



## What is the status quo of South Africa's National Health Insurance pilot project?

This editorial was motivated by a colleague's recent criticism of the National Health Insurance (NHI) pilot project that was launched in April 2012. He claimed that patients have not experienced any tangible difference in health

service delivery from the pilot NHI districts, compared to that from other non-NHI pilot districts. The selection of 13 pilot NHI districts was based on audit findings, which included the district's health profile, demographics, income levels and other social factors that impact on health, health delivery performance, management of health institutions and compliance with quality standards.<sup>1</sup> I engaged my colleague by asking him if he knew the objectives of the NHI pilots, to which his response was: "No". Obviously, from this short interaction I asked myself the question: "How many other colleagues are ill- or uninformed about the objectives of the pilot sites and implementation plan of the NHI?"

NHI is supposed to be a "financing system" that will ensure that all citizens of South Africa, and legal long-term residents, are provided with essential health care, regardless of their employment status and ability to make a direct monetary contribution to the NHI fund.<sup>1</sup> Furthermore, the establishment of the pilot districts was to help the National Department of Health to finalise how the service benefits will be designed, how the population will be covered, and how the services will be delivered.<sup>1</sup> The 2012 budget had a special conditional grant to kick start the pilot project.

The objectives of the pilots are to assess:<sup>2</sup>

- The ability of districts to assume greater responsibility with a "purchaser-provider split".
- The feasibility, acceptability, effectiveness and affordability of engaging the private sector.
- The costs of introducing a fully-fledged district health authority and the implications for expansion.

The question to ask is: "What progress has been made on these objectives since April 2012?" The March 2013 editorial of the *South African Medical Journal* highlighted a number of achievements that have occurred, namely that approximately 25% of the 40 000 community health workers have been trained in the new, national approach to community-orientated primary health care; more mobile clinics were established to support the school health services, and 43% of the 364 posts created for district clinical specialist teams have been filled. Returning to my colleague's claim that patients have not experienced any tangible difference in health service delivery from the NHI pilot districts compared to that from other districts needs to be interrogated. Is this a justifiable claim?

The answer lies in a review of the three objectives of the pilots. The National Department of Health has attempted to bridge the public and private health systems divide by contracting private general practitioners (GPs) to provide sessional services within its primary healthcare clinics in the pilot NHI districts. It planned to contract approximately 600 GPs to provide these services.<sup>3</sup> The success of this initiative has not been publicised in terms of the number

of GPs who have embraced and supported this healthcare reform strategy. In addition, pilot NHI districts that have assumed greater responsibility with a "purchaser-provider split" model are unknown.

The second objective of engaging the private sector should be unpacked to highlight what is expected. This is crucial if the private health sector, which is an important stakeholder, is to significantly contribute to the department's vision on NHI. It is heartening to note that the private health sector has openly given its support to the introduction of the NHI. But, this has to translate to the formulation of sustainable models of healthcare funding which are currently not in place. In South Africa, health care is financed in three ways, namely the public sector (funded by the government), the private sector (funded by the medical schemes), and out-of-pocket spending (funded by individual patients). Of these three funding streams, the major consumer of the health budget remains the private health sector, which caters to only 16.2% of the population. To accomplish the "feasibility, acceptability, effectiveness and affordability" of engaging the private health sector, private healthcare funders and providers need a mind shift which aims to provide "equity" in health. This is still a challenge and should be reported as such, and the National Department of Health has to craft innovative health reform strategies to deal with this challenge in collaboration with the private healthcare sector.

Finally, introducing and costing the ideal "fully-fledged" district health authority is long overdue. The National Department of Health owes us a progress report on this objective from the pilot NHI districts in terms of the number of district health authorities that have been established and are fully functional. The constant update of achievements on these three objectives will go a long way towards addressing the concerns of sceptics about the NHI project. On a positive note, the 2012 Statistics South Africa General Household Survey indicates that 79.2% of households were satisfied with services at public facilities, although this is 4.4% less than the 2011 survey which indicated that 83.6% of households were satisfied.<sup>4</sup> The take-home message is that the nation needs regular progress reports from the National Department of Health on the successes and challenges linked to the three objectives of the pilot NHI districts. If strictly adhered to, the latter will provide the advocacy thrust for the impending nationwide NHI roll-out. I encourage colleagues to be part of this healthcare reform in redefining South Africa's health landscape, of which "health equity" for all should be the guiding principle.

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