



In this special issue

In this special issue of *HealthView*, we focus on the recent approval of the NHI Bill by Cabinet and its implications for the healthcare sector in South Africa. We take a look at reactions to the announcement as well as the views and analysis of several healthcare experts.

Also read the attachment: [NHI Draft Bill Daily Analysis by Dr Johann Serfontein](#)

[NHI Draft Bill Analysis \(.pdf\)](#)

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Focus on the NHI Bill



'NHI dream is actually a sick and unaffordable nightmare'

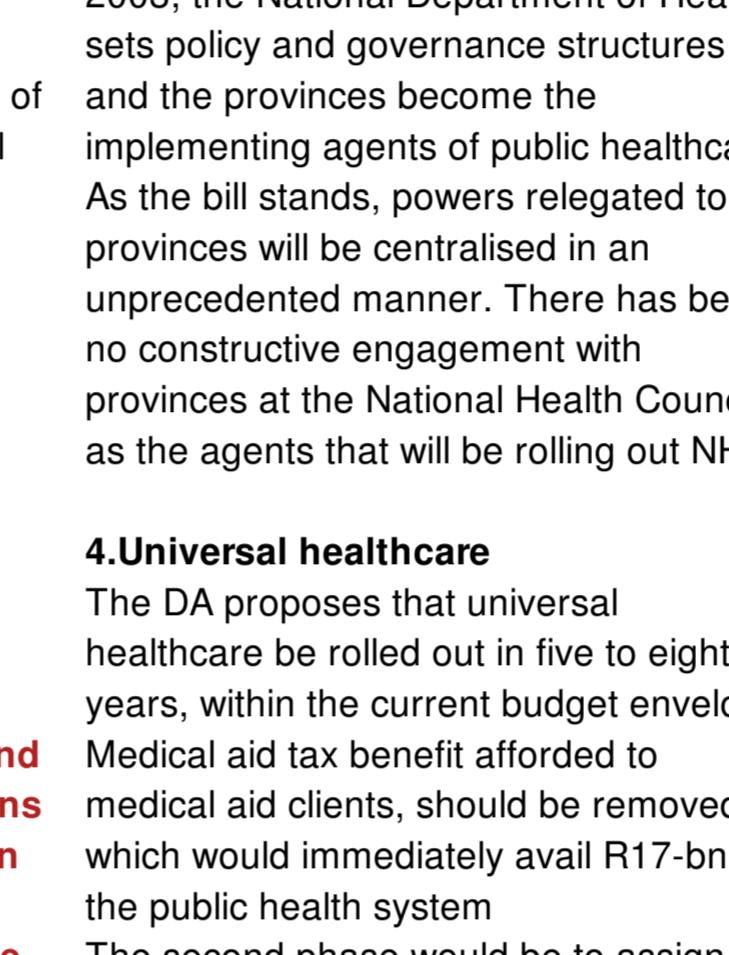
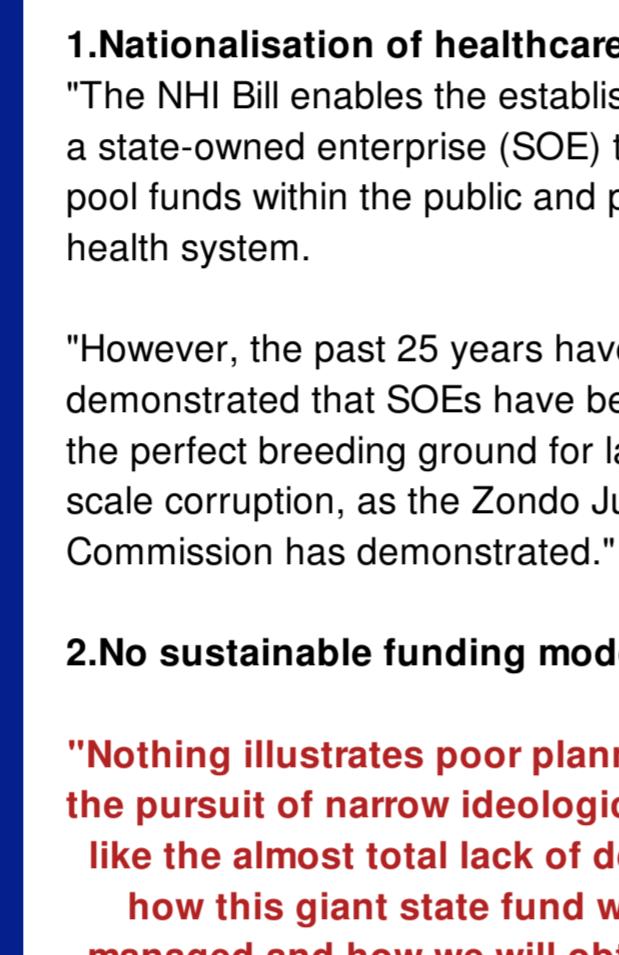
On Thursday, 11 July, Cabinet approved the National Health Insurance Bill, to be tabled in Parliament shortly. The Bill is expected to introduce sweeping reforms aimed at achieving the government's goal for universal health coverage.

"The proposed NHI scheme has the potential to wreck SA's already weak economy," health experts warned.

"The Bill in its previous format was impossible to implement and doomed to failure. It is unlikely that the necessary radical changes are contained in the newest iteration." Dr Johann Serfontein - Senior Healthcare Consultant

"Government clearly wants to achieve an ideological victory, even if it is at the expense of South African lives." - Trade Union Solidarity

"The NHI Bill is built on a foundation of failure and ignorance, 'nothing more than a thumb-suck,'" DA health spokesperson, Sivwe Gwanuble, told Parliament after the approval of the Bill. The NHI pilot projects across the country have failed in a spectacular fashion, she said. "The bill would create a 'perfect breeding ground for mass corruption and slow delivery of care'." - *TimesLIVE*, (13 July 2019).



NHI blueprint is ready to be actioned

The National Department of Health (DoH) is building the capacity of managers to implement NHI with the support of international partners. Minister of Health, Zweli Mkhize, told delegates at the Board of Healthcare Funders of Southern African (BHF) conference in Cape Town. Over 30 managers will leave within the next four weeks to get exposure and learn about NHI in different countries while the department continues with other initiatives aimed at preparing for NHI implementation, reported *BizCommunity*. (23 July 2019).

The NHI Implementation Unit will be established while the legislative processes are underway and the Health Patient Registration System will form the backbone of an electronic health patient record on this digital platform.

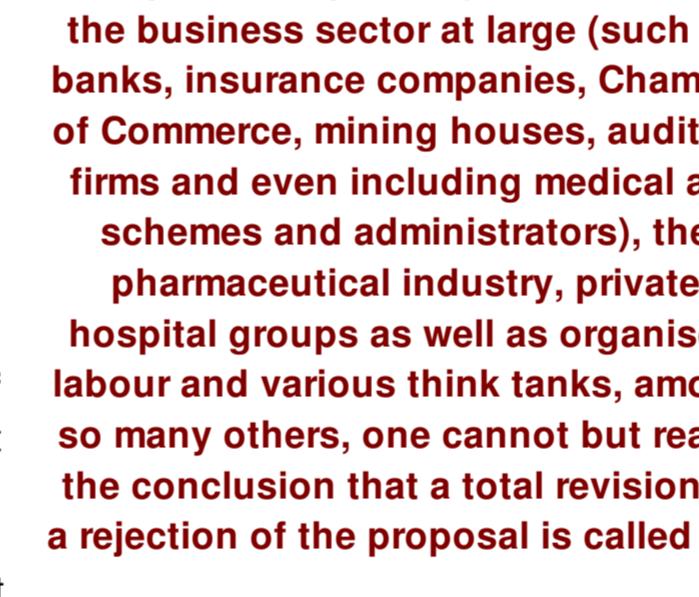
Mkhize said greater collaboration between the public and private sectors will be needed to revamp ailing public health infrastructure over a period of 5-7 years. Practitioners and providers in the private sector will benefit from improved referral systems, increased pool of empowered users, reduced costs for goods required to provide services, and predictable payment mechanisms.

Regarding medical schemes, Mkhize said they will be required to provide top-up, complementary cover for services not covered under NHI while NHI will cover the entire population.

- Meanwhile President Cyril Ramaphosa's long-delayed blueprint for fixing the public health system will be signed on Thursday, 25 July. The compact is expected to contain concrete steps for improving SA's public health system, which confronts corruption, staff shortages, dilapidated infrastructure, and intermittent stock-outs of basic medicines and contraceptives. It will also guide partnerships between the government, the private sector, academia, health professionals, civil society and organised labour.

'National Health Inequality'

Opinion: DA's health spokesperson, Sivwe Gwanuble, *Sunday Times* (21 July 2019)



According to the DA's health spokesperson, Sivwe Gwanuble, there are four main issues with this NHI Bill:

1.Nationalisation of healthcare

"The NHI Bill enables the establishment of a state-owned enterprise (SOE) that will pool funds within the public and private health system."

"However, the past 25 years have demonstrated that SOEs have become the perfect breeding ground for large-scale corruption, as the Zondo Judicial Commission has demonstrated."

2.No sustainable funding model

"Nothing illustrates poor planning and the pursuit of narrow ideological gains like the almost total lack of detail on how this giant state fund will be managed and how we will obtain the money needed."

"To date, we are still unclear how much it will cost the South African taxpayer to implement a system that is being rolled out in piecemeal fashion."

3.Provincial service delivery threatened

According to the National Health Act of 2003, the National Department of Health sets policy and governance structures and the provinces become the implementing agents of public healthcare. As the bill stands, powers relegated to provinces will be centralised in an unprecedented manner. There has been no constructive engagement with provinces at the National Health Council, as the agents that will be rolling out NHI.

4.Universal healthcare

The DA proposes that universal healthcare be rolled out in five to eight years, within the current budget envelope.

Medical aid tax benefit afforded to medical aid clients should be removed; which would immediately avail R17-billion to the public health system.

The second phase would be to assign every eligible South African a subsidy that would afford them a standard but comprehensive health package. Existing medical aid clients would be able to use their cover as a top-up scheme on top of the government-sponsored medical aid subsidy.

NHI 'will kill SA's economy, chase away doctors'

The proposed NHI scheme has the potential to wreck SA's already weak economy, health experts warned. There are simply not enough taxpayers to make the NHI work, wrote Katherine Child in *Times Select* (5 July 2019).

According to Child, many health care experts believe the Health Minister, Zweli Mkhize's comments about what the NHI Bill may entail suggest policies that could lead to the end of medical aids, and a doctor exodus.

"Experts say that South Africans will be forced to pay into the fund which could cause the collapse of medical schemes."

- Jason Urbach, health economist at the Free Market Foundation, said forcing people to pay into the fund could end medical aids. The proposed mandatory payments into the central NHI fund will crowd out contributions to medical schemes as cash-strapped individuals will not be able to afford private medical aid contributions and mandatory NHI payments. These individuals will then be dumped onto the already overstretched public sector. Urbach said the government could not force private medical aid premiums to be redirected to their fund. He said they don't seem to understand that it is private money - the assumption is that it will magically become available for the NHI fund, which is not how it works.

- Health consultant Johann Serfontein said a single fund, as proposed by the draft bill and Mkhize in Parliament, could not fix healthcare. A single-payer health system will create a twice the size of Eskom, while government has admitted that Eskom itself is too large to administer. The government should focus on fixing the critically ill public health system.

- Craig Comrie, Principal officer of Profmed medical aid, warned that doctors will leave SA if forced to work for the state at fixed prices.

- Comrie said that it is surprising that the government would rush through the NHI Bill without a realistic financial plan.

- Treatment Action Campaign president, Anele Yawa, expressed concern that "we still don't know" what was achieved in the NHI pilot districts.

NHI gets nod despite poor evaluation of pilot scheme

"SA is forging ahead with its biggest post-apartheid healthcare reforms despite the lack of evidence from its multi-billion rand pilot programme that the scheme will work," reported *Business Day*, (23 July 2019).

According to the pilot site evaluation report, commissioned by the DoH from Genesis Analytics, the pilot project was set up with no clear monitoring and evaluation framework, making it virtually impossible to gauge its effect and determine whether the government got a return on its investment.

The report found that the project had insufficient mechanisms in place to enable the government to monitor progress and correct things as they went wrong, and that it failed to collect vital data.

The report also highlighted underspending of three grants used to direct funds to the NHI pilot districts: only 76% (R380-million) of the R502-million NHI direct grant was spent; 84% (R2.1-billion) of the R2.5-billion NHI indirect grant was spent; and 83% (R1.6-billion) of the R1.9-billion health facility revitalisation grant was spent.

Solidarity: 'irrational, irresponsible' plan

Government clearly wants to achieve an ideological victory even if it is at the expense of South African lives, **Trade Union Solidarity** stated in a press release following the adoption of the controversial NHI plan by the Cabinet.

"Looking at the feedback coming from all quarters, spanning the Treasury, the business sector at large (such as banks, insurance companies, Chamber of Commerce, mining houses, auditing firms and even including medical aid schemes and administrators), the pharmaceutical industry, private hospital groups as well as organised labour and various think tanks, among so many others, one cannot but reach the conclusion that a total revision or a rejection of the proposal is called for."

"There is virtually no chance that this version would offer a significant improvement."

"We also see it in government's unwillingness to engage with reasonable analysis and its pressing on with the bill, regardless of the consequences for ordinary South Africans."

NHI needs private sector, says Health DG

The efforts towards universal healthcare cannot ignore the private sector, said health director-general, Precious Matsoso, at the recent launch of Africa Healthcare Federation (AHF), a new umbrella body for the private healthcare sector. The AHF provides a platform for the private sector to engage with the government on healthcare issues. Its participants include the Independent Practitioners Association Foundation, the SA Medical Association, the SA Medical Technology Industry Association, the Board of Healthcare Funders, Lemmed, Allegra, Ottobock, Neuberg Global and First Care.

Special News

Minister to consult all healthcare providers on NHI Bill

MEDICAL Brief

Africa's Medical Media Digest

New Health Minister, Zweli Mkhize and heads of his Department will be meeting with all healthcare stakeholders in the next six months to discuss government's move towards the implementation of National Health Insurance (NHI). The Bill still needs to go through parliament before it is eventually signed into law by President Cyril Ramaphosa.

[Read more](#)

[US healthcare system is 'astonishingly bad'](#)

"The US healthcare system is a monument to perverse incentives, unintended consequences and political inertia," wrote Tim Harford in *Financial Times* (15 July 2019).

"The US system costs more than twice as much, per person, as the universal coverage provided by the UK's NHS. Even the government-funded part of the US system costs more per capita than the NHS."

"Why so expensive? It's because US doctors prescribe more treatments, and those treatments cost much more than they do elsewhere," wrote Harford. American hospitals and drug companies have enormous leeway to raise prices - insurers have limited bargaining power, and uninsured patients even less.

Compared with other rich countries, the US ranks at or near the bottom on life expectancy, infant mortality, adolescent pregnancy, sexually transmitted infections, drug-related mortality, obesity, diabetes, heart disease, lung disease and arthritis, according to Harford.

News on Government

CMS pursues registry

COUNCIL FOR MEDICAL SCHEMES

Council for Medical Schemes (CMS) is pushing ahead with its controversial plans for a national beneficiary registry, which will link to a patient registration system the government plans to establish under NHI.

When first suggested in 2017, the idea of a central database was opposed by the DA and several schemes, which expressed concerns about what the data would be used for, and the potential infringement on members' privacy.

The CMS started with a pilot programme, involving the Government Employees' Medical Scheme (Gems). In a circular issued on July 9, the CMS called on other schemes to register for the pilot programme by end-August. The beneficiary registry will enable state facilities to check whether patients belong to a scheme, track the movement of members between schemes, and make it easier for the CMS to communicate with members.

From 1 October 2019 the Fund will only accept medical invoices and statements of accounts that are resubmitted.

Medical Service Providers are requested to note the requirement and compliance to the unique invoice number for every medical invoice that is submitted to facilitate the processing of all medical invoices within specified time frames.

As part of improved service delivery and efficiency the Compensation Fund will be implementing ICD-10 and tariff coding rules that need to be adhered to when submitting medical invoices.

[Read more in: ATTACHMENT COMPFUND](#)

[ATTACHMENT COMPFUND \(.pdf\)](#)

Special Notes

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maretha@healthman.co.za

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