



The National Health Insurance (NHI)

A syringe too far



The NHI, although universally welcomed as a noble idea and something that all South Africans would potentially benefit from, seems to have generated little excitement and is being viewed with more and more scepticism. The bill signed into law by President Ramaphosa on 15 May 2024, scarcely two weeks before the national elections in 2024, was at the time seen by some commentators as a last-ditch effort by the ANC to influence the polls. Some four months later and with the benefit of hindsight what is being seen may just be the proof of what an act of desperation this really was.

The NHI as described in the Department of Health's own briefing document on its website promises much, from the pooling of funds to provide quality affordable health care for all, to an enticing and apparently unlimited undertaking by the State, that each and every citizen will receive services based on their health needs and not their economic status.

It is interesting to note that all the detractors and opinion that is currently circulating about the NHI, suggest that it is not the principle of Universal Health Coverage that is being attacked, but the proposed structures, methods and systems that the NHI aims to implement and create.

Regarding the proposed structure, professor Alex van den Heever of Wits University, has criticised the NHI proposal for what it proposes for the healthcare system as a whole. By centralising control and collapsing the provincial healthcare system into a structure that does not exist as yet and for no rational reason other than placing R 600 billion in the hands of the health minister. A scary thought when one looks at what has happened in other entities run by government including some of our SOE's where this type of approach has had a poor track record.

Perhaps the most controversial aspect of the whole newly proposed NHI is the funding model, which as yet has been alluded to almost in passing, by many of the proponents and sponsors of the scheme, and Treasury is apparently still mulling over exactly how it intends to find the money. The Department of Health, however, while openly stating that it is aware of National budgetary constraints, seems to be quite content that it can naively push ahead with certainty despite not having resolved the question of funding, and simply seeks to assure the public that NHI must be implemented as the need for healthcare supersedes all other basic human needs. The Department in fact argues that the fiscus already subsidises medical schemes citing the GEMS, SOE and members of the judiciary and parliament medical scheme, which it says is subsidised to the tune of R26,7 billion and this together with a further R20 billion that is paid out to medical aid members of private schemes as tax credits, amounts to R46 billion, and this is all money in its mind that will ultimately become part of the NHI funding.



What the department does not say is that the most conservative estimates for funding required for the NHI begin at R200 billion a year, and some institutions have claimed that a figure as high as R1,2 trillion per year will be required for full implementation of the plan. The only way such amounts can be raised is by additional taxes including personal income tax, VAT and company tax. Such increases are estimated to amount to a 30% increase in personal tax across the board, and an increase in VAT to 20% and similar sized increases in corporate tax, with all the knock-on effects to the economy as a whole that these increases would cause. In other countries which have the NHI system, it is funded by increasing income tax.

The Department's own document also raises some of the other pertinent issues, such as capacity and current inefficiencies in the system. The shortage of Doctors and medical personnel is clearly an issue, so too is the problem of service delivery in the present system coupled with patient treatment and huge inefficiencies. It is argued that plans are in place to train more staff become more efficient and curb corruption, all of which are factors that based on ones' experience of the current systems in government run institutions may not inspire great confidence.

Final there is the treat that certain key aspects and clauses in the Act will not pass constitutional muster and on that score, we will have to wait for the legal challenges to play out. However, suffice is to say that based on the current wording of the NHI document it infringes on the rights of medical practitioners to practise and the current rights of medical schemes and their members to name but a few.

Ultimately the whole plan for the NHI, may like the WWII plan to end the war before Christmas 1944, code named "Operation Market Garden" and popularised in the movie "A Bridge too Far" although well intentioned and could have potentially saved many lives if successful, was hurriedly conceived and executed without proper planning of all the details, and lacked the proper resourcing. But most importantly the architects of the plan became so desperate that the mission should be a success that they ignored the available intelligence and went ahead, leading to the mission falling short of its objective which was the last bridge across the Rhine and hence the title of the movie.

Let us all hope that the NHI is not going to be a case of bulldozing ahead in the face of what could conceivably be better options which should not be ignored lest we are found wanting for having simply ignored the facts and advice and find ourselves having tried to go a "Syringe too Far"!

The unanswered question is why the current system is in such a poor state and why it cannot be improved.

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