# NCOP

**FOR WRITTEN REPLY**

**QUESTION NO. 60**

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**(INTERNAL QUESTION PAPER NO. 09)**

**Mr A B Cloete (Free State: FF Plus) to ask the Minister of Health:**

(1) Whether his department received any concerns from the National Treasury regarding the implementation of the National Health Insurance (NHI); if so, what were the concerns;

(2) whether his department considered such concerns; if not, why not; if so, what are the relevant details;

(3) whether his department consulted with the Premiers of the provinces regarding the implementation of the NHI; if not, why not; if so, what are the relevant details?

###### CW108E

**REPLY:**

1. The National Department of Health recognised during the NHI policy development phase that it is important to include National Treasury given the nature of the interventions that need to be implemented. The NHI Ministerial Advisory Committee included a representative from the National Treasury that was intimately involved in the work of the committee that finalised the NHI Green Paper. The Treasury has the responsibility for the determination of finance policy therefore we had requested Treasury to actually write Chapter 7 of the White paper. So they have been part of the policy development and raised many concerns in the process which was dealt with by the Ministerial Committee or through the interdepartmental processes.

The concerns raised by Treasury relate to the following areas:

1. The extensive nature of shifting provincial functions and funds to the National sphere needs adequate planning and time to implement
2. Clarity regarding the location of each function list in the National Health Act
3. Provisions that contravene the PFMA and DORA
4. The NHI Fund as a direct charge against the National Revenue Fund
5. The Bill should provide greater detail relating to the transitional phases until full implementation of NHI for medical schemes to understand their complementary role will be in the future
6. The financial implications relating to the various policy proposals
7. The National Department of Health is expected to consult with government departments prior to a Policy or a Bill being considered by Cabinet. The Department did consult with Treasury regarding the concerns raised above and each of these concerns were resolved as follows.
	1. The concern regarding the need for extensive planning and timelines for shifting provincial functions was noted. A transitional clause was introduced in the Bill that allows for functions to continue until the relevant sections of the amendments are proclaimed so there is smooth transition.
	2. The amendments relating to each provincial function in the National Health Act was discussed and amendments were effected to the final Bill so that the location of each function is clear
	3. The State Law Advisor reviewed concerns that the Bill contravenes the PFMA and DORA and confirmed that there is no contravention of the PFMA or DORA
	4. The Bill was amended so that the NHI Fund is not a direct charge to the revenue fund but an appropriation from parliament
	5. The transitional clauses were introduced with timelines to provide clarity on the steps and timelines before full NHI implementation and the complementary role of medical schemes only after full implementation
	6. It was agreed that National Treasury will publish a financing paper as a precursor to the Monies Bill that estimates the cost of the NHI and outlines the revenue options to support the broad Funding options approved by Cabinet as contained in the Bill.
8. Matters relating to health policy and legislation must in term of the National Health Act be discussed at the National Health Council which consists of the Provincial MECs, Heads of Department, Director General, Deputy Directors General, Deputy Minister and Minister. The NHI policy and Bill was discussed within the NHC. Various task teams have been established with provinces to plan the implementation of the Bill. Provincial Premiers are not consulted directly given that it is the Health MECs that have been given this responsibility by Premiers.

END.