



health

Department:  
Health  
REPUBLIC OF SOUTH AFRICA



## THE NATIONAL HEALTH INSURANCE BILL

I will now move to the National Health Insurance (NHI) Bill.

I do not want to start by assuming that people actually know what NHI is. And so I will have to start with the definition. As I go on I will show some of the things I am saying on the screen.

### WHAT IS NHI?

- NHI is a health financing system that pools funds to provide access to quality health services for all South Africans based on their health needs and irrespective of their socio-economic status.
- It will need a **massive reorganisation of the current health system, both public and private.**

Having seen the nature and scope of the problem, how is NHI going to go about in the Bill to try and bring a new order?

Obviously I cannot hope to present the whole Bill to you now, it is impossible. I am presenting it to you to read and participate in the comment period.

What I will do however, is touch on the key sections of the Bill.

## **Objective of the Act**

The objective of this Act is to establish a Fund that aims to achieve sustainable and affordable universal access to health care services by—

- (a) establishing and maintaining an efficient Fund through the consolidation of revenue so as to protect users against financial risk;
- (b) serving as the single public purchaser of health services in terms of this Act so as to ensure the equitable and fair distribution and use of health care services;
- (c) ensuring the sustainability of funding for health care services; and
- (d) providing for equity and efficiency in funding by actively purchasing health care services, medicines, health goods and health related products from certified, accredited and contracted service providers.

## **Main features of the Bill**

But before going into the key sections of the Bill, let me deal with one extremely important issue - the quality of Public healthcare.

We are painfully aware of the fact that some people believe that even before we open our mouth about NHI, we must sit and fix the ailing public healthcare system first.

We are very much alive to the problems of poor quality and lack of efficiency in the public healthcare system. That is not a matter of debate.

The National Development Plan (NDP) has actually flagged it unambiguously. It said in implementing NHI, South Africa has two problems to solve, viz -

- The existing cost of Private Healthcare; and
- The poor quality of care in the Public Health system

Clearly, the NDP regards these two as the terrible twins of the healthcare system. Hence they need to be tackled simultaneously. If we do them one after the other, it means we are planning to take the next half a century before we talk about NHI. That is undesirable.

Fixing the quality of Public Healthcare is never going to be an ending event. It is rather an ongoing and continuing process which has no end as long as the health system exists among people.

Since this issue of poor quality of Public Healthcare is clearly being used as a big stick to beat back the advancement of NHI, it might be conveniently forgotten that right at the beginning of the emergence of talks about NHI as far back as 2009, we identified this issue as one of the cornerstones of NHI. The first workshop we had with stakeholders as a starting point of our plan about NHI, was to discuss the establishment of a form of a quality care commission which we later called Office of Health Standards Compliance (OHSC). This was after we had done an audit on 6 key indicators of quality in our healthcare facilities - these indicators were cleanliness, safety and security of staff and patients, attitude of staff to patients, waiting times, infection control, and drug stockouts.

We were rattled to find that there was an 80% failure rate on our facilities on the issue of attitude of staff.

We invited the former CEO of the NHS in the UK, Lord Nigel Crisp as well as the World Health Organisation to help us establish an office that will monitor the quality of care and start setting standards which our health facilities must strive to attain.

In addition, being worried about the events in our public hospitals and the complaints from patients through the media, we decided to establish in this very office South Africa's first ever Ombud Person, so that people can report directly to an office which will hold people accountable and have consequences.

So it is us who saw the need for these two offices. They were not imposed on us by some law. Actually we amended the National Health Act, 2003 (Act No. 61 of 2003) to create these two offices in order to start the painstaking journey towards quality.

So we can claim that the first Act ever to be amended in preparation for NHI, the National Health Act, was amended due to our worry about quality.

When the two offices start doing their work and uncover very serious problems, it is because they were established solely for that purpose. When our facilities start by dismally failing certain of the standards, it is because we established these offices to judge the health system harshly so that we get jerked into action.

Since we planned the two offices, we could as well have set the standards very very low in order to easily pass the test and gloat about it.

No, that is not the route we chose. We chose the tough route whereby the standards are very steep and will be like climbing Mount Kilimanjaro for some of our facilities. We believe it is better to do that so that we must struggle upwards rather than purport to have reached our destination to qualify very fast and very easily.

The OHSC is actually also still on office in the making. It also has not yet arrived at a point where it will stop fine-tuning its operations in order to create an effective, fair, and understandable system of evaluation. Lots of fine-tuning is going to have to be done as the office also learns how to do it. The good thing is that we have made a start and we note the early failures with humility but determination to reach up there.

Without the office of the Ombud, the Life Esidimeni saga will definitely not have ended the way it did. Hence establishing the office when we did was a timely intervention by us in the pursuit of good quality in the healthcare system.

Later on in the presentation we shall demonstrate changes in legislation which will expedite our journey towards achieving quality.

Let me then deal with the main features of the Bill.

(Slides)

## **Laws to be amended**

In the massive reorganisation of the healthcare system mentioned earlier, we have identified twelve (12) Act to be amended for the smooth running of the healthcare system and in order to guarantee or if I may say, to impose quality. Some of the places of legislation are going to be amended because they may be in conflict with the NHI.

For the purpose of this briefing today I will confine myself to two Acts because of their extra ordinary importance to the state in which the healthcare system finds itself today.

These are the National Health Act, 2003 (Act No. 61 of 2003) and the Mental Health Act, 2002 (Act No. 17 of 2002). It is not only us who have identified these two Acts for amendments, if you look at the recommendations of the Health Ombud on Life Esidimeni, he has recommended that we review the Mental Health Act and the National Health Act.

### **The National Health Act, 2003 (Act No. 61 of 2003)**

The National Health Act as it stands currently, empowers the Minister of Health and the National Department to come up with policies, guidelines, norms and standards for implementation by various Provincial Departments of Health.

The Act also provides for the establishment of the National Health Council (NHC) consisting of the Minister and MECs, the Director-General and HODs as well as the Sergeant General of the South African Military Health Services and SALGA.

The functions of this body is to advise the Minister on a broad range of issues pertaining to the running of the healthcare system.

In the case of failure in any of the provinces, the Constitution provides for intervention via Section 100 1(a) or (b) as we did in Limpopo in 2011 and in North West this year.

We appreciate these tools but we have carefully reviewed the National Health Act 2003 in comparison with Health Act, 1977 (Act No. 63 of 1977).

We have reached an unambiguous conclusion that the trajectory in which health services finds itself today, can efficiently, effectively

and swiftly be served by a very direct approach to intervention as promulgated in Act No. 63 of 1977, rather than Act No. 61 of 2003.

We believe that if we wish to get immediate results that old Act is the one that will provide for that. We should bare in mind that that old Act was promulgated at the time when Provinces were first administrative centres rather than political centres as it is today.

I wish to read the provisions of this Act which we propose to be incorporated when we amend the National Health Act.

### **Mental Health Act, 2002 (Act No. 17 of 2002)**

In short, in the amendment of this Act, we wish to reinstate the powers of the National Government which were taken down to provinces in the 2002 Act.

### **The Pilots**

Another contentious issue being used as the reason why NHI cannot happen is the belief that piloting NHI as failed in many districts and hence we cannot come up with this Bill.

Perhaps we shot ourselves in the foot by giving an impression that we were piloting NHI itself, which as the definition shows, is actually

a pooling of funds for the whole population. There was no pooling of funds for populations in any of the pilots. What we did was to test various possible interventions which will become necessary in the massive reorganisation of the healthcare system.

Some of the things we tested are the following:

## **1. School Health**

School Health is one of the most important cornerstones of PHC (Primary Health Care), which we said is going to be the heartbeat of the Healthcare system under NHI.

There are 12 million kids going to school everyday in this country. We cannot wait for them to arrive in the clinics already sick. We need to know what is going with them because they are the future.

In this instance, we have screened 3,5 million of them in this testing to find their needs in terms of physical barriers to learning, be eyesight, hearing, oral health and speech.

We now know from the screening that 15% of them overall but 33% in quintile one and two schools (i.e the poorest schools) have at least one of these four problems. We are planning for NHI to intervene in this matter - free spectacle, hearing aids, oral hygienists and speech therapists we are soon to launch this project this year.

## **2. Community Health Workers**

We tested the concept of strengthening prevention through ward-based PHC Outreach Teams.

During the period of the Pilots by the end of March 2017, the teams have visited 4,7 million households in poor areas of this country to deal with their health problems.

We are very happy today, that last week the Unions in the Bargaining Chamber reached an agreement on the policy of the Community Health Workers and hence they will soon be part of the permanent workforce of the health system.

## **3. GP Contracting**

Here we were testing how private GPs can be integrated into the healthcare system to provide services. And hence in NHI GPs and clinics will be the 1st point of call and for HIV and AIDS, we are going to decant 50 000 patients to be under the care of GPs.

4. We also piloted things like the Central Chronic Medication Dispensing and Distribution Programme (CCMDD) in which to date we have 1,8 million patients decanted away from clinics and hospitals but receiving their medication on pre-selected pick-up points.

### **NHI Projects to be implemented in the MTEF**

While the Bills are being debated, we will be implementing at least four NHI projects from the money allocated in the MTEF period - as you will remember, R4,1 billion was appropriated over this period.

These are:

- School Health
- Mental Health
- Pregnant women with complicated pregnancies in 22 highly affected hospitals
- Oncology with specific help to Gauteng and KwaZulu Natal while not ignoring the other provinces

I thank you

**For media enquiries, please contact:**

Mr Popo Maja  
Head of Communications  
National Department of Health  
Cell: 0725853219/012 395 9591

Foster Mohale  
Director: Media Relations  
National Department of Health  
Cell: 0724323792/012 395 8180  
Email: Foster.mohale@health.gov.za