


**BRIEFING TO THE PORTFOLIO  
COMMITTEE ON HEALTH**

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**NATIONAL HEALTH INSURANCE BILL**


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**29 AUGUST 2019**




**health**  
Department:  
Health  
REPUBLIC OF SOUTH AFRICA


**PURPOSE**



**health**  
Department:  
Health  
REPUBLIC OF SOUTH AFRICA

- The Bill establishes NHI Fund as a legally defined organ of the state.
- The Bill seeks to establish the National Health Insurance Fund of South Africa (NHI Fund), its Functions, Powers and Duties.
- It further provides for the control of NHI Fund by the Board,
  - the composition of Board,
  - the appointment of Members of Board,
  - the appointment of Chairperson and Vice-Chairperson of Board,
  - the meetings of the Board,
  - the appointment of Committees of the Board and the disqualification from membership of Board and vacation of office.
- The Bill seeks to define beneficiaries of services covered by the NHI Fund, including population registration.
- The Bill also provides for the contracting of accredited providers of personal health care services and allows for the Minister to determine criteria for accreditation and reimbursement of Health care providers
- The Bill provides for the Minister to determine health care benefits that will be reimbursed through the NHI Fund, as well as the service coverage and cost measurement provisions.

NHI BILL		 <b>health</b> <small>Department: Health REPUBLIC OF SOUTH AFRICA</small>
<ul style="list-style-type: none"> <li>• Part 1: Purpose and Application of the Act</li> <li>• Part 2: Access to Healthcare Services</li> <li>• Part 3: NHI Fund</li> <li>• Part 4: Board</li> <li>• Part 5: Chief Executive Officer</li> <li>• Part 6: Committees to be established</li> <li>• Part 7: Advisory Committees</li> <li>• Part 8: General Provisions</li> <li>• Part 9: Complaints and Appeals</li> <li>• Part 10: Financial Matters</li> <li>• Part 11: Miscellaneous</li> </ul>	3	

1. PURPOSE AND APPLICATION OF ACT		 <b>health</b> <small>Department: Health REPUBLIC OF SOUTH AFRICA</small>
<ul style="list-style-type: none"> <li>• Purpose of Act           <ul style="list-style-type: none"> <li>– establish and maintain a <u>National Health Insurance Fund</u> in the Republic funded through <u>mandatory prepayment</u> that aims to achieve sustainable and affordable universal access to <u>quality health care services</u>. The Fund will be:               <ul style="list-style-type: none"> <li>• single purchaser and single payer of health care services</li> <li>• by pooling of funds and strategic purchasing of healthcare services and goods from accredited and contracted health care service providers</li> </ul> </li> </ul> </li> <li>• Application of Act           <ul style="list-style-type: none"> <li>– applies to all health establishments, excluding military health services and SSA</li> <li>– The Act does not affect the funding and functions of any organs of state in respect of health care services until relevant legislation has been enacted or amended.</li> <li>– Where there is conflict with other legislation this Act will prevail except the Constitution and PFMA.</li> </ul> </li> </ul>	4	

## 2. ACCESS TO HEALTH CARE SERVICES (1)



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- **Population coverage**
  - the fund will purchase services on behalf of SA citizens; permanent residents; refugees; inmates and specific categories of foreign nationals.
  - asylum seeker or illegal migrants – EMS, notifiable conditions, basic health services for children,
  - Foreign Nationals – travel insurance
- **Registration as users**
  - Eligible person must register (including children) with accredited healthcare provider/establishment
  - Newborns automatic registered at birth registration
  - Supervising adult must register children in a child headed household
  - Biometrics and such other prescribed information

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## 2. ACCESS TO HEALTH CARE SERVICES (2)



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- Users of healthcare services have the following rights
  - quality health care services free at the point of care
  - information relating to the Fund, service benefits and personal info
  - Not refused access on unreasonable grounds
  - Access to care within a reasonable timeframe
  - reasonable decisions about his or her health care;
  - Submit a complaint
  - Written reason for fund decisions
  - to purchase health care services that are not covered by the Fund through a complementary voluntary medical insurance scheme

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## 2. ACCESS TO HEALTH CARE SERVICES (3)



- Health care services coverage
  - The fund must purchase services on behalf of all beneficiaries
  - where provider or establishment unable to provide a registered service then facility or provider must transfer the user to another provider/establishment
  - User must enter at the PHC level, and follow referral pathways as condition of entitlement
  - Minister must designate central hospitals as semi-autonomous - government components
  - Treatment will not be funded if – no medical necessity, not cost effective or not included on the formulary
  - If the fund declines a benefit – provide reasons and allow for appeal process
- Cost coverage
  - free at the point of care

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## 3. NATIONAL HEALTH INSURANCE FUND



- Establishment of Fund – section 3A public entity
- Functions of Fund
  - actively purchase services and enter into procurement contracts for goods
  - timely reimbursement
  - determine payment rates annually in a prescribed manner
  - Appropriate funding for healthcare services at various levels
  - monitoring the quality and standard of health care services
  - performance profile of all service providers – pay for performance
  - Monitor the impact of the Fund in addressing healthcare needs
  - Liaise and exchange information between DOH, entities and statutory councils
  - Maintain a national database of population – demographic and epidemiological
  - Perform functions in the most cost-effective and efficient manner
  - Funding aligned to health policies approved by the Minister
  - Responsibility to contribute to the protection, promotion, improvement and maintenance the health of the population

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