

IHS NHI VIEW POINT

The South African Health Ministry has again, after a long pause of inaction, announced a general overview of a National Health Scheme intended to be rolled out over the next few years. The overall intention seems yet again to create a model where all persons living in South Africa will be entitled to free medical cover for a range of conditions yet to be advised, while restricting the activity and parameters of cover allowed to be delivered through Medical Schemes.

In short, this means a change of the medical aid industry as we know it, while introducing a giant state owned and managed medical fund, with presumably long queues, no preferential treatment whatever, and medical professionals being limited by tariffs imposed by government. All of this is after years of investigation by the office of the Competitions Commissioner, and presumably based partly on their findings. May we say at this point that it was that very office which declared previously existing tariffs to be illegal because they contended that tariffs were a cause of price increases and monopolistic controls.

While it is of course laudible to plan giving nearly 60 million South Africans (and presumably foreigners, including an unlimited number who drift across South Africa's borders with no restriction and may then do so for free medical treatment!) free medical cover and treatment, there are a number of issues needing to be dealt with.

The Ministry has to still clarify these of course;

(i) Cost – who will 'foot the bill' for this enormous undertaking? By considering that the average taxpayer should, the roll-out is simply inviting a tax revolt, which will be impossible to control once it has gained momentum.

(ii) What controls will be implemented in order to prevent corrupt activities, such as granting contracts to preferred (and often unskilled or poorly equipped) contractors without regard to cost, as appears to have been the case with some other state controlled entities.

(iii) If the government decides what fees are to be paid for each particular service, then we may find a deplorable exit of medical professionals from our shores.

(iv) Medical professionals will not be happy to be told what treatment they are to administer, and under what conditions they are to refer to specialists, or call for assistance.

(v) Why, oh why, does the Ministry not seek to put right the conditions in state hospitals which have been allowed to degenerate, before even considering a state funded and state managed model, which has limited examples of good delivery, even in countries with infrastructures much more advanced and developed than ours.

(vi) It must be noted that the UK and Canada, both with advanced systems of public care, have models which we should try and emulate. They have state and private healthcare available, operating side by side in the country.

(vii) If the driving logic is to remove the 'privilege' of private healthcare from one sector of the population, while offering everyone a model which has yet to be shown to work elsewhere, then we are being mindlessly led into a disaster zone.

(viii) In the new model, there has to be a provision for medical professionals to be able to work both for the state as well as privately.

(ix) South Africa's recent history has not given examples of state owned and funded institutions operating efficiently, and without corruption. In fact, the whole country is still, as we write this, waiting for corruptors to be brought to book.

Having made the above comments, and ensuring our readers that we are happy at the commitment of the Ministry to work towards achieving the goal of free cover for all, we nonetheless hope that good economic sense will prevail, that tight government control without allowing for choices between state offerings and private healthcare offerings will be avoided, and that co-operative assistance will be sought from the existing medical scheme industry.