

# MEDI BRIEF

SEPTEMBER 2019

## National Health Insurance (NHI) update

Last month, following Cabinet approval, the Minister of Health released the NHI Bill for public comment. It would have been difficult to ignore the strong media reaction and you might have noticed the negative stock market response to healthcare businesses. Concerns have been voiced around the additional tax burden on citizens, the failure of the state-owned enterprises, the state of the public health system, poor governance, health professionals emigrating, and more.

As we informed you in the August 2018 MediBrief, NHI implementation will be phased in over time. NHI, as set out in the Bill, is a health financing system that will eventually become the single purchaser and payer of healthcare services through a single, centrally managed, state-run NHI Fund.

Members have asked about the future of medical schemes and specifically AMS, but unfortunately, it is too early to provide you with clear answers.

When fully implemented, all citizens and permanent residents will have to register with the NHI Fund to access free healthcare at the point of service. As we understand it, in time, NHI aims to cover 'comprehensive' healthcare services through the NHI benefit package. Once fully implemented, medical schemes or any other private health insurer will provide 'complementary cover' for benefits not paid by the Fund. The purchase of these products will remain voluntary.

Citizens who do not comply with the NHI rules, including not following the correct referral pathways or who use services not covered by the NHI, will have to pay for these out-of-pocket or through a medical scheme or another insurance product. This is where the role of medical schemes becomes vague. One part of the Bill limits the role of medical schemes and another envisages schemes will offer benefits, including NHI benefits, to citizens who do not wish to use the NHI. This would be like the UK system, where any citizen is free to purchase private health insurance to cover the same services as provided by their NHS.

Without understanding what the NHI benefits will cover or how they will be phased in, it is impossible to determine if scheme benefits will be required to change, by how much and by when. It is also unclear as to how schemes will fund benefits not paid by the NHI Fund if they are prohibited from providing NHI benefits and remain constrained by the current Medical Schemes Act. It is evident that this Act will have to change significantly to align with the NHI Bill once passed.

It is undisputed that South Africa should have Universal Health Coverage, a World Health Millennium Development Goal, and that inequalities in healthcare should be effectively addressed, but concerns around its affordability have been raised.

The NHI Bill stipulates that National Treasury, in consultation with the Ministers of Finance and Health and the Fund, will determine the annual NHI budget and how the money is allocated to the Fund. Clearly the amount of money allocated will determine the size of the benefit package. Given government's financial commitments to other critical issues facing the country, it will require the economy to improve before significant funding can be allocated to healthcare.

### What is the purpose of NHI?

The NHI Bill sets out to establish the National Health Insurance Fund to provide equitable efficient healthcare funding by the pooling of funds and strategically purchasing healthcare services for all South African citizens.

### Who will pay for NHI?

NHI will be funded through general tax revenue and the shifting of funds from provincial grants. This could include the use of medical scheme tax credits, payroll tax, surcharges on income tax and/or further grants. Every avenue of raising revenue for the NHI will need material legislative and administrative changes, which will face their own sets of challenges, suggesting that full implementation will take considerable time.

### How will healthcare services be accessed once NHI is established?

#### Referral pathways

To access healthcare services, South African citizens, permanent residents, refugees, inmates and "certain categories of foreign nationals" will need to register at an NHI-accredited primary healthcare provider. Patients will then first have to visit their primary healthcare provider and will only be able to consult a specialist if the doctor or nurse refers them to such a specialist.

#### Role of private and public healthcare providers

The Bill envisions that the NHI fund will purchase healthcare services from private providers to supplement the current public sector. It will start with the procurement of high priority services for vulnerable groups, such as primary care for children and the elderly. It is not yet clear how other services will be purchased from private doctors or hospitals.

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NHI is a large, complex, multi-decade initiative. It will need time and the collaboration of the best skills in the country to achieve the overall goal. For these reasons, and the fact that citizens have a constitutional freedom of association and choice, there are views expressed by many leading stakeholders that medical schemes will co-exist with NHI, at least for the foreseeable future, and possibly permanently.

### Next steps

The Bill will now follow the normal parliamentary process, including public participation, which may result in further changes. It will then be put to the National Assembly for a vote. Once passed, it will be debated in the National Council of Provinces and if passed, it will be referred to the President to sign into legislation. As the entire process could take up to 18 months, or longer if contested, it is not expected to be promulgated before mid-2020. Thereafter, many other acts and pieces of legislation will be affected and will need to be amended. The date of full implementation is unlikely to be announced any time soon.

Many medical scheme members view their scheme as a much-needed insurance product over which they have no influence. AMS is in the fortunate position that most members understand that each one of us has a say and, in the true sense of the word, is a 'member' of the Scheme with rights and responsibilities, much like a shareholder in a company. As a citizen of South Africa, you also have the right to participate in the current public-participation process and to shape the future of universal healthcare and NHI. Educate yourself about the topic by reading the NHI Bill on our website, articles in the news, attend the Scheme information events, such as the year-end presentations and the next AGM, and participate in the public NHI discussion. We will keep you up to date and provide you with more clarity once available. Your Board of Trustees will continue to work towards the best possible outcome for all AMS members and the Scheme administrators and consultants are closely involved in the public participation and other engagement processes. Together, we must make every effort to achieve the best possible solution for a healthy future for all South Africans.

## Year-end presentations

Please diarise and attend the Scheme's year-end presentations to learn more about your benefits and contributions for the year 2020. Your Client Liaison Officer will present the 2020 changes relevant to your plan in November. Employees will find the dates for employee presentations in their internal employer communication. Pensioners will receive an invitation to presentations in their area, as per the below schedule. **Please note that there will be only one session per venue this year.**

Gauteng	Date	Time	Address
Mpact Springs Mill	1/11/2019	10:00	82 Steel Road, New Era, Springs NB: Please use main entrance
Apollo Hotel	4/11/2019	10:00	158 Bram Fischer Drive, Randburg
Great Park Synagogue	5/11/2019	10:00	Cnr Glenhove and 4th Street, Houghton
Sheraton Hotel	6/11/2019	10:00	Cnr Church and Wessel Streets, Arcadia, Pretoria
Soweto Mosego Home	8/11/2019	10:00	Mosego Home T/A New Takalani Home (opp. Lesedi Clinic), 7947 Ramalongwane Street, Diepkloof Zone 6, Soweto
Riverside Sun Vanderbijlpark	13/11/2019	10:00	Cnr Wenning & Emfuleni Drive, Vanderbijlpark
Limpopo	Date	Time	Address
Pietersburg Club	7/11/2019	10:00	119 Suid Street, Polokwane
Mpumalanga	Date	Time	Address
Mpact Corrugated	11/11/2019	10:00	13 Heyneke Street, Industrial Site, Nelspruit
Sabie Country Club	12/11/2019	10:00	Main Street, Sabie
<b>RSVP: sanjajo@angloms.co.za or call 0860 222 633</b>			
KwaZulu-Natal	Date	Time	Address
Mondi Sports Club	1/11/2019	10:00	Mondi Sports Club, Travancore Drive, Merebank
Port Shepstone Country Club	5/11/2019	10:00	Cussonia Road, Port Shepstone
Fern Hill Hotel and Conference Centre	6/11/2019	10:00	R103, Midmar, Howick
Mondi Richards Bay, Conference Room 1	7/11/2019	10:00	7 Western Arterial, Alton, Richards Bay
Riverside Hotel	8/11/2019	10:00	10 Northway Drive, Durban North
Chamber House	12/11/2019	10:00	Royal Showgrounds, Pietermaritzburg
<b>RSVP: meganc@angloms.co.za or call 0860 222 633</b>			
Western and Eastern Cape	Date	Time	Address
Mowbray Golf Club	5/11/2019	10:30	1 Raapenberg Road, Mowbray
Encore Conference Centre	13/11/2019	10:30	Cnr Platteklouf Rd & Rothschild Blvd, Welgelegen
Community Hall on Vergelegen Wine Estate	14/11/2019	10:30	Lourensford Road, Somerset West
Radisson Blu Port Elizabeth	20/11/2019	10:30	Cnr 9th Avenue & Marine Drive, Nelson Mandela Bay
Knysna Log-Inn	21/11/2019	10:30	16 Gray Street, Knysna
<b>RSVP: shereena@angloms.co.za or call 0860 222 633</b>			

Visit [www.angloms.co.za](http://www.angloms.co.za) to learn more about your Scheme and benefits.

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**Member Queries:**

**Value Care Plan:** 0861 665 665, [anglo@primecure.co.za](mailto:anglo@primecure.co.za)

**Standard and Managed Care Plan:** 0860 222 633, [member@angloms.co.za](mailto:member@angloms.co.za)

**Claims:** [claims@angloms.co.za](mailto:claims@angloms.co.za)