

# BUSA/B4SA Submission on the NHI Bill

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HASA **2023** Conference  
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# NHI Bill – BUSA/B4SA Overview

Quality & accessible health for all is essential



**Quality, accessible, and equitable health care for all is essential for a thriving society** (growth, job creation, productivity, and much needed investment), and Business supports this principle

South Africa needs an NHI that addresses inequalities & gaps in current system



South Africa needs an NHI that **addresses current inequalities in access to health care** but that is also **sustainable and affordable** for the country and all her people. To do this will need the **active involvement of both the public and private healthcare sectors.**

The existing version of the Bill will cause much harm to South Africa



Financing the NHI requires **significant increases to taxes.** It is not **sustainable or fiscally viable in its current format as a single fund.** The risks of a single fund include adverse effects on the supply of health services and investment in the sector.

There are small, but critical, amendments that will make the Bill workable



More flexible wording in Section 33 is required, and simplifying the Bill to ensure a clearly defined pathway to implementation consistent with the Constitution. This can accommodate immediate opportunities to **strengthen the healthcare system without tax increases.**

Private sector regulation still to be implemented



There are **long-outstanding updates to the regulatory framework of the private sector that need to be implemented** (with consultation) to promote efficiency and reduce the cost of cover.

# Risks of the single fund model



Entirely dependent public (tax) funding

Monopsony purchasing will destroy private sector market

No mechanism for the public to purchase own care – limits access to care (not just funding)

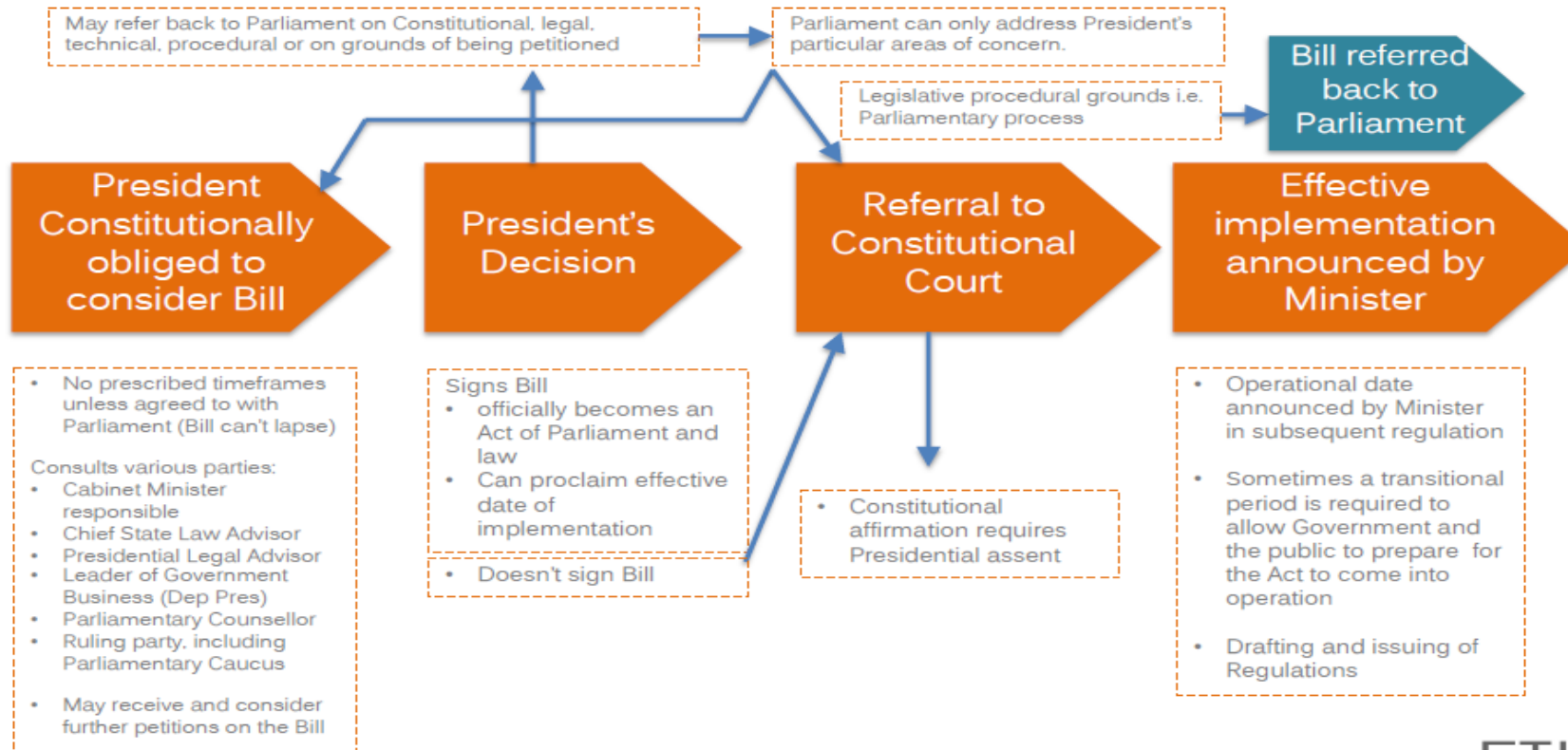
Any deficit needs to be funded by fiscus

Limiting the role of medical schemes is unnecessary and risky  
An optimal approach includes a collaborative and integrated private sector

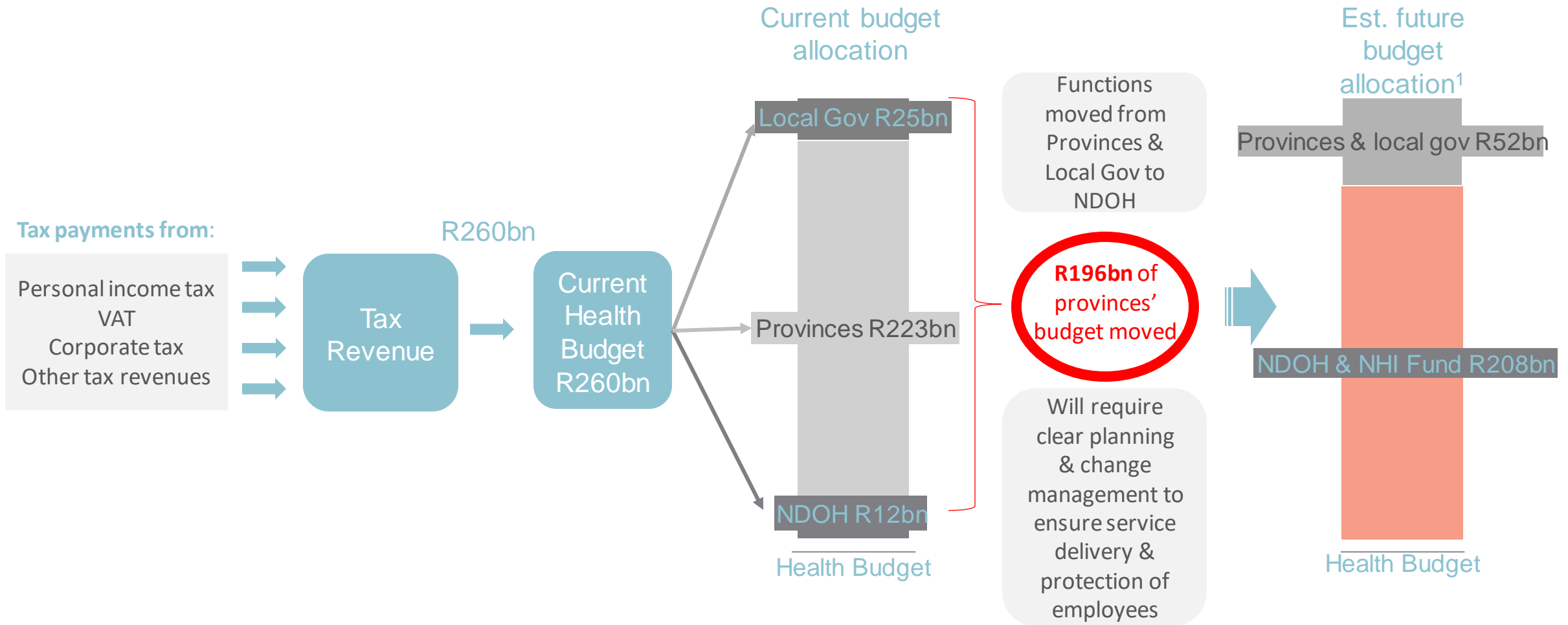
# Process implications – any changes must go back to Parliament

## THE EXECUTIVE: THE PRESIDENT

Assents to Bill, by signing it into law making it an Act



# Provincial impact – est. R196bn moved from provinces



<sup>1</sup> Estimated based on the functions transferred to the NDoH and NHI Fund in proposed amendments to the National Health Act

# Recommendations

**The NHI Bill requires substantial review to ensure that there is a clear and rational framework for implementing the NHI Fund and that the scope for interpretation challenges is limited.**

1

Terminology

Clear definitions and consistent use of terminology required throughout the Bill e.g. essential vs comprehensive benefits, fully implemented etc.

2

Section 33

Propose replacing the current version of section 33 with wording : *“Once National Health Insurance has been fully implemented as determined by the Minister in consultation with the Benefits Advisory Committee and the Stakeholder Advisory Committee, the Minister shall publish notice of such determination in the Gazette, and may make regulations regarding the role of medical schemes consistent with the objective of the progressive realisation of access to quality healthcare services by users of the Fund”*.

3

Contracting provisions

The contracting provisions in Sections 11 and 26 of the Bill are inconsistent with principles of value based care which is the global trend for sustainable healthcare contracting – needs contracting that is sustainable for healthcare providers.

4

Implementation clarity

The phased implementation in Section 57 of the Bill should be linked to milestones that are relevant to South Africans having reasonable access to quality healthcare services.

# Recommendations (cont./)

5

Section 58

The legislative changes included in Section 58 of the Bill appear to be immediate in effect.

This is in conflict with the provisions of Section 31 of the Bill and results, for example, in the immediate removal of health functions from the Provinces - massive shifts need planning

Legislative changes are premature need to follow consultative processes.

6

Refer to NT

The sources of funding set out in Sections 48 and 49 of the Bill are the remit of National Treasury and should be dealt with in a Money Bill in accordance with the Constitution.

7

Right of access to  
Healthcare services

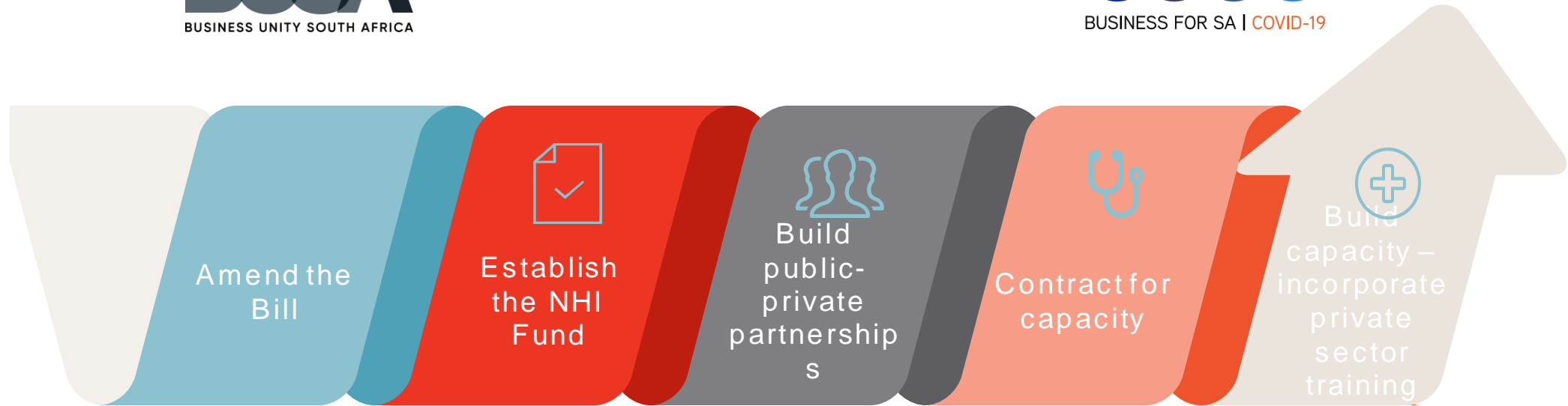
There are serious concerns regarding the right of access to health services created by provisions in Sections 7 and 45 of the Bill - Addressed through amendments to Section 33.

8

Refer to  
Competition  
Commission

There are conflicts with the Competition Act and the Protection of Personal Information Act which need to be addressed in consultation with the Competition Commission and the Information Regulator

# Proposed next steps – Achieving better health access for all



- **A sustainably funded** NHI can dramatically improve healthcare in SA
- Critical to this is **harnessing the deep and valuable experience**, resources, capacity, advanced technology, systems and track record that **exists within the private health care sector**, including hospitals, GPs, specialists, nurses, ambulance services and medical aids
- These world-class resources can be leveraged to support the delivery of a robust and sustainable NHI model that benefits all, **and that is affordable for the country.**



# Thank You!

Panel discussion:

- Dr Simon Strachan, SAPPF
- Nicola Theron, FTI
- Dr Ali Hamdulay, Metropolitan Health
- Barry Childs, Insight Actuaries

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