

Private hospitals warn draft NHI laws threaten 132,000 jobs – Business Day 4 Feb

Hospital Association of SA says National Health Insurance legislation will hit private hospital sector's future investment and capital expenditure

National Health Insurance (NHI), which the government is pushing as the solution to SA's health crisis, could lead to the loss of up to 132,000 jobs, according to the country's private hospital groups.

NHI, spearheaded by health minister Aaron Motsoaledi, is the government's policy for introducing universal health coverage and aims to ensure everyone has access to healthcare that is free at the point of service.

The Hospital Association of SA (Hasa), which represents the private hospital sector, was among the industry groups that presented their views on the risks to the economy at last week's Business Unity SA (Busa) meeting.

The gathering brought together business and government leaders, who have been trying to forge a closer relationship under the auspices of the Public Private Growth Initiative spearheaded by former politician Roelf Meyer and Toyota Europe and Africa CEO Johan van Zyl.

Hasa commissioned economics consultancy Econex to analyse the potential effect of the National Health Insurance Bill and the Medical Schemes Amendment Bill, which were released for public comment last June.

It noted about R180bn is spent on private healthcare in SA each year, a third of which is spent on private hospitals. The three JSE-listed hospitals — Netcare, Mediclinic and Life Healthcare, which make up about two thirds of the sector — contribute about R55.5bn to GDP a year.

It provided two scenarios to illustrate the economy-wide effect of two different policy paths.

Scenario one combined the provisions of the two bills, and concluded that the state would not purchase any private hospital services under NHI. In this scenario, 99,600 jobs were lost in the private sector, and R31bn was shed from SA's GDP.

Scenario two added in the effect of price regulation, with prices capped at 23% lower than they are at present. Under this scenario, 132,000 jobs were lost.

“The aim was to speak to the risks ... and to say ‘be careful’, ” said Hasa chair Melanie da Costa, who delivered the presentation. She said that the way the two bills had been drafted was contradictory and contributed to the policy uncertainty confronting the sector.

Hasa also warned that the lack of clarity around the role and composition of the private hospital sector would knock future investment and capital expenditure.

A revised NHI bill, which has yet to be made public, was discussed by the cabinet last week. Motsoaledi's spokesperson, Popo Maja, said the minister would not comment on the bill until after the president delivered the state of the nation address on Thursday.

The Medical Schemes Amendment Bill is expected to be revised after the Competition Commission's health market inquiry publishes its final report later in 2019.