

Is NHI an affordable system?

The National Health Insurance (NHI)

What is the NHI and how will it change the system?

- The NHI is a Fund, paid by our taxes, from which the government will buy health care services for all of us who live in the country from health care providers in the public sector and private sector.
- This means when you feel unwell, you can go to your nearest GP or clinic of your choice that has a contract with NHI and not worry about the cost of care.

Is NHI an affordable system?

- Yes. The World Health Organization has stated that countries must pursue universal health coverage with the current resources allocated for health and what countries are able to afford.
- As a nation we spend huge amounts of money for health care for very few people and very little on the majority. Our total spending on health care is far more than any country of similar size and economic activity to ours. We need to spend more efficiently.
- The NHI will redistribute money from the current multi-payer system of nine provincial health systems, tax rebates, levies, conditional grants and consolidate into one Fund. The pooling into one risk pool will ensure appropriate cross-subsidization between the young and old, rich and poor, healthy and unhealthy.
- The Fund as a single payer and strategic purchaser, will be able to negotiate prices for services and health products on behalf of the country.
- Through the elimination of waste and corruption in both sectors by simplifying the way we work and the use of all public and private health care provider capacity for everyone, health care can be delivered at a cost-effective price.

Who will run the Fund?

The Fund will have a Board and various governance structures as required by the Public Finance Management Act (PFMA) and the principles contained in King IV's Report on Corporate Governance. The Board will have the responsibility of ensuring that there are institutionalised systems, policies and procedures that proactively prevent, detect, investigate and correct incidents/acts of fraud and corruption.

What is being done to improve the infrastructure of public sector facilities?

There are initiatives underway to improve the conditions of public facilities. The Department of Health has allocated R7.2 billion over three years to facilitate maintenance, refurbishment, upgrades, replacements of infrastructure or new infrastructure.

Will the NHI destroy the private sector?

No, the NHI will not destroy the private sector. The private sector has different role players, and they are: 1. health care providers (like GPs, specialists, pharmacies and hospitals); 2. suppliers of goods (health products like medicines, devices and diagnostic devices); 3. funders (medical schemes) and 4. administrators. They have different roles to play in the NHI and they are described below.

What role do private health care providers play in the NHI?

- Private health care providers will continue to operate privately under the NHI dispensation. Contrary to some public narrative, the NHI is not going to abolish or do away with private health providers.
- NHI will not allow health care providers to set their own fees for NHI funded benefits. The Fund will set the fees that it will pay to private doctors, hospitals and others on your behalf.
- Private General Practitioners will be a part of multi-disciplinary networks in their communities and will be paid by the NHI Fund using a capitation model.
- The private health sector providers will benefit from the opportunity to contract with NHI to provide health services to the broader public, rather than the small proportion for which they currently provide services. They will be able to provide services to patients throughout the year not worried about depletion of funds of patients at any stage.
- Private hospitals will see patients referred by primary health care providers in both public and private sectors and the NHI Fund will settle the bill at the prescribed rates.

How will the NHI Fund procure health products?

Suppliers of health products will remain private companies. The NHI Fund will determine the range of products (medicines, devices, etc) that are required to deliver the benefits that the Fund is paying for at any point in time and will set prices for those products that any contracted provider will pay to the suppliers. The large volumes create certainty for suppliers and help to reduce prices.

What role do medical schemes play in the NHI?

The business models of private funders and their administrators will change over time. Once the NHI Fund covers a benefit, the medical schemes may not cover the same benefits. This means that their membership fees must be reduced, and some will be too small to survive so they will consolidate with others to maintain a viable risk pool for the benefits that they may still cover. Administrators of medical schemes will no longer manage over 250 options, meaning the complexity of their services will be greatly reduced.

