



# **NATIONAL HEALTH INSURANCE BILL**

*SACP Presentation to  
Health Portfolio Committee  
15 February 2022*

# Outline of the Presentation

1. General Commentary
2. Specific Commentary on the NHI Bill
3. Some COVID-19 lessons for NHI



# 1. General Commentary

- **The SACP welcomes the National Health Insurance Bill... for several reasons:**
  - It is a direct response to, and marks a decisive break with the present unequal and irrational “two-tiered” health system – a system that also reflects the persisting and worsening income and wealth inequality in our society:
    - by focusing the country on a **major re-distribution of existing health care resources**, NHI Bill, seeks to ensure not only **access to good health care for all but also the general redistribution programme of existing resources of the country.**



# 1. General Commentary

- The SACP welcomes the National Health Insurance Bill... for several reasons (Cont.)
  - However, such redistribution in the health sector, as outlined in the objectives of NHI Bill, need a **system-wide, structural transformation approach**. We cannot transform the public health sector without transforming the private health sector and vis-versa. This is not the time to tinker with the present two-tiered system. The NHI Bill provides a solid foundation for such transformation.



# 1. General Commentary

- The SACP welcomes the National Health Insurance Bill... for several reasons (Cont):
  - The Bill guarantees good and comprehensive health care to everyone for life and will be free at the point of service.



# 1. General Commentary

- **NHI enjoys popular support:**
  - **Especially around its core features and principles:**
    - **Universal health coverage and social solidarity** – in which everyone is covered and has access to health care on same terms and resources re-distributed to the working class/poor majority – those with greatest health needs;
    - **Comprehensive health services** – from promotion, prevention to treatment.
    - **Publicly-financed and publicly-administered NHI Fund** - that acts as a single and strategic purchaser of health services delivered by accredited public, social and private sectors.



# 1. General Commentary

- **NHI enjoys popular support:**
  - **Especially around its core features and principles (Cont.):**
    - **Free at the point of service** - in which health care services are pre-dominantly financed through tax contributions, based on ability to pay – not out of pocket expenses , premiums, co-pays – and services delivered based on need; and
    - **Against corporate state capture/corruption and neo-liberal austerity** - in which public accountability, transparency and a well-resourced public health sector will be paramount.



# 1. General Commentary

## □ NHI has its own distractors:

- This is not uncommon - in many part of the world, where similar major health reforms have been introduced before (or efforts to do so) progressive forces have always faced relentless resistance from those who stand to benefit from the status quo – mainly those who prioritize profits over health.
- And the themes around which they seek to set the terms of debate are familiar, like “where will money come from”? “It is unworkable” and “fix the public health sector first” (NHS in the UK, NHI in Canada, current “Medicare for All” debate in the US, NHI implementation in South Korea).





# 1. General Commentary

## □ NHI has its own detractors (Cont..)

- While some of the NHI detractors claim to support the principles of universal health coverage and social solidarity, so far there is little evidence of any concrete, detail and costed proposal, alternative the NHI Bill.
- When there are proposals, neither advances universal coverage and access to good and comprehensive health services – they only tinker with the present status quo. At worst, they made ridiculous proposals to give South Africans “medical vouchers” to “shop” around in health marketplace! Health inequalities in our two-tiered system (in use and access) is not something that preoccupy their concerns.



## 2. Specific Commentary

- While generally endorsing the Bill, we wish to highlight the following aspects for purposes of strengthening clarity of the Bill:
  - The Bill must clarify interpretation of “private sector” which appear too vague. We suggest that we should distinguish between actors in the broader health sector involved in socially-oriented activities and those involved in profit-oriented activities. As such “private sector” may not fit in with those whose social mission is not profit-taking. “Social sector” could be added to recognize these actors.



## 2. Specific Commentary

- On the NHI Fund:
  - This is the core proposal of the Bill which stresses the central role of the state – in funding and organising a new universal health system.
    - We reject proposals for outsourcing this role of the fund to medical schemes administrators.
  - The NHI Fund will play a role of active, strategic and single purchaser, which changes not only how health care is paid but how it is delivered across sectors in this country.
    - We reject proposals to retain the current fragmented (and wasteful) health funding pockets within the state, medical schemes etc which play role of ‘passive purchasers’ of health resources.



## 2. Specific Commentary

- On the NHI Fund:
  - The NHIF will need to **focus on resourcing the public sector**, which currently serve approximately 84 percent of population, but have suffered from years of under-funding. As the **backbone of the NHI**, it will require significant resources to address historical spatial disparities between provinces and within provinces. This will be important to highlight in the transitional phases outlined in the Bill.



## 2. Specific Commentary

- On health services;:
  - The Bill, calls for comprehensive health services as opposed to limited “health package”. However, we believe that such comprehensive coverage should be **rooted in primary health care approach** that informed our health policies since 1994 (but never fully implemented) , as the first point of entry and referral in the system, requiring great investment in human resources (including massive expansion of community health worker programme) and to a great extent, infrastructure.



## 2. Specific Commentary

- On the NHI Fund:
  - As the “active strategic purchaser of health services”, ( therefore a major procurer of services) we should anticipate that the NHI Fund will be a prime target of forces of corporate capture and corruption in all its shapes and colours. NHIF Fund must have inbuilt mechanisms to fight corruption. This should include efforts to ensure greater transparency and accountability, including in the use of public funds and ensuring they are directed to those who need them most.



## 2. Specific Commentary

- On the Role of Medical Schemes:
  - We agree: under a unified health system as envisaged in NHI Bill, a major shift is required from employment/labour-market depended health coverage in a form of private health insurance, which presently commands around 45% of the country's health funding.
  - Under NHI medical schemes cannot cover services that are covered under NHI Fund – this will simply duplicate resources and maintain the two-tiered health system



### 3. COVID-19 Lessons for NHI

- We believe there should be a study in immediate future on many lessons that can be drawn from COVID-19, and measures implemented during the State of National Disaster for NHI.
- Without pre-empting such study, it will be important to reflect on **our public health emergency preparedness** as a country and what this could mean for NHI and future health emergencies .



### 3. COVID-19 Lessons for NHI

- Such assessment should necessarily involve:
  - A look at our capacity to **strengthen national planning and co-ordination** in our fight against the pandemic to the extent in which this will be critical important for NHI – for example deployment of human resources to areas with greatest need, central procurement of medication/vaccine/equipment, national health information system etc.



### 3. COVID-19 Lessons for NHI

- Such assessment should consider: (Cont)
  - Our coordination across and within provinces to ensure adequate, and
  - Our interactions with health care providers in the private sector
  - Community mobilization following primary health care principles.



**THANK YOU**