

The South African national health insurance: a revolution in health-care delivery!

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ABSTRACT

A brief overview of the Green Paper on the National Health Insurance (NHI) policy of South Africa is presented. It describes the intention of the NHI to ensure equity, address the inequalities presented by the current private and public health system and present an ambitious plan to change the face of the South African health care system over the next fourteen years. It provides the context of the current system that provides the case for the change. It also provides some detail on the structure of the proposed new Re-engineered Primary Health Care system as well as the future financing of this bold new health care system for South Africa. The challenge will be in its implementation.

South Africa has embarked on a bold and new direction with its National Health System following the publication of its green paper on the Policy on National Health Insurance (NHI) on the 11 August 2011.¹ The NHI intends to ensure that everyone has access to appropriate, efficient and quality health services. This occasional piece is a summary of the policy proposal that is currently in green paper form which was out for comment until the end of last year (i.e. 2011). Quoting the paper it proposes four key interventions: 'i) a complete transformation of the health-care service provision and delivery; ii) the total overhaul of the health-care system; iii) the radical change of administration and management; iv) the provision of a comprehensive package of care underpinned by a reengineered Primary Health Care' (ibid). This is a momentous step forward for South Africa and is reminiscent of the 1948 proposals on a National Health Care system in the UK post World War II.

The National Policy document describes the history of the South African Health Care system as one that was fragmented racially biased which largely benefitted the white minority population. Following democratic elections in 1994 the process of creating a single, non-discriminatory health-care system was thwarted somewhat by the development of a two-tiered system of health care, public and private, and largely based on social class determinants which perpetuated health inequalities.

Currently, the expenditures in both private and public sectors are roughly the same (about R100 billion each) and

together makes up about 8.5% of GDP but the inequity is in the coverage. The private sector serves 16% of the population whilst the public sector serves the rest (84%) of the population who are largely poor and black. The NHI policy green paper contends that the two-tiered system is unsustainable, destructive, very costly and highly curative or hospital-centric.

Furthermore, South Africa also faces a huge burden of disease aptly called the quadruple burden of disease made up of HIV/AIDS and TB, maternal and childhood diseases, non-communicable diseases and violence and injuries. This is further compounded by the problem of a shortage of key human resources in the health sector and in particular the public sector.

To address these challenges the NHI Policy is guided by the following social justice principles: a) the right to access, which is also a constitutional right of every South African guaranteed by its Bill of Rights as enshrined in its constitution;² b) social solidarity which refers to financial risk protection for the entire population; c) effectiveness through the adoption of evidence-based interventions; iii) appropriateness which refers to the adoption of new and innovative health service delivery models; e) equity that ensures universal coverage with care according to need;

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f) affordability that means that services will be procured at reasonable costs but that recognizes that health is a public good and not a tradable commodity and g) efficiency that will be ensured by creating new administrative structures that avoid duplication across national, provincial and district spheres of governance.

In essence the objective of the NHI is to provide improved access to quality health services for all South Africans. It bases its approach on the Brazilian experience largely and focuses on a 'Re-engineered Primary Health Care System' that will focus mainly on community outreach services using a defined comprehensive primary care package of services. The primary health care (PHC) services will be delivered through three streams according to the NHI policy document as follows:

- (a) District-based clinical specialist support teams. This to support the delivery of priority health-care programmes at a district level and in particular to address the high maternal and child health mortality and to improve general health outcomes at a district level. This team will be made up of clinical specialist that includes a principal obstetrician and gynaecologist; a principal paediatrician; a principal family physician; a principal anaesthetist; a principal midwife and a principal primary health-care professional nurse as a start. The principal designation refers to very senior appointments.
- (b) School health services to be delivered by a team that is headed by a professional nurse and will provide health promotion, prevention and curative services that address the health needs of school-going children.
- (c) Municipal ward-based PHC agents which intend to have a team of PHC agents deployed in each ward (a ward is municipal-based demarcation) with a health professional heading each team and each member of the team will be allocated a certain number of families (much like the health activists in India). The main focus of these teams is to facilitate health promotion activities through community involvement.

There is also provision on the policy for the delivery of PHC through private providers that are accredited and contracted within districts. Hospital-based benefits are also described according to the designation of the hospital which range from district, to regional, to tertiary as well as central hospitals and specialized hospitals.

An Office of Health Standards and Compliance (OHSC) will be established to inspect and accredit facilities and services, set norms and standards for these facilities and services and offer an independent office for ombudsman services. The NHI policy document also covers the principles of payment of providers and pushes a risk-adjusted capitation system as its favoured method of payment. It also does preliminary costing estimates up until 2025 indicating that this proposal is indeed affordable for South Africa.

The plan for the NHI is to phase it in over a 14 year period with the initial phase being the piloting of the re-engineered PHC system in 10 districts (of a total of just over 50 in the country), the establishment of the OHSC and the investment in infrastructure which includes the building of a new medical school (the capital expenditure of these capital projects is estimated to exceed the costs of all the stadia built for the 2010 Soccer World Cup). The NHI is intended to bring about reform that will improve service provision. The national health system has a number of challenges that need to overcome for the NHI to succeed and these, as mentioned before, include the worsening quadruple burden of disease, a shortage of key human resources and the present underperformance of public institutions. The phased implementation over the 14 years is intended to deal with these challenges in a systematic and pragmatic way and allows for the piloting of the NHI and concomitant strengthening of the health-care system. The first 5 years of phasing in implementation of the NHI with key outcomes within specified time frames is clearly spelt out in the policy proposal.

These are indeed ambitious proposals, and the real challenge will be in its implementation. In the meantime, we can only but compliment the Minister and the National Department of Health for this revolutionary policy that places a renewed emphasis on equity and social justice in health care in South Africa!

References

- 1 South Africa. National Health Act, 2003: Policy on National Health Insurance. Government Notice No. 657. Pretoria: Government Printers, 2011.
- 2 South Africa. The Constitution of the Republic of South Africa, 1996. Act No. 35 of 1997. Pretoria: Government Printers, 1996.