

Only with both the private and public sectors working together will NHI succeed

For National Health Insurance to succeed in South Africa a meaningful collaboration needs to take place between private- and public health care so as to speed up the implementation of the initiative and overcome major obstacles.



Source: [Pexels](#)

This was the opinion of the five panelists who on the first day of the Hospital Association of South Africa conference in Cape Town spoke of how best the NHI could be rolled out by calling on private healthcare for assistance.

“It’s fundamental to the economic growth that we so desperately need in South Africa, and a productive nation needs access to healthcare. So we do need to address the inequalities, we need to address the gap and do not need to preserve the status quo.” said Roseanne Harris, of Discovery Health.

But a concern she raised is the risk of the introduction of a single funding model reliant on taxes, and the introduction of a monopoly market. “And one of the implications of the bill is centralisation of (healthcare) There is a need for planning to ensure that it won’t have an unintended consequence of impacting service delivery and impacting on the rights of the healthcare personnel,” she added.

Harris said that both the private sector and public sector needed to go through a consultative process and that sustainable critical milestones needed to be put in place to hold the process to account.

Another panelist at the event, Simon Strachan of the South African Private Practitioners Forum (SAPPF), pointed out that the Covid-19 pandemic showed how public- and private healthcare could collaborate successfully. Here service agreements between the two entities were met and were focused solely on fighting the pandemic.

"So to create the way forward, what we need to be able to do is to have a very clear understanding of what it is we're trying to achieve, that there is robust trust, and that there is a groundwork for sustainable collaboration," he explained.

An urgent need for this collaboration, he said, was the recent introduction of Section 33 of the NHI bill, which in its present form would have healthcare professionals working for the state at a fee the state sets, with benefits not included.

NHI funding and pricing

A second issue he said was the need for a successful funding model that will be acceptable to all South Africans.

Economist Nicola Theron of FTI consulting told the audience that structures already in place and used in the private sector could make for a smoother transition for the NHI. In particular when it comes to issues like the pricing of medicines.

"We are now at a point with the current NHI that there are talks about the lowest possible price at a reasonable return for healthcare providers. There is no indication of what return means," she said. "But what we have is an existing system of pricing which has been developed over time, and which should form the basis of pricing going forward," said Theron.

Not getting the pricing right could lead to investment leaving South Africa, she warned. She suggested in turn that it would be a better model to have multiple buyers that will stimulate competition.



Proposed tax hikes intensify NHI funding worries

Katja Hamilton 30 Aug 2023



Ali Hamdulay, chief executive officer of Metropolitan Health, said that a way forward would be to implement the suggestions that came out of the Health Marketing Inquiry that took a hard look at both the public- and private healthcare systems, outlining the problems with both. "So effectively by addressing the recommendations of the Health Market Inquiry you're actually fostering an environment of culture and direction to work towards universal health care," he said.

Barry Childs, of Insight Actuaries, said that while fundraising mechanisms in the public sector needed to be improved, the introduction of the NHI offers a great opportunity to reform the healthcare system.

"As much as we talk about the need for reform of the private sector side, there's been no meaningful reform of the public sector for many decades. And the NHI is a wonderful opportunity for them to introduce some better, more responsive financing mechanisms," he said.

But for NHI to ultimately provide the services it promises, Childs said South Africa's economy needs to improve, and more jobs need to be created.