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# National Health Insurance Bill – Draft 21/06/2018

## GP Perspective

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# South Africa's Biggest Challenge

## “Inequality”

Biggest socioeconomic problem (risk) - Motivation for NHI bill

*Must be addressed:*

Access to basic nutrition, shelter, social services

Access to education

Access to health care services

Access to employment / financial independence

If you disagree – the as Obama says – we can't even debate

# Measures of success in addressing inequality

% of population who are financially independent

*(able to pay income tax vs. not being able to pay income tax – 10%)*

Becoming a income tax payer should be “**aspirational**”- when I grow up

**Aspirational ?** “not only do I produce enough to look after myself, and my family but I can also contribute to looking after others by paying income tax”

We need to celebrate the tax payer - Growing the number of tax payers should be a goal of every single government department

To grow number of tax payers our people need basic services, nutrition , shelter, security, education, health services and job opportunities.

# Celebrating Tax Payers

We need to celebrate tax payers, grow their number, grow their income and tax them 😊

But your reward for becoming an income tax payer should be that once you have paid your tax your – you should be free to do what ever you want with your after tax income

**It's no-one else business what you do with this money!** You can buy a flash car, go on a holiday, buy extra education, buy extra security and even if you choose buy extra health cover.

If you disagree with this statement – then to quote Obama – “ I can't even get into a debate with you on how to fund national health insurance”

After tax income – is not public money (but VATable when you spend it)

# But Medical Schemes are funded by public money

Most of the money that flows into schemes is after tax money

We can't ignore that fact that "public money" (tax credits and government employee medical scheme tax subsidies) form part of Medical Scheme contributions.

Solution - remove all tax credits and tax expenditure flowing into schemes

Keep collecting VAT on private health expenditure

How you elect to use your after tax money should be free for social support obligations

Eg. If you choose to buy a car does this mean you need to contribute to some-one else's car

# How is this relevant to NHI?

1. Tax payers don't feel that their contribution to the public health service is effectively used – facilities don't meet standards and they cannot rely on public health
2. Medical schemes are failing due to above inflationary cost increases
  - a. Regulated as short term insurance when it is long term insurance (anti-selection) – what happened to mandatory membership?
  - b. Scheme are regulated so that health care professionals can charge the collectives what they like (PMB's paid in full)
  - c. By Medical Scheme paying PMB's in full the earning potential in private means a severe shortage of staff in the public sector – probably the biggest single factor undermining any chance the public sector has of delivering

# The NHI bill – the GP's view – Positive aspects

Primary care focus	Should improve funds available for primary health care and economic viability of primary health care and GP services
Obligatory referral	Positions primary health care practitioners as co-ordinators of care – should improve clinical and financial efficiency
Patients select primary health providers of their choice	Should create competition based on value – more value / more patients
Performance focus	Improves quality and accountability
Set benefits determined by expert – Benefits Advisory Committee	Cost effective - Guidelines and Protocols
“Active purchasing of health care by a fund” – separation from provision	The focus of the NHI fund is the purchase of services. Provision should be open and based of value (? strategic)
Registration - certification – accreditation – contracted – public and private	Opportunity for competition between private and public providers (and models) if done on merit

# The NHI bill – the GP's view – Concerning Aspects

Pooling – will this happen at a SARS / income tax level?	NHI bill does not clearly state that the fund will collect contribution - but how contributions will be collected is not clear
Centralised, consolidated, single fund – “single purchaser”	Scepticism regarding management of large public funds - Trust
Universality and social solidarity – necessary economic considerations	Scepticism regarding what the tax base can fund – loss of right to buy health needs
Complex administration and operations required	Scepticism regarding the management of complex NHI processes (state hospitals)
Alternative pricing models (capitation for primary care – “all inclusive fee” for hospital and specialists)	Scepticism regarding approach to costing studies and the determination of sustainable fees
Registration - certification – accreditation - contracting	Scepticism regarding contracting based on merit – Can providers be confident that they will be included if they merit inclusion?
Contracting units for Primary Health Care identifies providers who “qualify”	Scepticism regarding appointment on merit
Primary health care services	Wide range of services ?General Practice