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Director, Neil Kirby comments on NHI and Medical Schemes Amendment Bill post the briefing by Health Minister, Aaron Motsoaledi

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"The Minister of Health has described the advent of national health insurance or NHI as the land issue in the healthcare sector. Today, the Minister announced the introduction of two Bills to herald the introduction, into law, of the NHI. The two Bills, one dealing with amendments to the existing Medical Schemes Act of 1998 and the other setting out the structuring of the NHI, were published for public comment.

The Bills are understandably twinned as the NHI materially affects the provisions of healthcare services to persons contracted with medical schemes for purposes of achieving access to healthcare services in South Africa. The impact of the proposed NHI on medical schemes is predicted, in the Bills, to be dramatic. The primary impact of the NHI Bill is to create a basket of benefits, or "health goods", that are to be available to all South Africans, whether a member of a medical scheme or not. The actual elements of the basket of services remain unclear as the services are to be set out in regulations following the introduction of the NHI Bill into law. This leaves medical schemes in a position where they will have to decide either to redesign their benefits so as to take into account the services offered by NHI or not. This decision-making process will also be informed by the proposed abolition of co-payments proposed in the Medical Schemes Amendment Bill. The consequences for medical schemes is that they will not, in all likelihood, be able to charge premiums at current levels as the possible range and cost of services available to be purchased may be reduced. Medical schemes may end up performing a supplementary role in the provision of healthcare services to South Africans – primarily, as a top-up device or ancillary provider of services not offered by NHI. This brings into focus the viability of certain medical schemes that may not be able to withstand reducing benefits and premiums. Further consolidation in the medical schemes sector is thus likely to occur.

The NHI Bill proposes the introduction of a national health insurance scheme and fund. This is a controversial step in the current context of the healthcare services debate in South Africa, more particularly, in the wake of the Life Esidemeni findings and statements concerning the ability of the public healthcare sector actually to provide access to healthcare services at all in certain settings. Whilst the proposed NHI may, at first blush, satisfy the requirements of government's obligations to progressively realise access to healthcare services, further examination of the structure reveals a paper-based set of aspirations largely divorced from the realities of public sector infrastructural problems and endemic capacity constraints notwithstanding the activities of the Office of Health Standards Compliance and the Health Ombudsperson to date. It's a bit like building a house with no land on which to put it.

The NHI Bill requires compulsory membership of the NHI for all South Africans. The funding of the NHI will be drawn from participants and certain other mechanisms that will only become apparent in regulations to the eventual Act. Healthcare providers will be required to be selected, "certified and accredited", to provide NHI benefits in identified health districts through a process of, presumably, qualification and selection. The qualification process, within and of itself, means that certain providers may be excluded from providing NHI benefits and, in turn, from receiving payment for the provision of certain healthcare services. The prudence of excluding healthcare providers, in an already strained system starving from a lack of available expertise, is highly questionable if not irrational.

The current task is to digest the Bills as published and provided within the three months afforded to the public to do so."



Neil Kirby

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