

Press Release

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South African Institute of Race Relations
The power of ideas

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IRR invites South Africans to endorse submission opposing NHI

All South Africans are entitled to decent levels of healthcare, but new proposals by the government will have dire consequences for all citizens, whether they rely on private or public health services.

The public has until 21 September to comment on two bills released by minister of health Dr Aaron Motsoaledi – the Medical Aid Schemes Bill and the National Healthcare Insurance Bill – the consequences of which will be far-reaching.

As in the case of Expropriation without Compensation (EWC), the poor and the vulnerable will be at greatest risk should the proposed radical change in the way in which South Africans receive healthcare be introduced.

The two primary consequences are that the country's excellent private healthcare system would be steadily undermined, and the already deficient public health system impossibly burdened, at vast cost to taxpayers. NHI is likely to cost at least R500bn at its start, and could go as high as R1 trillion.

In its submission, the IRR argues: 'Not only will private healthcare choices be drastically reduced, but South Africans will be compelled to pay increased taxes to help fund the NHI, which Dr Motsoaledi says will be "like a giant state-run medical aid". The NHI will thus require "a massive reorganisation" of the current "two-tier" health system, with its public and private components. When it becomes fully operative, all health revenues will be paid into a single

NHI Fund, which in turn will pay for all the health services provided to patients both by public and private practitioners and health facilities.’

South Africa’s public healthcare system is riven with problems and it often fails those who use it, not because of a lack of resources, but rather because of poor management and poor use of resources. Making people pay into a central fund will not fix these problems.

A staggering 85% of public clinics and hospitals cannot comply with basic norms and standards, even on such essentials as hygiene and the availability of medicines. Cases of medical negligence – often involving botched operations or brain damage to newborn infants – have increased to the point where claims for compensation total R56bn. This is more than a quarter (27%) of the entire R201bn budget for public healthcare in 2018/19.

On its own, NHI will do little to overcome these grave deficiencies; a new system of pervasive state control could even make them even worse.

NHI will likely to trigger an exodus of healthcare professionals, which will increase the already heavy burden on those who remain in the country. As the number of doctors falls and other standards drop, a decline in the quality of healthcare for all will be the inevitable result.

The IRR argues that providing all South Africans with quality healthcare is achievable without completely destroying the current system.

Universal health coverage is already available at the country’s public hospitals. What must be done to achieve higher healthcare standards is to ensure merit-based appointments, strict accountability for poor performance, and effective action against corruption and wasteful spending. Public-private partnerships would also help improve their operation – something NHI would undermine.

The burden on the public system should also be reduced by increasing access to private healthcare. Low-cost medical schemes and primary health insurance policies should be allowed, while poor households should be helped to join these schemes or buy these policies through tax-funded health vouchers. To further spread the risk, health insurance could be mandatory for all employed people, with the contributions of those on lower incomes subsidised by employers, for which businesses could earn tax credits.

The IRR calls on South Africans to endorse the [submission](#) and help send a message to the government that they want safe and reliable public health services, and better choices in meeting their and their families’ medical care needs.

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