

R1bn pumped towards NHI

Government has moved one step further towards the establishment of the massive National Health Insurance scheme for South Africa, with Finance Minister Pravin Gordhan yesterday, 22 February, announcing an allocation of R1 billion to the scheme's pilot projects.

The money comes from the R121 billion health budget which aims to improve hospital infrastructure and strengthen the public health system ahead of the introduction of the NHI, which will be phased in over a period of 14 years, starting this year.

Government has said the new system will provide equitable health protection for all South Africans.

In his presentation of this year's national budget in the National Assembly, Gordhan also announced today that R450 million has been put aside to upgrade about 30 nursing colleges, while a further R426 million is allocated for the initial work on rebuilding five major tertiary hospitals. They are Chris Hani Baragwanath Academic in Johannesburg, King Edward in Durban, George Mukhari, Limpopo Academic and Nelson Mandela Academic in Mthatha.

Also, the national Department of Health will this year complete an audit of all health facilities in the country and was working with the Council for Scientific and Industrial Research and Development Bank of Southern Africa to develop what is called a targeted response to the infrastructure needs of the sector.

Health Minister Aaron Motsoaledi acknowledged today that it would take some work to finally get the NHI to where the government wants it to be.

"That is why we are giving ourselves a period of 14 years but we do acknowledge that we have to start somewhere and I must emphasise that by piloting we putting down the bricks and we getting everything ready," he said.

There were two "preconditions" that would make NHI work in South Africa and these were the overhaul of the quality health care system and strict regulations of the sector to make it more affordable to all South Africans.

"When we say we want to regulate pricing, it does not mean we are unfair to the private sector. What we saying is that you can't discriminate against people based on price just because the public health system is so poor," Motsoaledi said.

In the interim, general taxes will remain the primary financing of the NHI projects while new funding resources will be explored over the long term depending on the progress of institutional reforms and health delivery capacity.

Preliminary modelling suggests that full implementation of the system may be realised by 2025 but this will require financing

to rise from 4% of the GDP to 6%. A discussion paper on revenue option will be released later this year, together with other associated transitional issues including the role of medical schemes.

To accommodate provisions of HIV drugs, the budget makes R968 million available over the next three years. The move is expected to bring up the number of antiretroviral recipients from 1.5 million last year to about three million by 2015.

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