

Presentation on the NHI Bill to the Parliamentary Portfolio Committee on Health

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Universal health coverage

The HSF supports the goal of the World Health Organisation standard of quality, affordable universal health coverage.

However, universal health coverage, as set out in the NHI Bill, can only be implemented in an effective manner if the existing, very substantial problems within the SA health sector are first addressed, together with a range of other issues which the NHI Bill and Government policy have not taken into account.

The reality of the SA public health sector

The quality of health care in the public sector is, on the whole, unacceptable. The Office of Health Standards Compliance (OHSC - a public entity), found in its most recent inspection report (2018/19) that out of 730 public sector health establishments inspected, only 19% were compliant with required norms and standards.

In its 2016/17 report, the OHSC concluded that in the public health sector

“Leadership and management, including operational management, was poor or lacking, leaving subordinates without the required level of supervision, knowledge, competency and support from senior staff, including clinical professionals. Governance structures in the greater number of health establishments were not available, impacting negatively on leadership. Where governance structures were in place, there was no evidence that they provided oversight to ensure quality care, accountability and good management.”

The reality of the SA private health sector

The Health Market Inquiry into the private health sector found in 2019 that the state had failed in its duty to regulate that sector in an adequate manner.

It found that:

“the sector is neither efficient nor competitive” and

“the private healthcare market is characterised by high and rising costs of healthcare and medical scheme cover, and significant overutilization without stakeholders having been able to demonstrate associated improvements in health outcomes”.

The essential problem of the NHI Bill

The essential problem is therefore: a funding and payment mechanism is to be superimposed on two badly functioning components - the private and public health sectors.

It is nowhere explained how the NHI will improve either of these sectors - the provisions of the NHI Bill mention that providers are to be paid in accordance with the quality and value of service, but no information has been provided as to how this will be done.

The impression cannot be avoided that the underlying concept of the NHI Bill is that it is a pure funding mechanism, with little regard to the value of what is being funded.

The absence of a detailed feasibility study

It is inconceivable that a project of these dimensions would even be considered in the private sector without a comprehensive feasibility study, including various scenarios to indicate what the associated costs would be for different levels of care. No such feasibility study has been completed.

What will the NHI cost?

Government has not provided any estimates in this regard and the details provided in the memorandum attached to the NHI Bill under the heading “Financial Implications for the State” only provides estimates of a few items of preparatory costs.

The public therefore has to be content with statements of the following nature:

“How long is this going to take? The answer is a long time We don’t know all the details of what it will look like in the end. What we do know is we are going to have to be flexible. What is it going to cost? It’s going to cost as much as we can afford.” (Dr Nicholas Crisp, currently Deputy Director of the Department of Health) and

“The demand that the NHI Bill should indicate costs is unfair because costs change over time.” (Dr Olive Shishana, special adviser on social policy to the President)

The NHI's administrative requirements

Assume 60 million potential users (SA's population), about 220 000 healthcare practitioners and a multitude of public and private healthcare facilities - any institution that manages a payment and quality control system to cover all of these has a massive administrative task, requiring an adequate number of competent workers and experienced managers.

This very substantial structure has to be started from scratch. No details are available on the progress.

Governance

The NHI Bill makes it clear that all aspects of governance of the NHI depend on the Minister of Health.

Clause 27 of the Bill provides for the Minister to appoint a Stakeholder Advisory Committee, comprising representatives of statutory health professions councils, health public entities, organised labour, civil society organisations, associations of health professionals and providers, and patient advocacy groups “in such a manner as may be prescribed”. No clarity whatsoever is provided as to the duties and responsibility of such a body.

The proposed governance framework therefore has no independent content of any real substance - this is not acceptable.

Lack of consultation with the private sector

The private health sector will continue to play an important role. It is important that there is a “buy-in” by the private health sector into the NHI’s principles and operational structure, for it to function properly.

It is therefore astounding that minimal consultation has taken place in this regard. High profile gatherings under Presidential auspices, which serve the basic purpose of promoting Government’s own views, cannot be regarded as true consultation.

The role of private medical schemes

The NHI Bill and accompanying memorandum offer no justification as to why private medical schemes are to be excluded from providing cover.

The NHI is to be funded by taxes, but Government clearly intends to prevent taxpayers from exercising their freedom to choose whether they also wish to insure themselves independently from the NHI. This would be at their election and at their cost.

In the absence of any justification for such a prohibition, this can only be regarded as irrational conduct by Government.

What needs to be done?

Before commencing with the implementation of universal health coverage, the following needs to be achieved:

- a properly functioning public sector health service
- a properly regulated private sector health service
- substantive consultation with the private sector
- acceptance of the principle that individuals must be permitted to subscribe to private medical health insurance, as their tax payments will fund the NHI
- clarity on the cost of the NHI, estimated on the basis of a comprehensive feasibility study
- confirmation that it is affordable by the State

What needs to be done? - continued

If all of these things are not done, the passing of the NHI Bill and its attempted implementation will not only not succeed in its objectives - it will inevitably lead to a further degradation of both the public and private health sectors in the country.

It is therefore crucial that the NHI Bill be reconsidered against this background.