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The controversial NHI Bill is signed into law

Emily Wellman

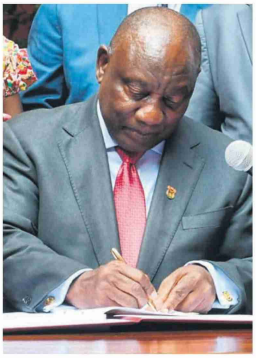
Without much warning, President Cyril Ramaphosa signed the controversial National Health Insurance (NHI) Bill into law just 14 days before the national elections.

Health Minister Joe Phaahla said at the signing ceremony at the Union Buildings, "This is a historic milestone in our nation's health policy. This move sets us on a course where all South Africans get free access to healthcare."

Ramaphosa looked triumphant when he took to the podium despite being 30 minutes late.

He said, "This vision is not just about social justice. It is about the efficiency and quality of healthcare in SA, which is currently fragmented, unsuitable and wholly unacceptable.

"The passage of this bill sets the foundation for parallel healthcare systems. With the NHI, access to quality care will be determined by need, not the ability to pay, which will have better health outcomes and prevent avoidable deaths."



President Cyril Ramaphosa signs into law the National Health Insurance Bill.

Keynotes from his speech:

- Those trying to hold this back are out of line with the global vision set.
- Private sector healthcare services a fraction of society at a higher cost without a proportional improvement in health outcomes.
- Challenges lie not in the lack of funds but in the misallocation of resources that currently favours the private healthcare sector at the expense of public health needs.
- Reallocation of funds already in the healthcare system.

What does the NHI hope to achieve:

Provide universal access to quality health care for all South Africans.

- No one is deprived of the abovementioned rights because of their socioeconomic status.
- One public health fund is created with adequate resources to plan for and effectively meet the health needs of the entire population, not just for a selected few; and
- The ultimate goal is to achieve Universal Health Coverage (UHC).
- The NHI fund will cover South Africans of all races, rich or poor and legal long-term residents.
- There will be one pool of healthcare funding for private and public healthcare providers.
- The cost of our healthcare system, currently the most expensive in the world, will be reduced.
- When people visit healthcare facilities, there will be no fees charged.
- NHI will narrow the gap in healthcare standards between the rich and poor.
- South Africans will no longer be required to contribute directly to a medical health scheme to receive quality health care.
- While no amount has been confirmed, expert estimates put the cost of the NHI at between R2 and 3b.

What South African law says:

Constitution

- Everyone has the right to have access to healthcare services, including reproductive healthcare;
- The state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of each of these rights;
- No one may be refused emergency medical treatment.

The Freedom Charter

Free medical care and hospitalisation shall be provided for all, with special care for mothers and young children.

Q&A in brief after the signing:

Q: Timelines and what to expect?
A: There are two phases. Phase one is 2023 to 2026: Establishment of the institution, acceleration of the implementation of a health platform and other basic instruments. Quality improvement programmes in all provinces are to be deployed from primary healthcare to specialised services. Phase two is up to 2028: Conclusion of implementation of contracting services. Vulnerable groups to be catered to first, for example, many primary care centres don't have enough physiotherapists, audiologists, and more. General practitioners (GP) are to be included at a district level to provide services from their rooms.

Q: Funding – where will the money come from?
A: Can't rely on the normal fiscus – different funding models will be tested for infrastructure and equipment.
The official site for the NHI (www.health.gov.za/nhi) states the following:

- The NHI will be funded through a mandatory pre-payment system and other forms of taxes collected by the South African Revenue Service (SARS) and allocated to the fund by Parliament.
- The NHI will be predominantly funded through general revenue allocations, supplemented by: (1) a payroll tax payable by employers and employees and (2) a surcharge on individuals' taxable income.
- The financial impact of the NHI taxation system must not create an increased burden on households compared to the current system. There will be no option for opting out of NHI for eligible people.
- Out-of-pocket payments, such as co-payments and user fees, will not be used to generate additional funding for comprehensive health care services to be covered under NHI. This ensures healthcare services are delivered free of charge at the point of service and that the most vulnerable are not denied access.

Q: What about corruption?
A: Three years ago, the Health Sector Anti-Corruption Forum was established. The Special Investigating Unit has given updates on this. The police and other health agencies are also involved. Strict control systems will be in place to assure accountability and regular reporting back to Parliament, among others.

Q: What about court cases to challenge the NHI?
A: We are aware of about seven, mostly from people who do not want to move out of their "comfort zone". There is no fear from us of any of the potential court action.

FACTS AND FIGURES:

As of 2022

- 8.5% of GDP goes to healthcare;
- 15.8% of the population are medical aid scheme members;
- GEMS, the governmental scheme, has about two million members;
- This leaves about 52 million people dependent on public healthcare (*84.2%);
- 72 medical schemes in SA.

Sourced from various places, including StatsSA and the Council for Medical Schemes.

Professor Alex van den Heever:

Wits School of Governance adjunct professor Alex van den Heever gives a less than enthusiastic assessment of the bill being signed into law.

"Some of the general assertions made to motivate for reforms have been shown as factually incorrect.

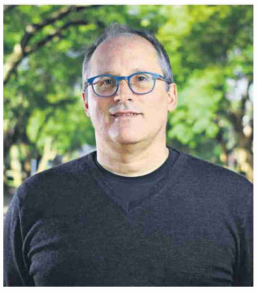
"The problem with this proposal is that it oversimplifies its options and assumes it can just merge public and private sector spending with the government system."

He says that is not possible without increasing taxes, and the tax base is already at its limit.

"Government is basically squeezed, and our deficits are increasing, not decreasing. That already indicates the limits that our taxes can raise at this point.

"The fact that someone already contributes to a medical scheme does not imply that the money can be switched into a tax. That is a fundamental flaw in the overall design."

He says none of the technical assessments required to review this kind of reform have ever been done.



Professor Alex van den Heever.

"There has not been a financial appraisal of this proposal – nobody has looked at what exactly can be done and achieved. If you don't do any financial appraisal, you don't know whether your reform can work."

Advocate warns the government is creating false hope with new NHI Bill

Advocate Stefanie Fick from Outa says it fully supports the constitutional right of all South Africans to proper healthcare but warns that the government is creating false hope by signing the NHI Bill into law just two weeks before the national elections.

Advocate Stefanie Fick from Outa.

For a universal healthcare system to work, you need enough funding and proper management, something sorely lacking at this stage of the country's history.

"There simply isn't enough money for what is envisioned by the NHI Bill. It should also be noted that there is a national healthcare system in place now, but it has been poorly managed and hollowed out by corruption.

"What will stop this from happening with the NHI? One only needs to look at Eskom, Prasa, Transnet or the SABC – to name just a few entities – to know the government does not have the capacity to efficiently run a national health system of this magnitude.

"Various role players in the healthcare system have voiced their concerns – from professional bodies representing medical professionals to medical aids, academics, civil society, and economists, but they are apparently just ignored. Why the rush with signing the bill into law?

"Government still hasn't learnt that simply legislating new policy won't magically make it work – just like with the Administrative Adjudication of Road Traffic Offences (AARTO) and e-tolls."

Khulekani Mashe is the Business Unity South Africa deputy CEO.

Business Unity South Africa:

"We support the objectives and goals of universal health coverage. We are concerned about whether the bill in its current form takes us to its objective. Our view is that it does not," says Khulekani Mashe, the Business Unity South Africa deputy CEO.

He says overcoming its deficiencies makes it hard to implement because the necessary building blocks need to be in place.

He says healthcare workers will be needed for it to succeed, yet they, too, are raising the alarm, which suggests "the building blocks are not in place".