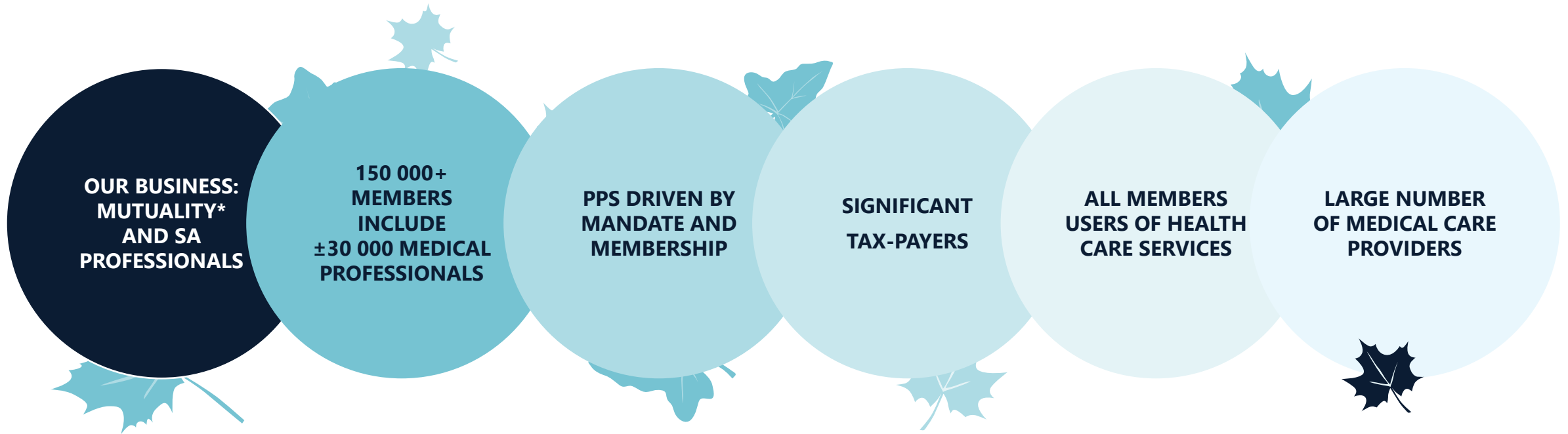




PPS WORK ON THE NHI

Presentation to the Portfolio Committee
on Health

PPS: THE VOICE OF SA PROFESSIONALS



***Mutuality:** an approach for participants to thrive by jointly seeking to maximise human, social, financial and environmental capital.

AT OUR LAST MEETING THE FOLLOWING THEMES WERE QUESTIONED

- Inequality of access to services
- Sustainability of the current system
- Health Market Inquiry findings: The imperfection of the private sector



WHAT WE LIKE ABOUT THE CONCEPT OF UNIVERSAL HEALTH COVERAGE

- The concept of universal health coverage is aligned with the United Nations Sustainable Development Goals.
- South Africa already has a form of Universal Healthcare in place with the State Facilities providing support to all regardless of resources, a commendable achievement.
- Universal Healthcare will increase employment in the health sector if implemented well.
- Universal Healthcare can create opportunities for sustainable healthcare provision partnership between the public and private sectors.



INEQUALITY OF ACCESS TO SERVICES

- It is our position that access to services should be for all. The current healthcare system provides access for all; however, the challenge is resourcing in some public facilities.
- Our proposal is that the current health system must be optimised to improve services across the board.
- Citizens already fund the health system through the high taxes that are paid, the role of the public and private sector is to optimise the existing resources. A public private partnership approach to improving healthcare will assist to improve the quality of the healthcare services for all.



SUSTAINABILITY OF THE CURRENT SYSTEM

- Affordability remains an issue for members of medical schemes.
- Supportive of the NHI perspective of improving primary healthcare.
- Corruption is a challenge both in private and public healthcare. Therefore, without fixing the issue of corruption no system will be sustainable.
- We have a shrinking tax base, thus overtaxing people will lead to emigration or worst-case tax avoidance.
- There is no them and us - we must find a solution for South Africans in general.



HEALTH MARKET INQUIRY

- To date there has been no response to the recommendations of the Health Market Inquiry (HMI), regarding the proposed operational reforms.
- Adopting the HMI recommendations can build a range of institutional and individual capacities to manage healthcare provision in South Africa.
- The HMI explicitly takes NHI into account in designing its recommendations, putting forward suggestions to create a better environment in which the NHI can function.
- HMI's recommendations aim to ready the private sector to operate as part of NHI enabling the private sector to integrate into the NHI system.



SINCE OUR LAST MEETING

- COVID-19 pandemic has come full circle, and we have all seen the need for coordination and cooperation between the private and public sector.
- We have seen firsthand the shortcomings of the system and elements we can build on.
- Control environment was a glaring area where tighter controls were needed – procurement was a challenge in our response to COVID-19.
- On the technology front, the Department of Health has been successful in implementing a centralised vaccine registration and certificate system. This is a good first step on the technology side.

CLARITY REQUIRED ON THE FOLLOWING

- The timeframe of the initial phase, measures of success, what is in scope.
- What is included in the benefit package.
- Review of governance structures including focus on corruption and fraud.
- Review of the role of medical schemes (clause 33); we see a future for both the NHI and medical aid schemes.

CLARITY REQUIRED ON THE FOLLOWING

- We await updated details on the basket of services.
- Details regarding the funding – funding is foundational to the success of the NHI, without clarity of how the economics work the system will fail.
- What is the role of the current administrative infrastructure in the world of NHI?
- Has the viability of a single purchaser been tested?



KEY MESSAGES FROM THE PROFESSIONALS



CLARIFY THE ISSUE OF HOW FUNDING WILL WORK

FUNDING

TAXATION

- Professionals want to know how the implementation of NHI will impact their taxes – they want tax certainty.
- High taxes encourage globally mobile professionals to move to other geographies.
- Current tax base is very fragile, about 10% of tax-payers are assessed tax-payers.
- Just under 40% of total taxes come from individuals, and a significant portion are professionals.
- Citizens have the freedom to spend their post-tax income how they want to.



KEY MESSAGES FROM THE PROFESSIONALS



CLARIFY THE ISSUE OF HOW FUNDING WILL WORK

FUNDING

THERE IS ROOM FOR A DUAL SYSTEM NHI

- Let us learn from the current system and fix what is broken.
- There is significant infrastructure in place to administer healthcare.
- Health professionals want certainty about their remuneration.
- Claims SLA for service providers is important for a sustainable system.



KEY MESSAGES FROM THE PROFESSIONALS



PROFESSIONALS ARE THE ECONOMIC AND SKILLS BACKBONE OF THE COUNTRY

SUPPLY OF SERVICES

- Referral pathways affect supply & demand (choice)
 - Will the public be able to continue relationship and treatment with their doctor of choice?
- The system proposal does not have buy in from healthcare professionals
- In the 2021 GPI the top 4 items that were recognized by medical professionals as detractors from emigration are:
 - Improving the socio-economic climate of the country
 - Improving working conditions & remuneration
 - Policy certainty on NHI



KEY MESSAGES FROM THE PROFESSIONALS



PROFESSIONALS ARE THE ECONOMIC AND SKILLS BACKBONE OF THE COUNTRY

SUPPLY OF SERVICES

Emigration is always a realistic option for the qualified

- Each healthcare worker not only represents a skilled worker, but many are also self-employed and pay taxes as individuals, as well as in their business capacity.
- In our survey 73% felt that emigration would be the outcome if NHI is not implemented responsibly.



KEY MESSAGES FROM THE PROFESSIONALS



GO BEYOND THE KNOWN & ADDRESS REAL MISINFORMATION & GAPS IN KNOWLEDGE

MANAGEMENT OF HR

- PUBLIC PRIVATE PARTNERSHIP IS THE SOLUTION
 - Private sector administrators have excellent systems including IT, so leverage across initial and roll-out phases of NHI.
 - Private sector capabilities can be to the benefit of the state – leverage the existing resources.
- HUMAN RESOURCES
 - The successful implementation of NHI relies on strong Human Resources capabilities.
 - Forecasting and allocating resources throughout the country.
 - Competitive remuneration – South Africa has experienced a mass exodus of nurses in the 90's we cannot risk that again.
 - Medical and non-medical skills in healthcare provision must be available and adequately trained.



KEY MESSAGES FROM THE PROFESSIONALS



SUPERIOR ADMINISTRATION CAPABILITY

ADMINISTRATION & IT

WE HAVE TOP QUALITY ADMINISTRATION AND TECHNOLOGICAL CAPABILITIES

- Private sector has exceptional administrative capability.
- Patient management systems exist and can be leveraged.
- Payment and vendor management capabilities exist.
- Managed Healthcare services.
- Cost and waste management processes.



KEY MESSAGES FROM THE PROFESSIONALS



SUPERIOR ADMINISTRATION CAPABILITY

ADMINISTRATION & IT

THE CONTROL ENVIRONMENT

- Corruption is a challenge in South Africa – the COVID-19 pandemic laid it to bare in the health sector.
- Any monopolistic system is bound to increase cost and inefficiency.
- Single purchaser is not efficient or effective - it will create backlogs and frustration.
- Inefficiency in healthcare costs lives.



KEY MESSAGES FROM PPS



WE ALL HAVE ONE AIM – BETTER HEALTHCARE FOR ALL

A SOLUTION FOR SOUTH AFRICA

- The task we are faced with is finding a solution for South Africa, we cannot import solutions. Between us we know what works and we know our unique South African condition.
- Let us implement what is affordable for the country - the solution must be economically sound.
- Professionals are a big proportion of healthcare delivery and the tax base. Their voices need to be considered.
- We urgently need to see the funding model, the implementation of the HMI and details of how the system will work.

This challenge requires us to be pragmatic in our approach and steady in our implementation.

- All South Africans deserve a better system, we have an obligation to work together to create a functional and sustainable healthcare system.



WE SUPPORT HEALTHCARE REFORM

- Need for clarity on the timeframe of the initial phase, measures of success, what is in scope and what is out of scope, and what is included in the benefit package.
- Review of governance structures including focus on corruption, fraud, etc.
- Review of the role of medical schemes (clause 33); with implementation of the HMI recommendations.





CONCLUSION

- PPS recognises the need to improve healthcare delivery.
- On behalf of our members, we want to engage with policy makers and other role-players to share the knowledge and systems to aid the building of a sustainable healthcare system.
- PPS members believe NHI requires refining and must be implemented in a considered, inclusive and sustainable way.
- Our members require details of how NHI will be implemented and an understanding on how it will impact them as healthcare workers and taxpayers.