

All eyes are on how Mboweni tackles NHI – IOL 26 February 2020

Cape Town - The Budget Speech will be keenly watched, especially how much Finance Minister Tito Mboweni allocates to the much-anticipated National Health Insurance (NHI).

In his weekly newsletter, President Cyril Ramaphosa said “it is one of the greatest travesties that access to decent and quality healthcare services is determined by one’s ability to pay”.

“South Africa has two parallel healthcare systems. Around R250 billion is spent annually on less than 20% of the population. This is the section of our population that has access to private medical insurance. On the other hand our country spends R220bn on the rest of the population,” he said.

Tax practitioner and compliance manager Yolandi Esterhuizen said in the Medium-Term Budget statement the estimated cost to roll out the NHI would require an additional R33bn annually from 2025 to 2026. She said the majority of funding would come from general taxes, a surcharge in personal income tax, reallocation of medical tax credits, and payroll tax from both the employer and employee.

Ramaphosa said the government will not be reckless in implementing the NHI.

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“We will implement it incrementally, and aim to cover the whole country by 2025. We will use an affordable approach to progressively move towards a comprehensive NHI environment,” he said.

For the City and the province struggling with an ever-increasing population, the strain on its healthcare services is huge.

Mayco member for community safety and health Zahid Badroodien said the City supports the principles of universal healthcare, but until serious shortcomings in the draft legislation is clarified and addressed, the City cannot support the bill in its current form.

“There are serious shortcomings, particularly around primary healthcare and the mandate of local government in terms of environmental health. We also have no clarity from the bill on how the City’s financial contribution to the delivery of personal primary healthcare would be affected, or where the funding for preventative and promotive healthcare would come from as the bill only speaks to curative healthcare,” said Badroodien.

The provincial healthcare sector faces major challenges, among them the ongoing morbidity and mortality rate due to HIV and TB, the increasing burden of non-communicable diseases and increasing mortality secondary to interpersonal violence.

Chairperson of the SA Human Rights Commission Bongani Majola visited the Western Cape earlier this month to inspect the state of public healthcare facilities in the province.

He said despite being well run, public healthcare facilities were not coping with population demands, lacked adequate infrastructure, and faced a shortage of skilled healthcare workers.