

User Guide:

# **NATIONAL HEALTH INSURANCE IN SOUTH AFRICA:**

**GET INFORMED AND PARTICIPATE !**



## CREDITS

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### About the Oxfam-Monash University Partnership project:

Monash University, (Monash) and Oxfam Australia, (Oxfam) in Melbourne, Australia have been collaborating on various activities since 2008 in order to further their shared aims of engaging the world and helping improve the human condition. In May 2011, Oxfam and Monash received funds to support and strengthen their partnership. The funds will be directed towards significantly increasing Oxfam and Monash's collective impact on global poverty, by bringing together the knowledge that Oxfam can provide, coupled with Monash's academic expertise.

The Oxfam-Monash University Partnership project involves a program of action which is being implemented in stages for an initial period of five years from 2010 to 2015. In the new phase of the partnership, Oxfam and Monash will collaborate on research and then apply the results to new projects, communications, advocacy and curriculum development. The partnership will build on Oxfam's existing agenda by focusing initially on three areas: accountability, climate change adaptation and gender equality.

Through the Oxfam/Monash Partnership, a joint research proposal which sees the collaboration between Oxfam's South African country office, the Global Health Unit at Monash in Melbourne and the School of Health Sciences at Monash South Africa (MSA), received funding for a project. This project, known as Governance and Accountability in the Health Sector: A people's policy for health in South Africa, aims to examine the capacity of communities to engage with government about their health needs and how this is translated into a responsive and effective health policy. As context for the work, this project will use the National Health Insurance (NHI) process that South Africa is proposing to implement.

The project will explore and test a model of public policy engagement to increase awareness of, and accessibility to, policy at a local level. It is envisaged that the project will enhance citizen's capacity to actively participate in the process of policy development by demystifying the policy process and content.



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## INTRODUCTION

In South Africa a National Health Insurance (NHI) is being proposed as support for the current health care system. Given the multitude of challenges faced by South Africa's health care system, an NHI is important for its restructuring and overhauling. The NHI aims to improve the health system by changing the way financial and human resources are used, making the system more equitable as a whole. At present, more than half of the money spent on health in South Africa is spent in the private health system which services only a small proportion of people in South Africa. On the 11th of August 2011 the South African government released the Green Paper<sup>1</sup> on the National Health Insurance, which seeks to provide better health care for South African citizens and legal residents. The principle of the NHI system is based on health care being a right to which every citizen should have access. South Africa's health system is already undergoing a transformation that will see a shift from the current hospital based curative approach, to a community and clinic-based primary health care system. There are many building blocks that need to be put in place as part of this healthcare transformation process. Central to the success of the NHI is the need to educate ourselves about the NHI so that we can inform the design and development of an NHI that meets our health needs.

The release of the Green Paper for discussion marked the beginning of a consultation process between government and various sections of the population which will continue for the foreseeable future. Engagement and dialogue from civil society as healthcare end-users is crucial during this stage of the NHI policy development process. To ensure that the NHI is responsive to the needs of the majority of South Africans and achieves its potential to be a major step towards quality healthcare for all in South Africa, healthcare end-users should be given an opportunity to participate and contribute meaningfully in shaping how the NHI should be implemented.

This information booklet is written as a reader-friendly guide that provides basic information<sup>2</sup> on the NHI to help facilitate meaningful contributions towards all levels of debate on its development and implementation.

The aim of this document is to provide you the reader with basic information on the National Health Insurance (NHI) so that you are better able to participate in and hold discussions and dialogues on the NHI within your households, communities and public participation structures. During the launch of the Green Paper on the NHI, the Minister indicated the importance of the public's participation in the development and implementation of the NHI. This booklet provides basic information on the NHI to enable you to contribute meaningfully to debates on the development and implementation of the NHI.

It is important to highlight that the content for this document was gathered from sources such as the NHI Green Paper<sup>3</sup> which was published on 11 August 2011 and public education materials on the NHI that appear on the National Department of Health's website.<sup>4</sup> This information booklet is written in a question and answer format so that it is reader-friendly and can be used to facilitate discussions with people at all levels.

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1. South Africa (2011) *The National Health Insurance in South Africa - Policy Paper*. Government gazette Vol 554, August 12 (No 34523)

2. Content for this document was gathered from sources such as the NHI Green Paper, published on the 11th of August 2011 and public education materials on the NHI from the National Department of Health.

3. <http://www.doh.gov.za/docs/notices/2011/not34523.pdf>

4. [http://www.doh.gov.za/docs/publicity/2011/nhi\\_english.pdf](http://www.doh.gov.za/docs/publicity/2011/nhi_english.pdf)

## HOW DID THE CONCEPT OF THE NHI DEVELOP IN SOUTH AFRICA?

- The development of the NHI has been under discussion for many years.
- A scheme for a National Health Service for South Africa was first discussed in the 1940s. It was proposed that South Africa should adopt a scheme that provided free health care, with a network of community centres and general practitioners as a referral system—which was similar to the British model. However this was never implemented.
- The current National Health reform has its origins in the ANC health plan of 1994, which included the introduction of a mandatory insurance system.

## WHAT DOES “HEALTH INSURANCE” MEAN IN THE NHI?

- Insurance in the NHI is different from the insurance we are familiar with such as life insurance or funeral cover etc. These types of insurance provide financial help to your family when someone passes away (life insurance) or cover the costs of the funeral (funeral policies).
- The NHI will not provide financial help to people who have lost relatives, and it will not cover funeral costs. However the NHI Fund will pay for your medical expenses if you get sick.
- With health insurance, a person’s basic health requirement is ensured. This means that if a person becomes ill, their medical treatment in relation to this package will be paid by the NHI Fund.

## WHAT IS THE NHI ALL ABOUT?

- The National Health Insurance (NHI) is a system that will use funds collected from general taxation, as well as special contributions from individuals who earn above a certain specified level, to ensure that all citizens of South Africa (and legal long-term residents) are provided with free essential healthcare.
- This healthcare will be provided to all, whether you are employed or unemployed, and even if you cannot make a direct monetary contribution to the NHI Fund.
- The NHI is designed to enable South African citizens (and legal long-term residents) to receive good quality healthcare at any time they require it.
- The NHI will allow people to have equal and fair access to skilled health professionals and equal and fair access to finance for healthcare.
- Both the rich and the poor will receive proper healthcare of the same quality.
- The NHI Fund will belong to the public so hospitals and health care professionals can be paid for the service they provide. Hospitals and health care professionals will be fairly paid for their services (but not at unreasonable costs).
- The NHI is government’s plan to take care of everyone’s health in the future. It will take 14 years to fully complete. This means that there is time for everyone to know as much as they can about the NHI and to ask all the questions they want and get an acceptable answer. It is every person’s right to know and to ask questions.







## WHY DO WE NEED THE NHI?

- Our constitution states that access to healthcare is a human right. Through the NHI it is possible for South Africa to provide healthcare to all.
- Because of our history, we come from a system where the rich paid to have very good healthcare while many poor could not afford to have health care.
- There are many people especially the poor and those in rural areas who are not able to obtain good healthcare. Even those in cities complain about the quality of services in public hospitals. Some say there are too few qualified health professionals and also poor equipment in public hospitals.
- At the present moment although the private sector provides health care for only a small number of people (about 14% of the population), it has the largest number of health care professionals (more than 60% of doctors).
- The NHI will change all this by changing the way our country pays for healthcare: it will provide us with a health care system that is fair and equal. Because all healthcare needs will be paid for through the NHI, it means the quality of services will be almost the same throughout the whole country.
- Through the NHI, South Africans will be healthier. This is because under the NHI more will be done to prevent illness and people will receive treatment at early stages of illness. Both the rich and the poor will have more choice of health services under NHI.
- In a just world, the sickest people not the richest should receive the largest share of healthcare. This is what the NHI will try to ensure.

## HOW WILL THE NHI WORK?

- The NHI Fund will provide finance for healthcare. It will create a single pool of money and private and public healthcare providers will both be paid from this same pool of funding. Private and public healthcare providers will receive payment on exactly the same basis.
- The NHI Fund will enter into contracts with public and private hospitals, specialists and private general practitioners (GPs) to deliver health services free of charge to every South African citizen and legal resident. The state will pay health care providers from the NHI Fund, and so the patient will not need to pay for the healthcare services they receive.
- The same standard of care will be expected from private and from public healthcare providers: the NHI will ensure that service providers are of the required standard.
- All NHI patients will enter the healthcare system at primary healthcare level—that is at clinic level or GP level. The primary healthcare professional will then refer the patient to a specialist or hospital if needed.
- It is important that all patients be properly referred for the system to work. The NHI will not pay for patients who have not been referred through the proper channels.
- The government will also within the next few years upgrade hospitals and other healthcare systems to ensure that the standards of these facilities are good enough to satisfy the standard expected by the NHI. There is also money being put into the training of health professionals. This is important because with good infrastructure and well skilled professionals, the NHI will be successful.
- The NHI will improve preventive health care and care in the early stages of illness. It will do this by introducing family health teams in neighbourhoods which will provide preventive health services and home-based care. It will also lead to the expansion of primary health care services (public clinics and GP practices) so everyone will have better access to a health service providers to prevent illness and in the early stages of illness.

## WHO WILL PAY FOR NHI?

The NHI will get money from the general tax revenue and from special contributions of individuals who earn above a certain specified level and their employers. It will not be possible to opt out of this responsibility.

- A large amount of the funding will come from general taxes so all of us who pay taxes will contribute to the NHI. This will not mean paying additional tax on top of what we pay now (unless you earn above a specified amount).
- Those who earn more will contribute more. Every person who earns over a certain specified amount will be required by law to make a special monthly payment to the NHI Fund (called the "NHI contribution").
- Employers of those who earn above the specified amount will assist the NHI Fund by ensuring that their workers' "NHI contributions" are collected and submitted in a manner similar to pension funds.
- Employers will also match their employees' contributions. This means that employers are also required to pay a monthly amount to the NHI, for every worker.

## IF PEOPLE CAN AFFORD TO BUY PRIVATE HEALTHCARE, WILL THEY HAVE TO PARTICIPATE IN NHI?

- There is a distinction between a citizen participating in the NHI as a contributor and a citizen participating in NHI as a patient. If you earn above a certain income you will be required by law to make a contribution to the NHI Fund. It will not be possible to opt out of this responsibility.
- However, as a patient, if you wish to make use of services of a healthcare provider who is not accredited and/or who chooses not to contract to NHI, you would have to a) pay the provider directly or else b) maintain medical scheme cover. You would also still need to make your monthly contribution to the NHI.

## WHERE IS THE NHI GOING TO BE SITUATED?

- There will be an office handling all the NHI payments to healthcare providers. But you do not need to worry about this.
- What is important to know is that the NHI will be effective in the whole of South Africa, rural areas, urban areas, peri-urban areas, rich areas, and poor areas in the next 14 years.
- Because the NHI is such a huge undertaking, the process of covering the whole country will take about 14 years and will also be in steps.
- The government will first start to implement the NHI in small areas which are called pilot sites, to see how it will work. At the moment we do not know which areas these will be and how they have been selected.
- At the moment the government is putting in place laws that will support the NHI.

## WHAT ABOUT MY CURRENT MEDICAL AID?

- Some people believe that their current medical aid is very good and worry about whether it will continue to exist. It is important to note that medical schemes can continue to exist alongside the NHI, but those who choose to continue with their current medical aid will have to make a double payment. This means they would pay both the NHI contribution and their medical scheme contribution.





- It is possible that medical schemes will begin to provide new options focussing less on full cover and more on topping up the care offered by NHI. But this is something that is still under discussion.
- People may also wish to know if they can continue to pay a particular healthcare provider directly/privately. The answer is yes: participation in the NHI will be voluntary for healthcare providers. They can continue to serve those patients who choose to pay them privately. In some cases health care providers will be seeing patients who are paid for by the NHI, as well as seeing other patients who are paying from their own pockets by choice, at the same time.

## WHAT KIND OF SERVICES WILL THE NHI OFFER?

- The NHI will clearly define a package of services that every person is entitled to receive.
- The package will cover all the necessary types of healthcare including hospital care.
- You will not be told that your benefits have run out.
- You will not be asked to share the cost of treatment.
- Health professionals will treat you according to national guidelines that are approved by the NHI.
- The NHI will not pay for procedures that are not required for health reasons (for example it will not pay for cosmetic procedures).
- It is important to remember that to have access to these services, you have to follow the proper referral procedure we have already discussed above (the patient must enter the healthcare system at primary healthcare level—that is at clinic or GP level. The primary healthcare professional will then refer the patient to a specialist or hospital if needed).

## WHAT IS EXPECTED OF MY COMMUNITY?

Now we come to the important part, what your community can contribute to the process.

There are many ways in which communities have participated in the policy process in the past. The best idea of community participation is an open and accountable process through which individuals and groups within selected communities can exchange views and influence decision making.

To really influence decision making means that your community must participate from the beginning, by getting as much knowledge about the process of NHI as possible.

Many documents have been written by the government and other people on the NHI. The government has put together as much useful information as possible to allow people to get informed about the NHI.<sup>5</sup>

Communities must ask questions and demand clarification for what they do not understand, and individuals in communities must take initiatives to find out more and see how they can teach others.

Everybody has the right to ask questions and to get an acceptable answer. Talk in the community about the health care services you need and want and communicate your ideas.





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