



National Health Insurance: The “Shosholoza” train is already on the move!

On 11 August 2011, Dr Aaron Motsoaledi, the Minister of Health, launched the Green Paper on the National Health Insurance (NHI) during a post-cabinet media briefing in Pretoria. The NHI is expected to be an innovative system of healthcare funding which will give all South Africans access to appropriate, efficient and quality health services and affordable, quality health care, regardless of socio-economic status.¹ He was succinct in his briefing that the timeline for this project is 14 years, with the first five years focused on building and preparation. Dr Motsoaledi stressed that the cornerstone of the proposed NHI is universal coverage, with a financing system that will ensure provision of essential health care to all citizens of South Africa (and legal long-term residents), regardless of their employment status and ability to make a direct monetary contribution to the NHI Fund.²

The 2009/2010 annual report of the Council for Medical Schemes (CMS) states that R7.5 billion was spent on administration in 2009; a growth of 11.2% from R6.8 billion in 2008, while the total non-health care expenditure (i.e. administration fees, fees for managed health care, broker fees, impairments, and commercial reinsurance) grew by 11.1%, from R9 billion (2008) to R10.8 billion (2009).³ The reserves of the CMS grew by 3.5% from R27 billion (2008) to R28 billion (2009). In December 2009, there were 110 registered medical insurance schemes (33 open and 77 restricted schemes), with a total membership of 8 068 505 members (3 488 009 principal members and 4 580 496 dependents), which accounts for 16.2% of South Africa's population.³

The implication of this health funding model is that the remaining 83.8% of South Africa's population depends on the public health system. South Africa spends 8.3% of its GDP on health, as follows: 4.1% in the private sector, which covers 16.2% of the population, who are largely on medical schemes, while the remaining 4.2% is spent on the remaining 83.8%. The public sector is definitely under-resourced relative to the size of the population it serves, and the quadruple burden of disease.⁴ Therefore, the NHI seeks to ensure that all South African citizens and legal residents benefit from healthcare financing on an equitable and sustainable basis.

So what should be the role of the South African Academy of Family Physicians in the implementation of the NHI? The first

step is to fully support and embrace this bold initiative by the government, which is aimed at providing universal health coverage to all South Africans. Secondly, we need to study the Green Paper and give our urgent constructive input to the Ministerial Advisory Committee on NHI, on or before the extended deadline of 30 December 2011. The latter we have already done, to the advisory committee. It is expected that in 2012, the Department of Health will start piloting NHI, so as to finalise how the service benefits can be designed, how the population will be covered and how the services will be delivered. A special Conditional Grant has been approved in the 2012 budget by the Minister of Finance in his mid-term budget speech, to fund the initial 10 pilot project sites. This is a great opportunity for all family physicians and practitioners to play meaningful roles, especially when there is a parallel, symbiotic process on the re-engineering of primary health care in South Africa.

The first five years of NHI will include pilot studies and strengthening the health system in the following areas:⁵

management of health facilities and health districts; quality improvement; infrastructure development; medical devices, including equipment; human resources planning, development and management; information management and systems support; and establishment of an NHI Fund. The NHI “Shosholoza” train is already on the move. The SAAFP must be part of this progressive move, for a better health system in South Africa.

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