

# Will NHI be just another state-owned enterprise?

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25 Oct 2018

A report by organisations collaborating under the umbrella of the People's Health Movement South Africa was submitted to the UN Committee on Cultural, Economic and Social Rights (ICESER), interrogating, among other things the flaws and pitfalls of the country's National Health Insurance (NHI) proposal.



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“The international human rights system does not have the teeth of a legal process but it is quite powerful if the committee recommends, for example, stronger oversight over mental health services, or greater resources. So, we are interested in what their recommendations will be based on their interrogation of the report,” one of the authors, Professor Leslie London from the School of Public Health and Family Medicine at UCT says.

## NHI

About a third of the health movement’s report focused on the National Health Insurance (NHI) proposal. Areas of concern flagged include the absence of any reference to preventative health; capacity and resource constraints, and governance.

“The NHI is silent on prevention”, London said, “It is almost entirely consumed with how we are going to pay for services and these are usually services to cure patients who are sick, which is important obviously, but if it becomes the only focus of NHI it means we are treating disease without doing anything about prevention.”

Professor David Sanders, from the University of the Western Cape's School of Public Health, who was also involved in compiling the report, said the Bill makes no mention of the social and environmental determinants of health problems. For mental health, drugs and substance abuse, for example, he said, factors that result in violence, social exclusion, gender discrimination and substance abuse are driving mental health problems.

Environmental factors such as water, sanitation and inadequate access to healthcare are also left out.

## **Mother and child deaths**

Many maternal deaths are caused by lack of access to facilities – including unaffordable transport costs – and in parts of the country, such as the Eastern Cape, roads are in such a poor condition that they are not accessible to ambulances.

“The National Department of Health will point out that well over 90% of deliveries take place in healthcare facilities. Well, that is true, but the problem is that when complications arise, such as bleeding during childbirth, the facilities for blood replacement, for expert care and for evacuation to higher levels are not dealt with. So, these are all problems within the public health sector, not the private health sector which, anyway, looks after women who are generally well and less subject to pregnancy complications,” Sanders says.

He points out that the three main causes of death in children take place in the newborn period or are caused by pneumonia and diarrhoeal disease. All three can be prevented at a primary level of care. But, Sanders points out, “there is very little focus on community health workers or on health workers other than doctors and specialists, and there is very little on nurses... the committee proposed in the Bill on human resources for health, is essentially dominated by medical school deans.”

“There is no new thinking here, and no plan, for example, for building the capacity of public sector health staff, either for clinical practice or for preventive actions.”

The HR plan proposed in the Bill is to be implemented in Phase 3, which is several years down the line. “It needs to be urgent,” Sanders says.

Although the Bill speaks of commissioning units for primary healthcare, there is no indication of who will be doing this, he says. “We know that management at district level and below is very, very poor. We know this because there are stock outs of medicines, there are problems with remuneration of staff; there are huge problems in integrating care between different parts of the health care system. And now, suddenly, we are going to have commissioning units. Okay, good. So, who is going to develop the capacity of such units? Nothing is said.”

## **Purchasing services**

The NHI's idea of separating the provider from the purchaser is a UK-based innovation, London says, but in the UK there are highly-skilled people, who are not directly involved in clinical care, making the system work. “It requires overheads to make it work, and it also requires levels of skill which we are not seeing in the public sector at the moment,” he says.

“There is a real danger that at local level, people who are charged with purchasing services for their district, will not be able to actually get that done, or not be able to translate population need into the kinds of services that are required. So, you could well have a very aggressive private sector entity marketing services to some district level manager, who ends up purchasing services that are actually not what is needed, or not quite what is needed.”

A situation such as occurred with the Passenger Rail Agency of South Africa (Prasa) debacle in which R600m was spent on diesel locomotives that were the wrong gauge for South African railways could happen in health, London warns.

## **Human resources**

The model proposed by the NHI sounds remarkably similar to a state-owned enterprise of sorts, London points out – which

means a lot of money for looting and potential for corruption. Also, he says, “on the one hand you are going to have a lot of decentralisation in the NHI and on the other hand you have the Department of Health (DoH) wanting to centralise, for instance, tertiary hospitals, which will be lifted out of the pool of services available and managed directly from Pretoria. How does this make a unitary health system? It just doesn’t make sense.”

Sanders believes that the inspiration for the NHI comes from Brazil, where universal healthcare exists side by side with a private health care system, similar to South Africa. “What the minister seems not to want to focus on is that before the Brazil system was implemented, there was a massive investment in human resources for health at all levels. So, there was big investment in medical schools, nursing schools and other schools – and also the development of 19 schools of public health to develop the managerial and admin competence required to administer the system. It didn’t just happen. We have seen none of that investment in South Africa.

“How can you have an NHI when you have got austerity?” Sanders challenges. “If austerity continues, this NHI is dead in the water.”

London concludes that “the NHI comes at a time when the world is talking about universal access to care (UAC) and the NHI is marketed as a practical expression of this principle.” But, if we don’t get it right from the start, we are going to end up with a very skewed, unequal health system for a very long time.”

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