

REPUBLIC OF SOUTH AFRICA

Better Health Bill

(As introduced to the PEOPLE OF SOUTH AFRICA)

(By the South African Institute of Race Relations (IRR))

[#WhatSACanBe—1-2025]

To establish a Health Voucher System to broaden access to healthcare services; to promote competition and economic growth in the healthcare sector through deregulation and market reforms; to improve the efficiency of public healthcare systems; to facilitate public-private partnerships in healthcare; to introduce complementary measures such as Health Savings Accounts and co-payments; to repeal the National Health Insurance Act, 2023; and to provide for matters connected therewith.

PREAMBLE

WHEREAS section 27 of the Constitution of the Republic of South Africa, 1996, guarantees everyone the right of access to healthcare services and requires the State to take reasonable legislative and other measures to achieve the progressive realisation of this right;

AND WHEREAS the National Health Insurance Act, 2023 (Act No. 20 of 2023), envisages a healthcare framework that would effectively nationalise private healthcare, expropriate private assets without compensation, impose a fiscal and taxation burden unaffordable to the country and its taxpayers, and create dangers of corruption and wasteful expenditure without meaningfully improving healthcare standards, especially for the most vulnerable;

AND WHEREAS it is therefore necessary to repeal the National Health Insurance Act, 2023, to prevent the adverse consequences it poses for healthcare access, economic stability, and good governance in the Republic;

AND WHEREAS South Africa continues to face challenges in efficiency, equity, and access to quality healthcare services, particularly for historically disadvantaged communities;

AND WHEREAS it is necessary to introduce market-based reforms that uphold equality of opportunity, individual choice, and competition—including a Health Voucher System, complementary Health Savings Accounts, and carefully considered public-private partnerships—so as to expand access to healthcare for all;

BE IT THEREFORE ENACTED by the Parliament of the Republic of South Africa, as follows: —

ARRANGEMENT OF SECTIONS

CHAPTER 1

DEFINITIONS AND OBJECTS OF THE ACT

1. Definitions
2. Objectives of Act

CHAPTER 2

EXPERT ADVISORY PANEL AND HEALTH VOUCHER SYSTEM

3. Expert Advisory Panel
4. Establishment of Health Voucher System
5. Eligibility and Use of Health Vouchers

CHAPTER 3

HEALTHCARE PROVIDERS AND SERVICES

6. Accreditation of Healthcare Providers
7. Deregulation of Private Healthcare Services
8. Public-Private Partnerships in Healthcare

CHAPTER 4

FINANCING AND SAVINGS ACCOUNTS

9. Financing and Allocation of Resources
10. Health Savings Accounts

CHAPTER 5

TRANSPARENCY AND GOVERNANCE

11. Transparency and Reporting Obligations
12. Governance, Enforcement and Compliance

CHAPTER 6

DISPUTE RESOLUTION

13. Dispute Resolution

CHAPTER 7

GENERAL

14. Transitional Arrangements
15. Regulations
16. Repeal of Conflicting Legislation
17. Short Title and Commencement

CHAPTER 1

DEFINITIONS AND OBJECTS OF THE ACT

1. Definitions

In this Act, unless the context indicates otherwise—

“Department” means the National Department of Health;

“health voucher” means a digital or physical voucher provided under the Health Voucher System to subsidise healthcare services for eligible individuals;

“Minister” means the Minister responsible for Health;

“public-private partnership” means a contractual agreement between a public sector institution and a private sector entity for the provision or management of healthcare services;

“Health Savings Account” or “HSA” means a dedicated financial account, managed by or on behalf of an individual, into which funds may be deposited to pay for current or future healthcare expenses;

“basic package of services” means primary, preventative, and essential healthcare services as recommended by the Expert Advisory Panel established under section 3 and determined by the Minister under section 5;

“advanced care services” means healthcare services beyond the basic package, including specialist consultations and other secondary, tertiary, and quaternary treatments;

“underserved areas” means geographical regions characterised by low healthcare provider-to-population ratios or other indicators of inadequate healthcare access, as identified by the Department through regulations;

“HAOC” means the Health Access Oversight Commission established by section 11(1).

2. Objectives of Act

The objectives of this Act are to—

- (a) improve access to quality healthcare services for all South Africans, particularly the disadvantaged;
- (b) introduce a Health Voucher System to subsidise healthcare costs;
- (c) promote efficiency in public healthcare services through public-private partnerships, merit-based contracting, and rationalisation;
- (d) foster competition and innovation in healthcare by deregulating private healthcare;
- (e) incentivise private investment in underserved areas to expand the healthcare market;
- (f) empower patients through greater choice, transparency, and incentives for the prudent use of healthcare services; and
- (g) ensure coordination, alignment, and, where necessary, repeal of any existing legislation that conflicts with this Act.

CHAPTER 2

EXPERT PANEL AND HEALTH VOUCHER SYSTEM

3. Expert Advisory Panel

- (1) The Minister must establish an Expert Advisory Panel within three months of the commencement of this Act.
- (2) The Panel must comprise professionals with demonstrable expertise in healthcare policy, medical practice, public health, economics, or related fields.
- (3) The functions of the Panel are to—
 - (a) recommend standards for the accreditation of healthcare providers in terms of section 6;

- (b) advise the Minister on the review and simplification of regulatory requirements in terms of section 7;
 - (c) propose criteria for extending health vouchers to advanced care services, as contemplated in section 4(3);
 - (d) periodically evaluate and update the definition of a basic package of services, in consultation with relevant stakeholders; and
 - (e) provide evidence-based recommendations pertaining to any matter under this Act if requested by the Minister.
- (4) The Minister must act in accordance with the Panel's recommendations under this Act unless the Minister, by notice in the Gazette, publishes written reasons for departing from a specific recommendation.
- (5) The Minister may determine, by regulation, the term of office, conditions of service, and procedures for the operation of the Panel.

4. Establishment of Health Voucher System

- (1) The Department must establish a Health Voucher System within 12 months of the commencement of this Act.
- (2) The Health Voucher System must—
- (a) provide eligible individuals with vouchers for use at accredited healthcare providers;
 - (b) be managed digitally to ensure transparency and prevent fraud; and
 - (c) prioritise a basic package of services covering primary healthcare, including preventative care, maternal health, mental health, geriatric care, and chronic disease management.
- (3) Notwithstanding subsection (2)(c), the Health Voucher System may extend to advanced care services on criteria recommended to the

Minister by the Expert Advisory Panel established under section 3, taking into account financial sustainability and clinical urgency.

5. Eligibility and Use of Health Vouchers

- (1) A person who is a South African citizen and earns below the income threshold determined by the Minister is eligible for health vouchers.
- (2) Health vouchers—
 - (a) are redeemable solely for qualifying healthcare services, up to a specified amount, at both public and private accredited providers;
 - (b) may not be transferred or exchanged for cash; and
 - (c) are valid for the calendar year in which they are issued.
- (3) The Minister may introduce a co-payment mechanism for care services under the voucher system to ensure appropriate use of higher-cost procedures and to encourage responsible utilisation.
- (4) The Minister must, on the recommendation of the Expert Advisory Panel established under section 3, by notice in the Gazette, determine the basic package of services and may periodically review and amend such package to include or exclude specific healthcare services, in consultation with relevant healthcare stakeholders.
- (5) The Department must ensure alignment of this section with existing regulations under the National Health Act to avoid duplication of administrative requirements. Where this Act and the National Health Act are in conflict, this Act takes precedence.

CHAPTER 3

HEALTHCARE PROVIDERS AND SERVICES

6. Accreditation of Healthcare Providers

- (1) The Department, in conjunction with and acting in accordance with the recommendations of the Expert Advisory Panel established under section 3, must establish standards for the accreditation of healthcare providers participating in the Health Voucher System.
- (2) Accreditation criteria must include—
 - (a) compliance with quality and safety standards;
 - (b) transparent pricing structures;
 - (c) operational capacity; and
 - (d) publication of appropriate outcomes data in accordance with section 11.
- (3) The Department may offer tax credits, grants, or other incentives to accredited providers that establish or expand services in underserved areas, subject to concurrence with the National Treasury.

7. Deregulation of Private Healthcare Services

- (1) The Minister must, on advice from the Expert Advisory Panel established under section 3, within six months of the commencement of this Act, review and simplify regulatory requirements for establishing private healthcare and medical training facilities, including—
 - (a) licensing procedures for private providers of healthcare and medical training services; and
 - (b) standards for transparent pricing and billing.
- (2) Restrictions on foreign investment in healthcare in South Africa must be reduced to attract international expertise and funding.
- (3) The Minister may, by regulation, further incentivise domestic private investment by providing tax benefits, streamlining regulatory approvals, and implementing other measures to encourage the

establishment and operation of private healthcare facilities and medical training institutions in underserved areas.

- (4) All provisions under existing legislation requiring a Certificate of Need for the establishment or operation of private healthcare facilities are hereby repealed.
- (5) The Minister must, within 12 months of this Act's commencement, conduct a review of all existing healthcare regulations and identify those that impose unnecessary restrictions on competition, cost reduction, or service expansion. Any regulation that is not reaffirmed by Parliament within 24 months of this Act's commencement shall automatically lapse.

8. Public-Private Partnerships in Healthcare

- (1) Public hospitals may enter into partnerships with private entities for—
 - (a) operational management;
 - (b) the procurement of medical equipment and supplies; and
 - (c) service delivery in under-resourced areas.
- (2) All public-private partnerships must be concluded in terms of performance-based contracts to ensure accountability, efficiency, transparency, and cost-effectiveness.
- (3) All contracts must be concluded on a transparent and competitive basis.
- (4) The Minister must periodically publish guidelines on best practices for public-private partnerships, taking into account the need for delivering the services considered in this Act to underserved areas in alignment with the voucher system to ensure broad, affordable, and commercially viable healthcare access.

- (5) Public-private partnerships entered into under this Act must conform to the Public Finance Management Act, 1999 (Act No. 1 of 1999), and any other applicable financial best-practice standards of transparency, governance, and value-for-money spending of public resources.
- (6) The Minister must, within 18 months of the commencement of this Act, identify underperforming public hospitals and issue requests for proposals for their management through performance-based public-private partnerships.

CHAPTER 4

FINANCING AND SAVINGS ACCOUNTS

9. Financing and Allocation of Resources

- (1) The Health Voucher System must be funded by—
 - (a) reallocating existing budgets from underperforming public health programmes, provided that such reallocation does not unduly limit essential public health functions;
 - (b) co-payments for care services referred to in section 5(3); and
 - (c) any other funding mechanism determined by the Minister in consultation with the Minister of Finance.
- (2) Private entities, including employers, insurers, and philanthropic organisations, may contribute to health vouchers through matching-fund schemes or voluntary contributions, subject to oversight by the HAOC.
- (3) The Department must ensure that the reallocation of funds does not result in the undue limitation of access to other critical healthcare services, consistent with any protocols under the National Health Act.

- (4) The Department must prioritise investment in healthcare infrastructure in underserved regions.
- (5) All funding flows, voucher disbursements, and associated expenditure must be audited under the Public Finance Management Act, 1999 (Act No. 1 of 1999), and subject to oversight by the Auditor-General.

10. Health Savings Accounts

- (1) The Department must develop guidelines for the establishment and management of Health Savings Accounts (HSAs) to complement the Health Voucher System.
- (2) HSAs may be used by individuals to—
 - (a) save for future healthcare expenses not covered by health vouchers;
 - (b) cover co-payments for advanced care services; and
 - (c) purchase supplementary services and products.
- (3) Contributions made to Health Savings Accounts shall be deductible from taxable income, up to an annual limit determined by the Minister in consultation with the Minister of Finance.
- (4) The Department must ensure reporting structures are in place to monitor HSA uptake, usage, and outcomes in tandem with the Health Voucher System.

CHAPTER 5

TRANSPARENCY AND GOVERNANCE

11. Transparency and Reporting Obligations

- (1) An independent Health Access Oversight Commission (HAOC) is hereby established to monitor the implementation of this Act.

- (2) The HAOC consists of eleven members who must collectively possess demonstrable expertise in—
- (a) healthcare management;
 - (b) financial or insurance services relevant to health;
 - (c) consumer or patient advocacy; or
 - (d) any related field that informs the HAOC's mandate.
- (3) Members of the HAOC are appointed as follows—
- (a) four members by private-sector health associations with an established track record in providing market-driven health services;
 - (b) two members by recognised financial or insurance bodies operating within the health sector;
 - (c) two members by non-profit, patient-focused organisations that have operated continuously for at least five years; and
 - (d) three members by a majority vote of those members appointed under paragraphs (a) to (c), from among institutions engaged in health innovation or delivery.
- (4) A person may not be appointed as a member of the HAOC if that person—
- (a) holds public office or is employed by an organ of state; or
 - (b) fails to meet the expertise requirements contemplated in subsection (2).
- (5) Members hold office for a term of seven years, with initial terms appropriately staggered to ensure continuity of the HAOC's work.
- (6) Whenever a vacancy occurs, the relevant appointing authority identified in subsection (3) must appoint a new member to serve a full new term.

- (7) The HAOC, in conjunction with the Minister, must establish its own rules of operation and procedure.
- (8) A member of the HAOC is not entitled to remuneration for serving on the Commission.
- (9) A member may, however, be reimbursed for reasonable travel and related expenses actually incurred in the performance of that member's functions, to the extent that funds have been appropriated for this purpose under this Act.
- (10) The HAOC must publish annual reports on—
- (a) healthcare access and utilisation;
 - (b) the financial performance of the Health Voucher System;
 - (c) progress on regulatory reforms and public-private partnerships;
 - (d) sustainability of the overall healthcare system in light of the measures introduced by this Act; and
 - (e) outcomes of transitional and implementation measures introduced under this Act.
- (11) All healthcare providers participating in the Health Voucher System must publicly disclose, in a consumer-friendly format, standardised and objectively verifiable clinical outcome measures that are independently validated by recognised private-sector accreditation or rating bodies to ensure open market competition based on measurable quality and performance.
- (12) The Department must develop a digital platform to facilitate—
- (a) voucher distribution and redemption; and
 - (b) secure and user-friendly interfaces for patients to track the usage or allocation of their health vouchers.

12. Governance, Enforcement and Compliance

- (1) The HAOC, in collaboration with the Department, is responsible for ensuring compliance with this Act and any regulations made under it.
- (2) The HAOC may delegate enforcement responsibilities to recognised private certification bodies or industry-based associations that maintain healthcare standards through transparent, market-driven compliance protocols, enabling consumers to identify and select high-quality care providers. Public authorities shall only assume these functions if no qualified private entities are available, thereby ensuring minimal governmental intervention.
- (3) A person who knowingly falsifies voucher claims, misappropriates funds, or commits any fraudulent act in connection with the Health Voucher System or a Health Savings Account is guilty of an offence and subject to a fine of up to R5 million or imprisonment of up to 10 years.
- (4) Any healthcare provider found guilty of fraudulent billing practices shall be permanently disqualified from participating in the Health Voucher System.
- (5) The Department may suspend or revoke the accreditation of a healthcare provider found to be in material breach of this Act or any condition of accreditation.
- (6) A provider whose accreditation has been suspended or revoked under subsection (5) may lodge an appeal in terms of section 13.

CHAPTER 6

DISPUTE RESOLUTION

13. Dispute Resolution

- (1) Any person or healthcare provider aggrieved by a decision of the Department or the HAOC under this Act must first lodge an internal appeal with the Department or the HAOC, as the case may be, within 30 days of becoming aware of that decision.
- (2) The Department or the HAOC, as the case may be, must consider the appeal referred to in subsection (1) and make a decision within 60 days of receipt thereof.
- (3) If the dispute is not resolved through the internal appeal process contemplated in subsection (2), the parties may submit the matter to mediation conducted by a mediator appointed by agreement between the parties or, failing agreement, by the Director-General of the Department.
- (4) Mediation under subsection (3) must be concluded within 90 days, unless extended by agreement of the parties.
- (5) A party that is dissatisfied with the outcome of the appeal or mediation may apply for judicial review in a court of competent jurisdiction, in accordance with the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000).

CHAPTER 7

GENERAL

14. Transitional Arrangements

- (1) The Minister must, within three months of the commencement of this Act, publish a roll-out plan in the Gazette, specifying timeframes for—
 - (a) establishing the digital systems necessary for voucher issuance;
 - (b) accrediting healthcare providers; and

- (c) initiating public-private partnerships contemplated in section 8.
- (2) The Minister may implement the Health Voucher System and related provisions progressively across different provinces or districts, having regard to administrative capacity and resource availability.
- (3) Any existing healthcare subsidy or similar programme that substantially overlaps with the objectives of this Act must be reviewed by the Department to determine whether it should be incorporated into the Health Voucher System.
- (4) A private healthcare provider that was lawfully licensed before the commencement of this Act is deemed to be licensed under this Act, but must comply with the accreditation requirements under section 6 within the period determined by the Department.
- (5) The Department must conduct a Socio-Economic Impact Assessment within 12 months of the commencement of this Act to evaluate its impact on healthcare access, cost, value-for-money state expenditure of public resources, and commercial viability for the private healthcare sector in South Africa, and must publish the findings for public comment.

15. Regulations

- (1) The Minister may make regulations regarding—
 - (a) the implementation and management of the Health Voucher System;
 - (b) accreditation standards for healthcare providers;
 - (c) the determination of income thresholds for eligibility;
 - (d) the establishment, administration, and incentivisation of HSAs;
 - (e) co-payment structures for advanced care services;

- (f) detailed procedures for the deregulation of private healthcare services;
- (g) guidelines for risk-adjusted subsidies or other redistributive measures;
- (h) any matter relating to the enforcement and compliance framework under section 12;
- (i) dispute resolution procedures not covered by section 13; and
- (j) any other matter necessary to give effect to this Act, including coordination with the National Health Act or other relevant legislation.

16. Repeal of Conflicting Legislation

- (1) Any law that is inconsistent with this Act is hereby repealed to the extent of the inconsistency.
- (2) The National Health Insurance Act, 2023 (Act No. 20 of 2023), is hereby repealed in its entirety.

17. Short Title and Commencement

This Act is called the Better Health, 2025, and comes into operation on a date fixed by the President by proclamation in the Gazette.

MEMORANDUM ON THE OBJECTS OF THE BETTER HEALTH BILL, 2025

1. Background and Rationale

This Bill seeks to reform South Africa's healthcare system through market-based mechanisms, consistent with policy recommendations of the Institute of Race Relations (IRR). By promoting competition, innovation, individual choice, and efficiency, it aims to broaden access to quality healthcare for disadvantaged communities. It also provides for transitional arrangements, dispute resolution, and compliance mechanisms.

2. Summary of the Bill

Health Voucher System: Extends healthcare subsidies to eligible citizens, covering a basic package of services with options for advanced care using co-payments.

Deregulation: Simplifies establishment requirements for private healthcare facilities, reduces restrictions on foreign investment, and incentivises private providers to serve underserved areas.

Funding: Combines reallocated public funds and private contributions, with measures to ensure sustainability and prevent the erosion of essential accessible, affordable, and quality healthcare services.

Health Savings Accounts (HSAs): Encourages personal responsibility and saving for medical expenses.

Transparency: Mandates publication of provider performance data and outcomes to allow informed patient choice.

Public-Private Partnerships: Allows for efficiency gains through private sector expertise in the management of public hospitals, clinics, and other health facilities.

Enforcement and Compliance: Creates an enforcement framework, with specific offences, penalties, and alignment with existing oversight bodies.

Dispute Resolution: Establishes an appeal process, mediation, and judicial review pathways.

Transitional Arrangements: Provides for a phased roll-out, consolidation of overlapping programmes, and a Socio-Economic Impact Assessment (SEIA).

3. Financial Implications

The Bill's implementation requires an initial reallocation of existing health budgets, development of administrative systems for voucher management and enforcement, and potential incentives for private providers.

4. Constitutional Implications

The Bill aligns with section 27 of the Constitution, which protects the right of access to healthcare services. It provides a viable alternative to other proposals (e.g., National Health Insurance) by emphasising equity, choice, transparency, and sustainability.

5. Consultation

The Department of Health, private healthcare providers, civil society organisations, provincial health departments, and other stakeholders will be consulted to refine the regulations and operational details. Coordination with the National Treasury and other relevant agencies is essential for ensuring financial viability.

6. Parliamentary Procedure

The Bill must be dealt with in accordance with the procedure established by the Constitution of the Republic of South Africa and the Joint Rules of Parliament.

7. SEIA Requirement

A full Socio-Economic Impact Assessment is required prior to the adoption of the Bill, with a composite ombud report to be published 12–16 months following commencement.