

# OPINION: Given the perilous condition of state healthcare, the NHI might finally kill it

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THE management and operation of government hospitals reflect a catalogue of blunders, disasters and tragedies that have characterised this important part of the government healthcare sector. Citing a few cases to illustrate this state of affairs: there is the pervasively grossly mismanaged procurement process for Covid-19 personal protective equipment (PPE), which saw textile, clothing and related manufacturers within the industry not being awarded contracts, and the whole mess aggravated by contracts for distribution being awarded to politically connected entities.

In many instances, PPE was found dumped throughout the country, with the Eastern Cape province earning particular notoriety. Then there was the colossal error of AstraZeneca vaccines procured and received on February 1 with more scheduled for delivery later, only to discover that they expire in April, thus posing a distribution logistical nightmare.

And lest we forget, there was the unspeakable tragedy of the Life Healthcare Esidimeni saga, which ended the lives of 143 psychiatric patients, mainly as a result of neglect and starvation. Pictures of grossly emaciated and mutilated survivors and bodies will always be a grim reminder of that incident. SA Medical Association research on the views of medical specialists concerning the imminent implementation of the National Health Insurance (NHI) should be a sobering shock, even for thick skinned policymakers – 38 percent of the country's medical specialists indicated that they would emigrate if the NHI were to be enacted.

Some politicians who are irreversibly locked into ideological and statist agendas would, as they have consistently done, spuriously dismiss the potential émigrés as being “unpatriotic”, blithely disregarding the exceptionally important role medical specialists play in a properly functioning medical system. And this is only part of the larger brain-drain picture.

Some 25 000 skilled professionals leave the country every year, according to Sable International. This message is echoed by Induku Consulting Group, which makes the point that the exodus includes many black professionals, a fact that cannot sit well with those who utilise the race card to pursue demonstrably destructive policy objectives.

The internationally credible Econex consulting firm, which specialises in competition and applied economics, released a report in 2010 titled, “Estimating the Financial Cost of the NHI Plan”.

Calculated in 2009, the price and inflation-adjusted estimated cost of implementing the NHI plan was put at R443bn. Now, 12 years later, the cost will have escalated exponentially.

Interestingly, and even more alarming, the Institute of Race Relations' research projects a figure of R700- bn by 2026, when the NHI is supposed to be fully implemented.

Needless to say, SA's beleaguered taxpayers would yet again have a substantial part of their hard-earned income commandeered by the government to cover the cost if the NHI were to be implemented. It should always be borne in mind that the number of taxpayers has been progressively dwindling over the years due to several factors, including emigration; the economic impoverishment of the country primarily as a consequence of bad policies; the state of race relations; historically unprecedented levels of corruption; and, of course very importantly, the threat of expropriation of private property without compensation via a constitution amendment. Aggravating the socio-economic situation, among a host of other negative factors is the current unemployment rate of about 32 percent, which will definitely further stress the healthcare service sector.

Given these devastating statistics and so many other negative factors, it must be considered the height of irrationality to expect that the ill-conceived NHI will result in better quality healthcare for all, especially the poor, who would fare far worse than other sectors of the population. In the midst of all

this, with the Covid-19 grim reaper looming large and demanding eternal vigilance, the wise words of Jean-Jacques Rousseau (1712-1778) are especially poignant: “Usurpers always bring about or select troublous times, under cover of the public terror, destructive laws, which the people would never adopt in cold blood. The moment chosen is one of the surest means of distinguishing the work of the legislator from that of the tyrant”.

During my second visit to the Czech Republic in 1998, the superintendent of a hospital I visited mentioned that during the communist government era the government-owned and run hospitals provided healthcare for all - in theory. The reality he described was of poor service and inadequate patient care. Hospital staff throughout the country were uniformly demotivated by the conditions under which they had to work and due to the number of people who died while waiting at home for medical attention. During this era, the communist nomenklatura had exclusive access to prioritised healthcare at special hospitals. With the new, incentivised healthcare, which saw the private sector revitalising the healthcare sector, there was a dramatic difference, according to the superintendent, between the previous, high-handed, government-run socialist healthcare system and the much-improved conditions since the private sector became involved.

This was manifested in quality healthcare and highly motivated professional and non-professional staff at the very same hospitals that had been nationalised during the economically moribund communist era.

In the midst of the prevailing socio-economic gloom occasioned by a plethora of bad policies and exacerbated by the Covid-19 threat, combined with the impending NHI doom in SA, there is a practical, rational, nonideological alternative policy scenario that builds on the historical strength of the private sector, with the government playing an important, non-intrusive, complementary role in expediting access to quality medical care for those who cannot afford it. The rule of thumb is not to interfere with the globally competitive private care providers. If it ain't broke, don't fix it.

Loaded with a hefty health budget, the government should purchase medical care for the those who cannot afford such services. The eligibility for such assistance should be determined on a rigorous, case-by-case, means-tested basis. The limitation on the building of hospitals and clinics must be removed, the only legitimate conditions being patient safety, comfort and levels of service. The private training of doctors and nurses should be encouraged. Being conscious of SA's private medical enterprises having spread their

wings and even establishing a strong presence in developed, prosperous countries, it makes sense that this competitive edge should not be compromised or prejudiced by ideologically ambitious policies and unnecessary regulations.

It should be borne in mind that onerous, artificial legislation and regulations have serious cost implications and constitute impediments to the spirit of enterprise. Barriers to entry in any economic activity, including healthcare, serves to retard growth and reduce the quantity of goods and services on offer while unnecessarily driving up prices. Most government policies, even the worst, are premised and justified on the basis of good intentions. For decades up to his death this year, economist Prof Walter E Williams persistently warned about the folly of focusing on good intentions behind policy, as opposed to the effects of well-considered policy.

Alas, the NHI plans are based on the good intentions of providing better healthcare for all, especially the people who are dependent on the taxpayers who pay the costs of their care. However, the economic calculations reveal that the imposition of the NHI would precipitate counterproductive and destructive consequences for SA's health-care services - all at great cost to both taxpayers and the poor.

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