

## Rubber stamping NHI Bill will have damaging consequences for SA for generations

Business Unity South Africa (Busa) and Business for South Africa (B4SA) have written to the presiding officers of the National Council of Provinces (NCOP) as well as to the deputy president, in his capacity as leader of government business in Parliament, to register their deep concern regarding the lack of due process in the NCOP select committee on health and social services on their adoption of the NHI Bill without any amendments on 21 November.



Source: **Pixabay** 

Busa and B4SA say that no consideration was given by the select committee to the many constitutional issues, both procedural and substantive, in the Bill, which were raised by four provinces and a wide range of stakeholders.

This amounts to a serious and significant procedural lapse and a violation and disregard of parliament's own public-participation model, fundamentally undermining the principles of participatory democracy on which our constitution is based.

Busa and B4SA have consequently requested, in their letters to the NCOP and the deputy president, that the NCOP does not consider the Bill during its plenary session on 29 November, but rather defers consideration of the Bill until the select committee has substantively discussed and engaged on the comments and proposals put forward by stakeholders, as well as those of the provincial legislatures and the Department of Health itself.

A thorough and proper legislative process would require these constructive inputs and proposed amendments to be circulated, properly considered and only then voted upon.

Cas Coovadia, chief executive officer of Busa says: "For the National Assembly and the NCOP to disregard proposed amendments that will have a beneficial and tangible impact on citizens, or indeed would prevent harm to citizens, in the interest of rushing the Bill through Parliament, is unconstitutional. It makes a mockery of due process and portrays the NCOP as nothing more than a rubber stamp.

"Our belief is that the Bill in its current form is utterly unimplementable, and will have severe consequences for South Africa, the economy and every citizen, for generations to come. The self-evident truth is that there is no money to fund this NHI Bill, and there is no clarity over its benefits, contracting terms, capacity, systems, management, governance or even a plan that begins to outline a viable approach to these fundamental considerations.

"We have also repeatedly cautioned against a single fund for the NHI that, inter alia, will require taxes to be raised to unsustainable levels. This is unaffordable, unsustainable and presents a material risk to the economy," says Coovadia.

Critically, the Bill does not provide for public-private sector collaboration, which is essential for the NHI's success. To address this, Busa and B4SA have proposed an amendment to Section 33 of the Bill, which currently says that when the Minister of Health declares that the NHI is fully implemented, medical schemes will not be able to cover or pay for any health service offered by the NHI.



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This impacts all employed citizens, including public-sector employees who currently enjoy medical aids as a material employee benefit through ParMed, Gems, PolMed and others. By limiting the role of the medical aids, it also imperils the entire private healthcare sector, which depends on them for financing.

As currently drafted, the bill limits access to healthcare for over 9 million South Africans, infringing their constitutional rights. No other country in the world has a legislated limitation on the role of private health insurance, not even the wealthy countries with a substantial tax base and extensive publicly funded healthcare.

## Concerns on the NHI Bill implementation

Martin Kingston, B4SA steering committee chair says: "Government's mandate is to act in the best interest of all of its citizens. It is totally irresponsible to rubber stamp into law legislation that will have such a severe impact on the country and her people, ignoring the legitimate and substantive inputs that have been made by multiple stakeholders to date.

"We recognise that the passing of this Bill is a key aspect of the upcoming election but it must properly take into consideration due process and afford the necessary time and engagement to achieve that.

"The ramifications are significant. There are bound to be numerous legal challenges to the Bill, and the consequence will be that the NHI will not be implemented at a time when we all agree that it is imperative to address the many challenges facing the country's healthcare sector.



Proposed tax hikes intensify NHI funding worries

"The private sector has made repeated suggestions as to how reforms can be immediately implemented in order to improve access to quality healthcare for many more millions of South Africans.

The introduction of low-cost medical-aid options is one such example. All that is required is for the Council of Medical Schemes and the Minister of Health to approve them. These proposals have been on the table since 2015 but no satisfactory explanation has been provided as to why there appears to be regulatory paralysis.

## **Executing recommendations**

Furthermore, the cost of private medical-aid cover could be reduced by over 20% if the 2019 recommendations of the Government's Health Market Inquiry are urgently and responsibly implemented.

"All of these initiatives can start now. This will take further pressure off the public healthcare sector and move universal health coverage forward in a way that supports the NHI, in a meaningful and visible manner.

"The approach adopted with respect to the NHI Bill, including certain key aspects thereof, has created substantial and widespread uncertainty, which is already impacting investment into the sector, and more broadly for the country.

"By amending Section 33 and clarifying a number of other critical aspects of the NHI Bill, introducing low-cost medical options, and reducing the cost of private care, the country can build a better overall healthcare system with immediate benefit for all.

"This will attract more capital and investment into the healthcare sector without the Government needing to raise taxes to unsustainable levels or take on additional debt, while retaining the country's precious healthcare workforce.

"These proposed amendments and reforms will strengthen the NHI, to secure access to quality healthcare for all citizens, for generations to come," concludes Kingston.

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