

Press Release

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South African Institute of Race Relations
The power of ideas

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The NHI Proposal: Risking Lives For No Good Reason

The proposed National Health Insurance (NHI) system will fail to provide free and quality health services to all South Africans, says the IRR in a report published today.

“Under the NHI,” says Dr Anthea Jeffery, Head of Policy Research at the IRR and author of the report, “demand for health services is likely to double, whereas the supply of health professionals and health facilities is likely to shrink.

“This is a recipe for raising and then dashing hopes – for promising real help, and then failing to deliver it.

“It also means that already long waiting times for medical treatment will become even longer, putting lives at risk. The poor will bear the main brunt of this, but the middle class will also have to wait weeks and months for medical appointments.

“Many in the middle class might find this unacceptable and choose to emigrate instead. But, if even 250 000 of the 560 000 skilled individuals who pay 62% of personal income tax were to go, this would further hobble the economy and restrict state spending.”

Many health professionals might choose to emigrate as well, the report warns. The government assumes that all private doctors, specialists, and other health professionals can successfully be drawn into the new state-controlled system. But the NHI will pay the same fees to both public and private practitioners, even though the latter have overhead expenses to meet which the former do not.

Adds Dr Jeffery: “The new NHI Fund will be responsible for reimbursing all doctors and other health professionals for the medical treatment they have already provided to patients free of charge. But the Fund is unlikely to be any more efficient than other state bureaucracies. So doctors and others could wait months – or even years – for payment. This too could encourage a major exodus among the country’s health professionals, who are already in short supply.”

More...

The NHI Fund will also be responsible for setting the prices of all medicines, medical equipment, consumables, and other goods. This could cut patients off from many essential items, especially if the rand weakens in the future.

Says Dr Jeffery: “In addition, the NHI Fund will be responsible for procuring all these medicines, consumables, and other goods. Payment delays and poor supply chain management could thus leave every hospital, clinic, and medical practice in the country without essential supplies.

“The NHI will effectively nationalise the private health care system while doing nothing to fix the often failing the public health care sector. It should be jettisoned in favour of far more effective alternatives, as set out in the IRR report.”

The IRR's report can be accessed by clicking [here](#).

Ends.
