

POLITICS 🇿🇦

Ramaphosa 'open' to more NHI talks

In new twist to National Health Insurance uproar, Ramaphosa extends olive branch to 'blindsided' business

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President Cyril Ramaphosa is joined by health minister Dr Joe Phaahla, his deputy Dr Sibongiseni Dhlomo and health MECs at the signing ceremony of the NHI Bill into law in Pretoria. Representatives of big business say they were under the impression Ramaphosa would not sign the bill until their concerns had been met.

Image: Freddy Mavunda/Business Day

President Cyril Ramaphosa's signing of the National Health Insurance (NHI) legislation this week blindsided top business figures who were shocked by the move and its timing less than two weeks before the May 29 elections.

Representatives of big business who have close ties with the president said they were under the impression that Ramaphosa would not sign the bill until their concerns had been met.

They said they had gained this impression after meetings held in the days and weeks before the ceremonial signing at the Union Buildings on Wednesday of the historic legislation intended to introduce free universal health care for all South Africans.



There was a very strong lobby against it. Even at times from people close to him

- *Presidency insider*

One business leader, who attended consultative meetings with the president, said he and his colleagues had left the meetings “strongly” believing the bill was not going to be signed in its current version.

Union Building insiders confirmed that Ramaphosa had been under “extreme” pressure from business not to approve the bill. “There was a very strong lobby against it. Even at times from people close to him,” said a Presidency insider.

Critics have accused Ramaphosa and the ANC of using the new law to galvanise support ahead of the elections.

While the ANC and its allies have welcomed the signing of the bill, the opposition DA and organised business were quick to criticise it. The DA has said it will go to court to stop the NHI being implemented in its current form.

The criticism and dismay on the part of organised business marks a departure from the cordial and co-operative working relationship the private sector has forged with the Presidency over recent months.

Ramaphosa has leant heavily on the business sector in his attempts to turn around energy and logistics challenges that have weighed heavily on economic performance.

The act opens the way for the establishment of an NHI fund that is supposed to provide universal health care for all citizens. The fund would cover the medical costs in both private and public hospitals.



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Once the fund is in place, medical aids would only cover costs that patients cannot claim from the fund. Critics estimate that the government would need at least R200bn a year to fund the NHI.

Business Unity South Africa CEO Cas Coovadia said the act was “unimplementable and damaging to the country’s health-care sector, to the economy more broadly and to investor confidence”.

“We fully support the objective of universal health coverage, however, the [legislation] in its current form is unworkable, unaffordable, and not in line with the constitution. What is especially troubling is that the president is proceeding despite extensive constructive inputs made by a wide range of stakeholders, including doctors and health-care professionals, civil society, public sector unions, academics and business. The unfortunate consequence is that this version will hamper, rather than promote, access to quality health care for all citizens in our country.”

These sentiments were echoed by Martin Kingston of Business for South Africa. Kingston said the group had met consistently with the president to discuss its reservations. B4SA was disappointed he had signed the current version despite its problematic provisions.



None of us have a choice. We need to fix and address defects in the legislation and ensure it is fit for purpose. Currently it is not. The best way to achieve that is to engage openly and transparently

- Martin Kingston, *Business for South Africa*

But Kingston said business, rather than immediately going to court like the DA, would seek to work with the government to correct provisions it believes are unworkable.

“We have met consistently with the president and his colleagues involved in NHI. He has indicated that he is aware of our concerns. Not just big business but the private sector much more broadly.

“None of us have a choice. We need to fix and address defects in the legislation and ensure it is fit for purpose. Currently it is not. The best way to achieve that is to engage openly and transparently to ensure we accommodate all perspectives in determining the correct outcome, and that we manage expectations and build confidence in the process,” Kingston said.

But finance minister Enoch Godongwana said the criticism of the NHI was premature as the government was yet to outline its implementation plan and the cost of implementing each phase.

He said that the R200bn estimated cost was “a scarecrow” being used by people opposed to the fund. “People must wait for us and the department of health to develop the plan of implementation and the cost of each phase, and then they can start asking us those questions about affordability.

“We have not outlined the phases of implementation. People are just throwing numbers. Where does the R200bn come from? It’s a scarecrow by people opposed to NHI.”

He said the government was already subsidising medical aids through annual tax credits. “It costs us R34bn per annum. You cut that and medical aids become unaffordable. The costs are going to go up the roof.”

He said focus should be shifted to improving public hospitals in preparation for the implementation of the NHI. This will include upgrading public facilities to accommodate more patients.



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Godongwana’s cabinet colleague and ANC national chair Gwede Mantashe rejected accusations that the act was passed to improve the ANC’s chances of retaining power in the elections.

“How many years did they discuss NHI? How many years? Now you can’t debate a policy for years and years [and] when you implement it they say it’s elections — it doesn’t work that way. Elections or no elections, that policy has been discussed for a long time.

“It’s like the load-shedding — many say we don’t have load-shedding because there’s elections and deliberately forget that we’ve been working on that plan from July 2022, when it gives us

results 'it's elections', that's how it is," he said on the sidelines of a campaign event in Thembisa.

Ramaphosa said at the signing ceremony that the "haves" in South Africa opposed the extension of universal health care as they had opposed one person, one vote in 1994.

"The NHI is a commitment to eradicating the stark inequalities that have long determined who receives adequate health care and who suffers from neglect," the president said on Wednesday at the Union Buildings event.

"The financial hurdles facing the NHI can be navigated with careful planning, strategic resource allocation, and a steadfast commitment to achieving equity," he said.

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