Why the NHI is bad medicine for SA – Daily Maverick 4 February 2020

The proposed National Health Insurance is no more than a reshuffle of finances – and a truly bad one at that. It has nothing to do with improving the delivery of healthcare or bringing about operational efficiencies.

The National Health Insurance (NHI) roadshows currently crossing the country amply illustrate the horror ordinary citizens suffer under poorly delivered public health services. Additionally, we hear public health specialists and NGOs enjoining all citizens to support NHI: "We need NHI to fix our inequitable health system" is the usual argument.

But this narrative is a straw man argument. South Africa does not need the NHI Fund or any other form of revised financing structure.

What South Africa does need immediately is to fix the management and delivery of public healthcare services – and simultaneously to implement the recommendations made by the Health Market Inquiry to reform the private sector

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Currently, the primary remonstration by the government is that the private sector only serves 16% of citizens whereas the public health sector, catering for the remaining 84%, has a similar budget. But such arguments conveniently ignore that the expensive private sector is self-funded, mostly by the nine million medical scheme members who grudgingly have little choice. It is also overwhelmingly these same members who pay personal taxes and VAT on the private medical services that fund the public health budget of around R226-billion.

It also decries the existence of this two-tiered health system – apparently anathema to our government. But virtually every country in the world has a two-tiered structure, wherein the public system usually caters for the majority of citizens.

Ironically, when government laments the status quo, it also lays bare, for all to see, its own dramatic failures in delivering healthcare. If the public sector was functional, as it should be, the existence of the private sector would be inconsequential. Does anyone in the UK blame British private health insurers for the woes of the NHS?

But government and NHI proponents prefer this binary narrative of pitting the haves against the have-nots, as it detracts from the most relevant facts at hand, and that is that we have sufficient resources to deliver substantially better public healthcare than we do.

If we rank South Africa using per capita GDP with the next richest 20 peer countries, our public health spend lies in the top third quartile of this cohort of 21 countries – so comparatively we spend well on public healthcare, yet we have one of the world's highest disease burdens, more than double the global average. Our maternal and infant mortality rates are orders of magnitude higher than our peers – of babies born in state facilities today, one in 40 will die within the first year.

This human rights disaster is reflected in two simple facts about the public sector – the burgeoning medical malpractice liability and atrocious clinical conditions.

The state's malpractice liability breached R100-billion in 2019 – from R28-billion a mere four years earlier. This astronomical wastage comes from the inept management of the public health system and does not even account for the financial leakage occurring through rampant corruption.

The last Office of Health Standards Compliance audit of nearly 700 public facilities recorded 99% of them as non-compliant against NHI accreditation standards (score 80%+). More than a quarter of facilities were classified as critically non-compliant (score < 40%) with a total of 85% scoring less than 60%.

One fallacious narrative is that the private sector steals doctors from the public sector. Yet South Africa Health Review 2017 reveals the number of medical personnel employed by the state grew by 42% between 2006 and 2016 (specialists – 34%; general practitioners – 50%; nurses – 49%; and pharmacists – 78%). Only four out of 28 disciplines declined over this period.

It factually exemplifies that money and resources in the public health sector are not the problem – it is gross mismanagement predicated on wide-scale corruption and patronage.

Yet the NHI narrative completely averts addressing these problems. Its primary policy is to extract more taxes from citizens, nationalise the private sector and monopolise the financing and delivery of all healthcare under the state's exclusive control. And in exchange, we get a delusory promise that comprehensive healthcare will be free for all citizens.

To contextualise how ludicrous this promise is, there is not one nation on the planet that has achieved this!

But this vacuous populism hides the most distressing component of the NHI Bill – its proposed governance structures outlined in chapters 4, 5 and 11. In diametric contrast to the official position declared by President Cyril Ramaphosa after the ruling party's January 2020 lekgotla – that politicians should not interfere in state-run organisations – the NHI Bill proposes sole and absolute control of the NHI Fund for the health minister.

There is neither separation of powers of authority nor oversight on decision-making processes. The power offered under the NHI Bill is unfettered and absolute – designed purely to guarantee political interference.

And let's not forget what is being proposed. In contrast to now, where the national budget allocation devolves from the national department down to the provinces and then to the district health authorities and local government, this single-payer NHI Fund will be allocated the country's entire public health budget (currently R226-billion), plus any future dedicated NHI taxes, and will do all the accreditation, contracting and payments of public and private medical service providers nationally.

Citizens will not have the right to private medical scheme cover for the services covered by NHI, on the argument that the NHI monopoly will reduce costs (clause 33, NHI Bill). The government further promotes NHI by arguing that many countries have built equivalent systems. But both these arguments are spurious.

Besides the obvious fact that monopolies never reduce prices or improve quality, there are only six countries that have implemented a monopolised single-payer fund – Canada, Estonia, Taiwan, UK, South Korea and Cuba.

And even then, besides the communist state of Cuba, none are built on such autocratic and totalitarian governance structures as is being proposed in the NHI Bill.

That there is a need to improve healthcare outcomes in South Africa is entirely obvious. Given the horrendous statistics I have shared above, there is tremendous urgency to do so.

But as has become the norm in South Africa, the NHI Bill represents virtually nothing about fixing healthcare and way more about furthering patronage and keeping the state's hands firmly gripped on the levers of power. **DM**