

# THE ROAD AHEAD

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Private sector embracing universal healthcare

The  
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# Focus of the presentation

- Implementation of NHI
- Actionable strategies
- Regulatory framework
- Establishment of the NHI fund



# Implementation of NHI

- Consultation
  - When we say we want to consult what does that mean?
- Financial implications
  - Assumption that we don't know what the costs of NHI will be
- What drives costs or rather estimation of costs?
  - Services, technology, reimbursement structures, etc.
- But we are saying we need to consult stakeholders
  - What type of consultation would be had, if we said here are the answers?
- On what basis is resource estimation done?
  - Current public sector costs?
  - Current private sector prices?
- Implications of decisions
  - Resource estimation is exactly that, it is not a decision making but a tool to help decision makers understand the implications and impact of choices.



# What the White Paper Says?

- The process of policy development started in 2012 and included piloting of health system strengthening initiatives.
- The next phase extends from 2017 to 2022, which will focus on the development of the NHI legislation and amendments to other legislation.
- Initiatives will be undertaken that are aimed at establishing institutions that will be the foundation for a fully functional NHI Fund.



# Structures

- The following structures have been gazetted
  - National Tertiary Health Services Committee
  - National Governing Body on Training and Development
  - National Health Pricing Advisory Committee
  - Ministerial Advisory Committee on Health Care Benefits for National Health Insurance
  - National Advisory Committee on Consolidation of Financing Arrangements
  - Ministerial Advisory Committee on Health Technology Assessment for National Health Insurance
  - National Health Commission





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# ESTABLISHMENT OF A FULLY FUNCTIONAL NHI FUND



# Processes to establish the NHI Fund

- There are two processes towards the establishment of the NHI Fund. These are:
- Legislation
  - The NHI fund will be established through an Act of Parliament
- Transitional Fund
  - Concurrently with the development of legislation, is the need to establish an interim structure through which NHI can be implemented
  - The Transitional Fund will be functional by the 30<sup>th</sup> of September 2017.
  - The transitional Fund will remain in place until the NHI legislation is finalised



# Flow of NHI Funds

- Initially the transitional fund will involve utilising of the existing NDOH budget for the flow of funds, or purchasing function.
- Once fully established as a Schedule 3a public entity, the fund will be financed through an appropriation of parliament.
- The process of consolidation of funds involves a reallocation of funding from existing structures such as the equitable share.
- The process for determination of the reallocation is based linked to the phasing in of the implementation of the comprehensive benefit package.



# REGULATORY ISSUES



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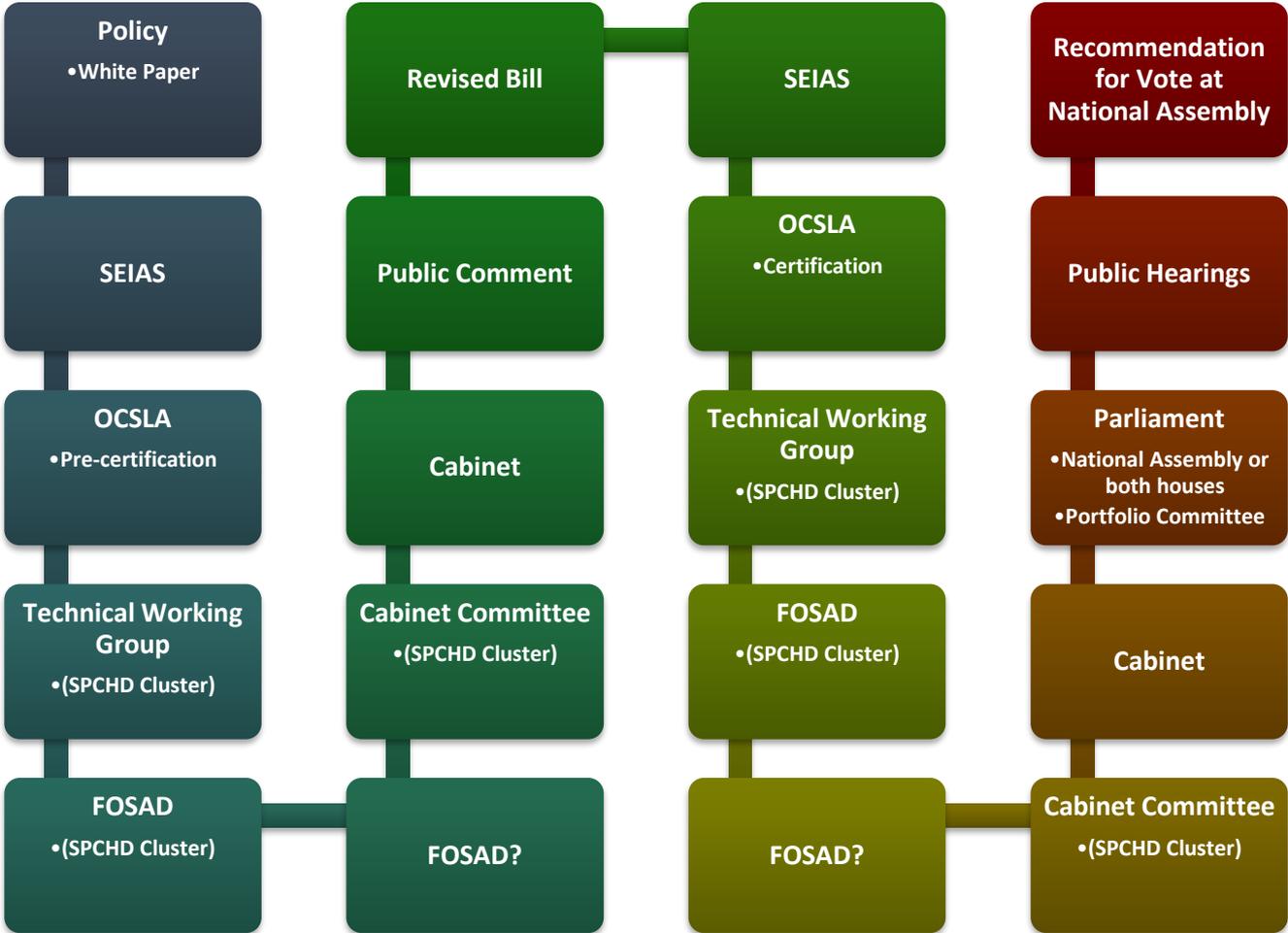
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# Socio-economic impact assessment

- What is the **problem** that you are trying to solve?
- What are the main causes of the problem?
- Whose behaviours give rise to the problem, and why does that behaviour arise?
- Identify the major social and economic groups affected by the problem
- Identify options for addressing the identified problem, including an option that does not involve new or changed legislation/regulation
- The potential risks that could threaten implementation of each option and indicate what can be done to mitigate the identified risks



# Lessons from the National Public Health Institute Bill



# Need for legislative reform

- To enable the introduction of NHI, a number of existing legislation will need to be changed. These include:
  - The National Health Act
  - The Mental Health Care Act
  - The Occupational Diseases in Mines and Works Act
  - The Health Professions Act
  - The Traditional Health Practitioners Act
  - The Allied Health Professions Act
  - The Dental Technicians Act
  - The Medical Schemes Act
  - Medicines and Related Substances Act
  - The Provincial Health Acts – many of the provinces have enacted their own legislation
  - Various ambulance legislation which falls under the exclusive legislative competence of the provinces in terms of the Constitution
  - The Nursing Act
- There are many other pieces of legislation across all spheres of government that may be impacted upon by the introduction of NHI.
- These will be identified as the NHI Act is promulgated.



# Priority Legislation

- NHI Bill
- National Health Act
- Medical Schemes Act
- Acts relating to Health Professionals
- General Health Amendment Act



# ACTIONABLE STEPS FOR THE PRIVATE SECTOR



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# Where do we start?

- Introduction of Single Service Benefits Framework
- Care pathways and clinical protocols
- Active case management
- Quality health care delivery models at lower costs.



# Regulatory intervention

- Pricing related to
  - Have one standard price for services
  - Removal of Differential pricing of services based on diagnosis
  - Change reimbursement from diagnostic coding to service provided.
- Co-Payments and Balanced billing
  - Under NHI, providers will NOT be allowed to balance bill patients.
  - Therefore, there is a need for policy levers that look into price regulation as a means of preventing the growth in co-payments for services that the NHI provides



# Regulatory intervention

- Governance and non-health care
- Reserves and solvency
- Consolidation
  - There are 29 medical schemes that do not meet the minimum requirements of a medical scheme in terms of number of members



# Last thoughts

- “Remember, people will judge you by your actions and not your intentions” (anonymous)
- “Tell me I cant, then watch me work twice as hard to prove you wrong” (anonymous)



# THANK YOU



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