ATTACHMENT TRANSFORMATION?
NHI: Is it about transformation or patronage?

Alex van den Heever: Daily Maverick, 27 August 2019

In the National Assembly on 22 August 2019, President Cyril Ramaphosa responded to the searing criticisms of the National Health Insurance (NHI) proposals by stating that some people opposed to the NHI are "opposed to transformation against the backdrop of massive inequality in the health sector." On the same day, the President's key adviser on NHI, and the chairperson of the Ministerial Committee on NHI for 10 years, Olive Shisana, stated in response to the question, "Why are medical schemes being so drastically limited?" that this (NHI) "is an instrument to end the race, class, gender divisions that continue to plague South Africa. For example, 76 percent of medical scheme members are white, and only 10 percent are black Africans". It is hard not to see the link between the two sets of comments.

The notion of "transformation" within the South African context is generally understood in racial rather than socio-economic terms. This often conveniently deflects the discussion away from the real drivers of structural inequality in South Africa that have nothing to do with race and everything to do with the evolution of transactional politics, where policies that favour special interest groups and political insiders trump the wider interests of South African society. No doubt this is why South Africa lacks comprehensive social security reform and why prominent criminal elements operating through the state never go to prison. This even applies to anomalies - those unfortunate enough to get convicted - such as Schabir Schaik. So let's unpack the "transformation" assertion a bit. Shisana goes on in her interview to state that "if medical schemes are allowed to offer the same services as NHI, most of the specialists, doctors, dentists, and allied health professionals will simply provide care to the mostly white people and leave black African people with under-resourced providers". She furthermore asserts that the case for NHI rests on the apparently factual assertion that "this maldistribution of human resources is at the root of the health care crisis". Basically, the logic runs as follows: whites dominate medical scheme membership and medical schemes monopolise most of the health professionals, therefore eliminating medical schemes through a single-payer regime would pull all health professionals into a scheme that serves everyone. Typically, when the word "transformation" is introduced into any policy discussion, you don't really need to rely on actual evidence or rational argument.

Sidestep

It's a wonderful way to sidestep the express constitutional requirement that government policy must be lawful and rational. After all, the evidence is such a tiresome nicety for the insider political establishment. But just this once let's be tiresome and examine the evidence. Let's examine both the actual population group makeup of medical schemes and the distribution of health professionals in South Africa. First, according to the General Household Survey (GHS) of 2018 (the most recent one), whites make up only 34.4 percent of medical scheme members, with black Africans the largest group at 48.6 percent. Coloureds and Asians/Indians make up 9.1 percent and 7.8 percent respectively. Therefore, according to these statistics, which are published annually in an easy-to-read and downloadable format on the Stats SA website, 65.6 percent of medical scheme members are not white. Second, despite the central argument for the NHI being about the alleged maldistribution of health resources between the public and private sectors, I could find no report by either the Department

of Health (DoH) or Shisana's NHI committee in which this human resource dilemma is raised or quantified.

Increase in staff numbers

In fact, the DoH does not routinely publish any numbers on the public/private split of health professionals. My own numbers on the split indicate that 62 percent of medical practitioners work for the state, as do 73.9 percent of nurses. Counting in specialists, allied professionals and clinical support suggest that about 72 percent of health professionals work in the public sector. However, these are estimates from 2011. From that period, there has however been a dramatic increase in public sector health staff. Just over the period 2006 to 2016 there was a 40.1 percent increase in public sector health workers. This involved a 49.2 percent increase in professional nurses, a 50.5 percent increase in medical practitioners, and a 34.5 percent increase in medical specialists. Overall, for the top 28 most important health professional categories, public sector numbers increased from 140 170 to 196 424 over the period, a 40.1 percent increase. In 2016, a total of 309 386 people were employed in provincial health departments. This excluded health professionals employed in local authorities and the South African Defence Force. There is, therefore, no evidence that the public sector is constrained in accessing medical professionals by either medical schemes or whites. The stark differences in per capita expenditure between the public and private sectors are not caused by differences in resource allocations, but principally by differences in cost. Medical scheme members co-contribute towards their cover over and above a modest tax credit provided by the government. The fact that it's expensive is a matter for the Health Market Inquiry - which, unlike the DoH and the NHI committee, has actually engaged in evidence collection and evaluation. Its final report is expected in September 2019.

What rationale?

So, if the transformation rationale lacks arms and legs, what is the rationale? One increasingly plausible explanation is that the NHI concentrates patronage for healthcare through a single gatekeeper. In responding to the argument that the NHI Fund would open the door to more corruption, the President stated, inter alia, that "the NHI's funding will be watched 'with a hawk's eye'" and that "we would want to run a clean ship in our NHI finances". He argued that the "government has learnt valuable lessons regarding the management of state-owned enterprises and this will be applied to the NHI Fund". Unfortunately, in making these remarks, nothing concrete was offered - just a request for "trust". "Trust us - we're really watching carefully." This is unfortunate, as the lessons of the state-owned enterprises are that no one important goes to jail and that political appointments facilitate the wholesale capture of public organisations.

No lessons learned?

As the NHI Bill proposes that the NHI Fund (which would seek to procure all health services), the Office of Health Standards Compliance (which would seek to accredit all public and private facilities to allow them to contract with the NHI Fund) and all complaints processes would have political appointments, either no lessons have been learned or, more plausibly, the lesson "don't get caught" has been learned. It is worth noting that not a single government minister has gone to jail or has even been prosecuted despite evidence of massive corruption.

Problematic pattern emerges

If we add these concerns to the worrying disclosures regarding the vested-interest funding of the CR-17 presidential campaign, in which key health system stakeholders

were donating extraordinary sums of money or were recipients of payments, a problematic pattern emerges. While these disclosures plainly form part of a factional struggle within the ruling party, they have not been denied, and therefore provide a window into activities we have, to date, had no sight of. When we see an array of private sector stakeholders pretending to support the NHI Fund, it should raise red flags to all who care about this country. What possible interest could they have in mouthing support for interventions that are plainly not feasible and harmful to the health system? The most plausible answer lies in the realms of a Faustian bargain: "I'll pretend to support your health proposals if you pretend to implement them. Now, who should I make the cheque out to?"

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