

South Africa's NHI will be introduced soon – whether you like it or not - Business Tech 26 June 2019

Health Minister Dr Zweli Mkhize says universal health coverage is essential and the National Health Insurance (NHI) will happen.

Participating in a debate on the State of the Nation Address on Tuesday, he said the NHI Bill will soon be sent to parliament and that the days of debating whether it will be implemented or not are over.

“Equally importantly, making progress towards universal health coverage requires transformation of the health system and reconfiguration of institutions for pooling of funds and purchasing of services to achieve social solidarity, efficiency, effectiveness and income and risk cross-subsidisation.

“In this regard we will be moving speedily to ensure that NHI Bill is tabled in parliament.

“The NHI Fund requires strong governance mechanisms and improved accountability for the use of allocated funds. These provisions have been included within the structural design of the NHI Fund and they are reflected within the NHI Bill,” he said.

South Africa spends almost 8.6% of the Gross Domestic Product (GDP) on health care, which is comparable to other middle-income countries with 4.1% of the GDP spent on the uninsured population.

Private medical schemes cover approximately 16% of the population, with most of the principal members of these schemes working in the formal sector.

An estimated 4.4% is spent on 16% of the population covered by medical schemes and who in the main access their health care services in a costly private sector.

In this regard, a smaller percentage of the population pay out of pocket to use the private health sector.

Dr Mkhize said ‘out of pocket’ services are rendered in both the public and private healthcare sectors – estimated at 0.6% of GDP or 8% of total health expenditure – which remains a burden to many poor households.

“The unresolved issues of unaffordable private health care and poor levels of service delivery in the public sector have impacted negatively on our national health care system resulting in our inability to ensure that all South Africans have access to quality health care based on need and not on their ability to pay.

“This Government is determined to end these inequalities and bring quality health care to all as demonstrated by the establishment of the War Room in the Presidency. The President has been a champion of universal health coverage through the National Health Insurance,”he said.

The implementation of the NHI is aimed at moving South Africa closer towards universal health coverage, wherein all citizens irrespective of their socio-economic status will be covered to receive quality health care services based on their health needs.

“It has to be supported by a quality health system. National Health Insurance is therefore a health financing system that is designed to pool funds and to use these pooled funds to actively purchase health services for the population based on the principles of equity and social solidarity. These pooled funds will provide for universal access to quality, affordable health care services for all South Africans irrespective of their socioeconomic status and I repeat, not on their ability to pay,” he said.