

Update on the National Health Insurance (NHI) Bill

You may have seen recent media coverage about the Parliamentary Portfolio Committee (PPC) on Health's approval of what's known as the B-Bill (the amended draft) of the NHI. We thought it may be helpful to give some answers to the kinds of questions you may have as a private medical scheme member.

Most important points to remember

- There are no changes to your current medical scheme cover and benefits.
- There is no immediate threat to your medical scheme cover.
- Universal healthcare cover for all is necessary and welcomed.
- Implementing the NHI in its current proposed form will take many years.

Is NHI now approved as law?

Not yet. The Bill is now with the National Council of Provinces (NCoP) for consideration. The Bill then needs to go back to Parliament for formal sign-off and then the President will need to sign it into law. This could still take some time.

Do the recent developments change anything about my medical scheme cover?

We do not expect the NHI to affect medical scheme benefits for many years as it will take some time for the NHI to be implemented. There is no change to your current benefits and cover, and we will communicate any changes for the new year as we usually do towards the end of the year. TFG Medical Aid Scheme remains in a strong financial position to continue providing access to quality healthcare funding for you and your family, at very competitive rates.

Will I still be able to have private medical scheme cover once NHI becomes law?

The Bill still makes provision for private medical scheme cover. However, the current version of the Bill limits the medical scheme benefits to services not covered by the NHI Fund once the NHI is fully implemented. Full implementation will require significant enhancements to the public healthcare system and so will take many years still. Limiting access to private healthcare cover in this way will add significant strain to the public healthcare sector and erode the trust of both citizens and healthcare providers. There are no other countries that limit private healthcare coverage in this way.

What are the main concerns regarding the current Bill?

The main concerns can be summarized as follows:

Constitutional concerns

The Bill has been through a process of extensive debate and consultation, with many stakeholders making representation about the practicalities of implementing the Bill. The Parliamentary Legal Services also raised significant constitutional concerns with the Bill. It was therefore surprising that both the Parliamentary Portfolio Committee (PPC) and the National Assembly decided to adopt the Bill with only minor cosmetic changes to the Draft Bill, opening the door for a variety of legal challenges. The Scheme currently has no intent to participate in any intended legal action, but the Board will consider such a strategy should it be in the best interests of its members at a later stage.

Funding

Any changes to tax legislation requires a “Money Bill” which needs to be proposed by the Minister of Finance. Earlier this year, the Minister of Finance noted that National Treasury hadn’t done any substantive work on this bill, therefore the intended funding of the NHI Bill remains unclear. The lack of a strong plan about the financial systems and controls that will govern how the monies in the fund will be managed is of real concern. Without a clear plan regarding effective oversight and with the major change to the way provincial budgets are currently allocated, it’s foreseeable that national and provincial departments may not agree over how best to administer funding for the NHI.

Health system readiness

The National Department of Health’s representatives have described the significant health system strengthening which the proposed model requires. They have stated that full implementation of the Bill in its current form will require substantial investment in health system improvement and will not be likely for at least another ten to fifteen years. During this extended period, medical schemes and the private healthcare sector will continue their vital role of meaningfully contributing to the health and productivity of the economically active population.

Of course, reform is also needed in the private sector, which is why schemes and administrators stand ready to work with the government to responsibly implement the changes needed to establish equitable access to healthcare for all South Africans.

Negative sentiment

It is particularly concerning that the inputs of the healthcare professionals, who are core and essential to the delivery of care, are not being given the appropriate weight and attention in the amendments to the Bill. South Africa faces a shortage of healthcare providers, with unchecked negative sentiment posing a real risk to immediate access to care, as more healthcare professionals opt out of the system by emigrating or exiting practice altogether. The importance of attaining clarity about the role of healthcare professionals in the NHI space cannot be overstated.

In addition, negative sentiment around NHI’s impact on access to reliable healthcare creates the threat of disinvestment for current corporations, as well as muting investor confidence for proposed investors.

TFG Medical Aid Scheme supports a National Health Insurance system which can sustainably achieve universal healthcare coverage for all South Africans. We are, however concerned at the apparent lack of collaboration between the public and private sector, without which a sustainable universal healthcare system is near-impossible. The recent COVID-19 partnerships between the two sectors served our country well, and we believe that this ongoing collaboration will be to the benefit of all South Africans. We are following these developments closely and will keep you updated as notable changes happen.