

More centralisation for NHI will result in more corruption – Business Day 11 December 2020

The freer a sector is from government power, the more businesses are forced to compete to lower prices and improve their services

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During a recent webinar on corruption concerns surrounding National Health Insurance (NHI), public health consultant Dr Nicholas Crisp, who is managing the NHI process for the department of health, said the government would “do all [it] can to design a corruption-proof system. Though it is never impossible ‘to plunder’, [it] will try to make it as difficult as possible”.

In light of the hundreds of millions, if not billions, looted from Covid-19 funds, such fanciful thinking does not serve the best interests of ordinary South Africans.

Implementation of the NHI ought not to be a *fait accompli*. Dr Crisp and others in government should rather focus on fixing the current problems in the public healthcare sector before opening the door to even more corruption by presenting an enticing target in the form of the NHI.

Given the damage — especially to service delivery and development in poorer areas — caused by years of state capture, the government and civil society should proceed very cautiously before adopting any new plans that will concentrate more power or money in one place. That corruption took place during a global pandemic should give all public servants and South Africans pause before supporting a plan that will further centralise resources and control in the hands of the state.

Monopolising the management of healthcare goods and services in SA under the administrative purview of the health department will not resolve the problems in either the public or private sectors. It will exacerbate them.

Early in 2020 Corruption Watch released a report — “X-ray: The critical state of the health sector in SA” — based on whistle-blower accounts received from 2012 to 2019. It serves to highlight just how debilitating the effects of corruption are for people who seek assistance from the state but are ultimately let down.

There are simply too many unresolved variables and uncertainties to assume that the SA state can administer the healthcare needs of over 50-million people.

The centralisation that will take place through the NHI will do nothing to solve the corruption problems, and effects thereof, documented in the Corruption Watch report.

Writing in November, activist Mark Heywood provided details of coronavirus-related corruption in Gauteng. One example: “The ICU field hospital project, which has still not yielded a single new bed months after the Covid-19 wave has passed Gauteng, will cost close to R2bn and payments to the four construction consortia that bagged the still undisclosed tenders had already amounted to R356m by the end of July.”

Dare government open the door to the likelihood of more such wastage of scarce resources in future?

Dr Crisp will know the ins and outs of the NHI better than anyone. He will also be intimately familiar with the myriad inefficiencies and shortcomings that are part and parcel of the public healthcare sector. During the early months of the Covid-19 lockdown, the shortcomings that are a feature of a government-run sector were clearly exposed. While it is admirable that many in government and the private sector want to fix the problems that plague the country's healthcare, the NHI is probably one of the worst methods to go about this endeavour.

Concentrating more power in the hands of a few, invariably self-interested, officials — as the NHI will ensure — increases the stakes for businesses and service providers to compete for the “right” connections. When a few people control who may receive business — who has access to a market — those people's own integrity will be under much more pressure from corrupting forces.

The freer a sector of the economy is from arbitrary, wide-reaching government power, the more businesses are forced to compete with each other to lower the prices of their goods and services and improve their service delivery. The NHI plan is not sensitive to the lack of skills and expertise that would be required to implement the plan effectively, nor does it take cognisance of the fact that SA's civil service, in general, is too closely entwined with business and thus way more receptive to corruptive tendencies.

If the concerns over likely NHI corruption are to be taken seriously it may well be better to look at other reforms that could be made in the public and private sectors — rather than create a R3bn-a-week opportunity for yet more looting. There are simply too many unresolved variables and uncertainties to assume that the SA state can administer the healthcare needs of over 50-million people.

The government could, for example, focus on those provinces where healthcare service delivery for poor communities is most lacking, adopt the necessary steps to improve service, and leave the private sector to provide services for those South Africans who can afford to pay for them.

If the government is determined to implement the NHI — despite all the concerns — the design needs to incorporate broader oversight of authority and better controls and balances on centralised decision-making processes. Neither of these is contained within the governance provisions of the NHI Bill.

A further step would be to entrench competing forces by allowing reimbursement to follow patient choices, as the British National Health Service has done. This will provide the necessary free market forces that will bring about competition and hence improvement in quality and reduction in costs. It is not enough to say one is concerned about corruption — active, measurable steps must be implemented to prevent it.

I am sure Dr Crisp believes in the potential of the NHI to alleviate the country's healthcare problems, but we cannot underestimate the damage that could be caused by placing control of all healthcare within the purview of the state — and how enticing the NHI pot will be to potential corruption, to the detriment of poorer South Africans in particular.

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