) is an unaffordable solution to inadequate access to healthcare (NHI faces R200bn shortfall, Business Day June 27).

But if it does not do the trick, what does? Here is the DA's alternative, which would operate within the current resource envelope:

- Define and make explicit a universal subsidy for every eligible person in SA, whether they are covered by the public or private health systems;
- The subsidy's value will be defined in terms of an affordable and comprehensive package of services available in public health;
- Medical schemes may offer top-up cover, and there will be a risk equalisation fund and state-sponsored reinsurance for small schemes;
- There is a choice between public or private sector cover with the subsidy. Rules will prevent individuals from switching opportunistically from one to the other;
- The tax credit on medical aid contributions will be reformed and the means test for access to public hospital services will be abolished, which will result in universal healthcare coverage;
- Public services will be free at point of service for everyone, but medical schemes will pay for their members using public services;
- Public services will require a monumental makeover of our hospitals, as the DA has accomplished with exacting management and vigorous accountability systems in the Western Cape;
- Competition in the private sector, shareholder activism, medical community advocacy and citizen involvement should put downward pressure on the price of healthcare services and medicines;
- Nursing education must be set right and the education and training platform for medical doctors expanded; and
- Two national funds for enhanced maternal care and emergency services supported by proceeds from the reform of the medical tax credits should become a national priority.

***Dr Wilmot James***

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