South African Medical Association National Health Insurance Bill

Presentation to the Portfolio Committee for Health

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SAMA Background

Medical Doctors' Association

- Membership of 12 000
- Public sector and private sector doctors
- Members in all 9 Provinces
- 20 Branches across the country
- Being the custodians of a growing advocacy platform that will unite, guide and support members for the health of the nation

NHI Policy Phases in SA

GREEN PAPER (2011) → WHITE PAPER (2015) → NHI POLICY (2017) → NHI BILL (2018) → NHI BILL (2019)

- GREEN PAPER (2011): *SAMA written submission*
- WHITE PAPER (2015): *SAMA written submission*
- NHI POLICY (2017): *SAMA written submission*
- NHI BILL (2018): *SAMA written submission*
- NHI BILL (2019): *Call for comments 11 October*

The Challenges of the Health System

Public Health Sector	• Quality failings in delivery and infrastructure • Human Resources Shortage AND maldistribution of these resources • Acute shortage of management skills • Poor access to health care – physical, services not available, financial • Provinces failing to address their own challenges
Private Health Sector	• Widespread failures in regulation • Expensive and financial risk exposure to users • Quality is essentially unmeasured • Fraud, waste and abuse • Fragmented delivery, funding, clinical governance

Sources: Lancet Quality Commission Report 2019; Presidential Health Compact 2019; Council for Medical Schemes Fraud Waste and Abuse Summit 2019; Health Market Inquiry Final Report 2019

Purpose of the Draft NHI Bill 2019

- To achieve universal access to quality health care services in the Republic in accordance with section 27 of the Constitution;
- to establish a National Health Insurance **Fund** and to set out its powers, functions and governance structures;
- To provide a **framework** for the strategic purchasing of health care services by the Fund on behalf of users; to create mechanisms for the equitable, effective and efficient utilisation of the resources of the Fund to meet the health needs of the population;
- to preclude or limit undesirable, unethical and unlawful practices in relation to the Fund and its users;
- and to provide for matters connected herewith.

SAMA's position on the NHI Proposals

- SAMA is supportive of the concept of Universal Health Coverage
- The Proposals in the NHI Bill constitute the most significant changes in the funding of the health system that we have seen since 1994
- We support the step-wise, resource-informed and evidence-based approach to the implementation of any major reforms in the health system.
- Many of the proposed changes in the Bill have yet to be fully researched for their effectiveness and potential to actually improve service delivery by ensuring that there are sufficient funds and the desired framework to achieve this
- There is a deep-seated lack of faith amongst our membership in the ability of the government structures to provide the financial support structures for quality services
- **SAMA Cannot support the NHI as currently constructed.**

SAMA's concerns with the NHI Bill in 2019

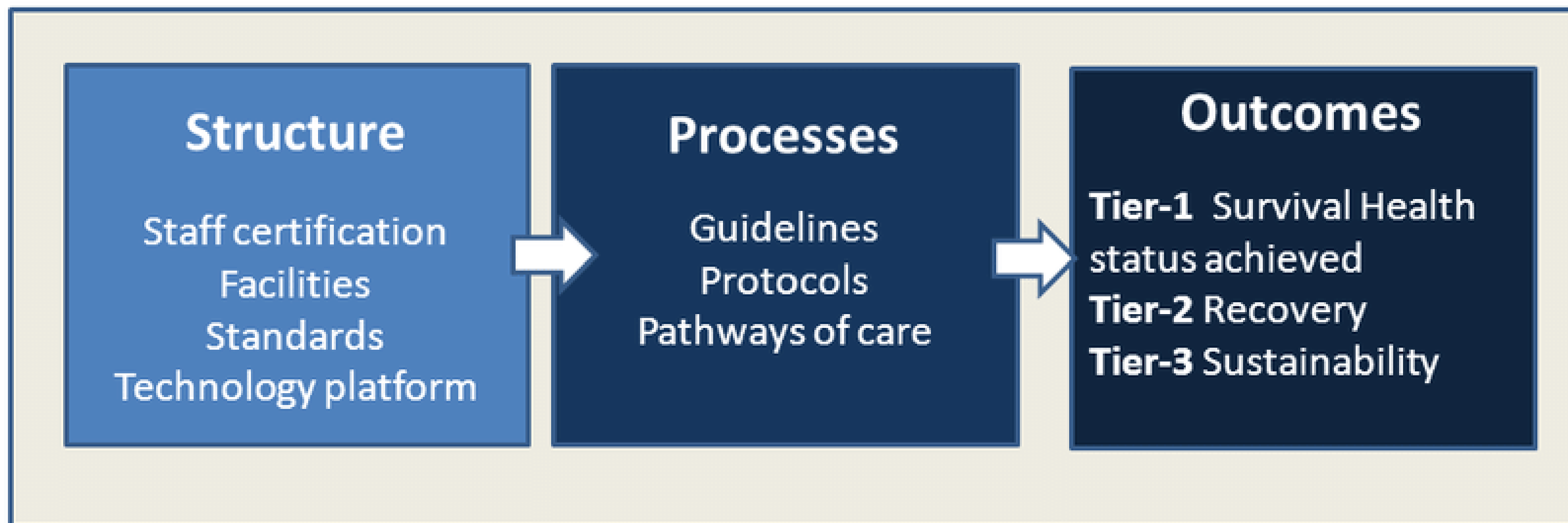
- **Quality of care –** not enough emphasis in the Bill on quality, too much emphasis on cost
- **Coverage** for asylum seekers and illegal foreigners
- **Non-Independence of the NHI Fund** and the exceptional powers of MOH
- **Monopsonistic purchaser** – single large fund and no Purchaser/provider split
- **Board and Advisory Committees not independent and** appointed by the Minister
- **NHI Pilot programmes (2012-2016)** had demonstrated little useful outcomes
- **Uncertainty** in many of the key proposals – detail is lacking
- **Reimbursement** – doctors to deliver quality care at the "lowest possible price"
- **Contracting issues** – contracting proposals are complex and need trials / piloting before they are included in an Act of Law
- **Absence** of any structures to address **out of hospital specialised care**
- **Certification, Accreditation and Contracting** of healthcare services providers

Concerns about Corruption

- A survey conducted within SAMA membership in 2019 revealed significant lack of faith in the government structures to prevent and address corruption issues.
- This was a repeat concern from medical practitioners and one of the main concerns regarding the potential for a single fund channelling significant amounts of funds.
- SAMA re-affirms its White Paper assertions that corruption is eating away our health system and poses a serious threat to the achievement of health outcomes.
- While SAMA endorses the envisaged corruption-fighting Investigating Unit (Clause 20(2)e), it will be ineffective if the corruption develops within the NHI Fund itself, as the Unit will be unable to confront corruption from within.

Quality – details still missing

- SAMA made extensive representation on Quality of care in the White Paper Submission in 2015



Donabedian, A. (1988). "The quality of care: How can it be assessed?". *JAMA*. **260**(12): 1743–8.

Coverage of the population

Section 4 – Population Coverage

(2) An asylum seeker or illegal foreigner is only entitled to—

- *(a) emergency medical services; and*
- *(b) services for notifiable conditions of public health concern.*

(3) All children, including children of asylum seekers or illegal migrants, are entitled to ***basic health care services*** *as provided for in section 28(1)(c) of the Constitution.*

- Phrasing of the Bill – does this mean the NHI will only pay for these services and anything else has to be paid by the patient?
- Or does it mean in the new system these patients will not be entitled to anything beyond the above at all.
- Medical professionals, by virtue of their training and allegiance to ethical codes, prioritise medically relevant aspects for patients.
- At the point of care e.g. a primary health facility, it is unjustifiable for the medical professional to decline undocumented patients on the basis of them not having identity documentation.
- Additionally, “basic health services” has not been defined for all children

High level Organogram

Minister of Health

- Public nomination process
- Ad hoc Advisory panel conducts interviews and makes recommendations

MOH Appoints

NHIF Board (not more than 11 persons)

Board Chair

- Board conducts interviews and makes recommendations to Minister

Cabinet Appoints

Board establishes

MOH establishes

Chief Executive Officer

Board Committees

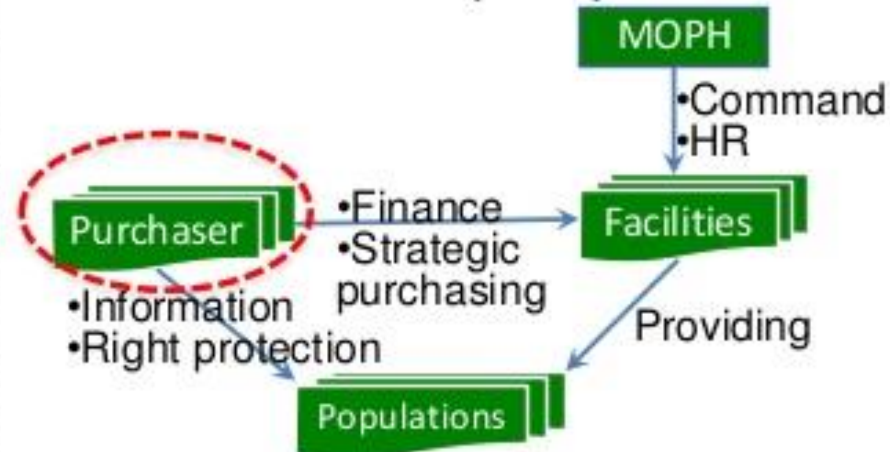
Ministerial Committees

Purchaser provider split is important

Purchaser-Provider Split

Prior to UC

Post UC (2002)



Expected results

- Clear responsibility and functions of each unit
- More accountable and responsive to populations
- Shifting from supply side to demand side financing

6-Jun-18

Implementation

Regulations

- Made by the Minister after Consultation with the Fund and National Health Council
- 3 months commentary period

Examples in the Bill:

- Payment mechanisms to providers
- Budget of the Fund
- Accreditation of providers

Directives

- Issued by the Fund itself
- No consulting or commentary process prescribed

Examples in the Bill:

- Regular, appropriate and timeous payment of health care service providers
- listing and publication of accredited health care service providers and health establishments.

Regulations enabled by the Bill

- Regulated aspects are extensive!
- There will be **public consultations** for each regulation (Section 55.2.3),**with exceptions (Sec 55.4.b)**

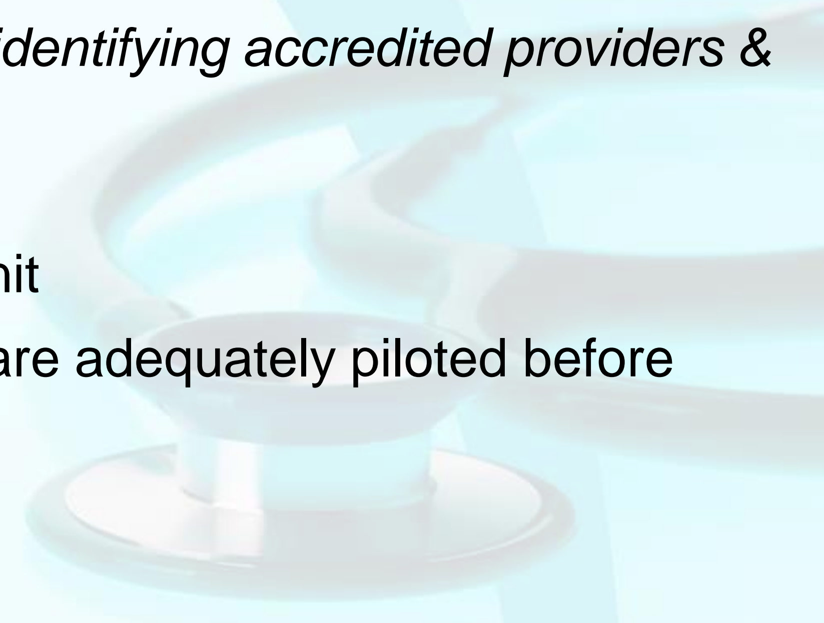
Some of the aspects to be Regulated:

1. **Payment mechanisms for providers**
2. Fees payable by users
3. **Optional Contracting In of private providers**
4. Relationship between public and private establishments
5. Clinical info and diagnostic codes to be used
6. Accreditation mechanisms
7. Functions and powers of the District Health Management
8. Relationship between the Fund & the OHSC
9. Relationship between the Fund and Med Schemes and Insurance Schemes
10. M & E of the Fund

Purchasing of services

Sec 37: **Contracting Unit for PHC (CUP):**

- *"The CUP is the Preferred organisational unit with which the Fund contracts for PHC services within a specified geographical area…"*
- *CUP is composed of: a District hospital, Clinics, and/or CHCs and WBOTs, Private providers organised in horizontal networks*
- *Assists the Fund on its function incl. identifying health needs; identifying accredited providers & issuing certificates, etc.*



- CUPs are both the healthcare providers and the contracting unit
- SAMA recommends that the proposed payment mechanisms are adequately piloted before they are included in an Act of Law or any regulation.

Purchasing of services

Sec 35: Hospitals and emergency care

- *The Fund must transfer funds directly to certified, accredited and contracted central, provincial, regional, specialised and district hospitals based on a Global Budget OR Diagnostic-related Groups.*
- *Emergency medical services provided by accredited and contracted public and private health care services providers must be reimbursed on a case-based fee, with adjustments for severity where necessary.*

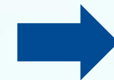
- Nothing to address out of hospital specialist services.
- Proposals suggest that health practitioners will need to employed by or contracted by hospitals – many of our practitioners have expressed an aversion to these arrangements particularly with the private hospitals groups

Certification, Accreditation, Contracting

Office of Health Standards Compliance

- Inspect for compliance with Prescribed Norms and Standards

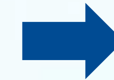
Quality Certification



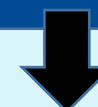
NHI Fund

- Meets the needs of users;
- adheres to guidelines, protocols, formularies;
- submits required information;
- Appropriate mix providers

Accreditation



NHI Fund



- Contracts to provide:
- Primary Care through Contracting units
- Emergency medical services and Hospital services

Contracts
(=reimbursement)

Healthcare Benefits

- The Sustainable Development Goals 3.8.1, related to UHC is: "*Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn, and child health, infectious diseases, non-communicable diseases, and service capacity and access, among the general and the most disadvantaged population).*"

- This definition acknowledges that countries provide a wide range of services for health promotion, prevention, treatment, and care, including rehabilitation and palliation.
- Currently, the benefits to be offered by the NHI are unknown and are yet to be determined by the envisioned "Benefits Advisory Committee" as described in Section 25 of the Bill.
- It is thus extremely difficult for health practitioners to support the NHI reforms, not knowing what will be available to patients, or under what conditions.

The role of medical schemes

- Clause 6(o) provides that users have the right: “to purchase health care services that are not covered by the Fund through a complementary voluntary medical insurance scheme registered in terms of the Medical Schemes Act, any other private health insurance scheme or out of pocket payments, as the case may be”.

- SAMA believes that application of this clause should mean that if for example, NHI benefits include hip replacements and hospitals cannot offer the service timeously, patients should have a choice to attend private sector facilities, funded through private insurance.
- SAMA argues that, while the user’s right to use non-NHI service is being respected, a user seeking care from non-NHI providers should not be compelled by an incomprehensive basic NHI package, or poor quality of the package, including interrupted service and goods supply, especially in the public sector.

SAMA Specific Recommendations

Section	Clause	Challenge with current formulation	Proposed Amendment / New formulation
Population Coverage	4(2)	It is not clear whether the fund will be paying for even the basic services for asylum seekers and illegal immigrants. If NHI is to be the only funding mechanism in the country – where do the funds come from and how will these services be claimed?	Need to clarify this clause and its meaning – are the services merely available or will they be covered by the NHIF.
Population coverage	4(3)	No Definition of Basic Health services for all children.	Definition to be included
Registration as users	5(8)	Requirement to be registered at specific health facility is problematic because of the mobility of the population.	Patient should be able to present at any health facility provided they are registered at A health facility. This will prove difficult for the specific capitation structures proposed later in the Bill – which is why we proposed these are removed from the Bill itself.

SAMA Specific Recommendations

Section	Clause	Challenge with current formulation	Proposed Amendment / New formulation
Rights of users	6(f)	Reasonable time period has not been clarified or defined	Access to care is very time-dependent. E.g. Cancer patients are very negatively affected by long waiting periods.
Healthcare services coverage	7(1)(e)	Fund to enter into contracts with primary care and hospitals. There is no allowance or coverage for more specialised out of hospital services. The assumption is made that anything not primary care will be delivered in hospital – which does not have to be the case.	Out of hospital specialised services are completely neglected in the Bill – there are multiple innovative ways these services could be delivered and funded.
Healthcare services coverage	7(4)	"Treatment must not be funded if a health care service provider demonstrates that… It is not clear who a "healthcare service provider" refers to in this instance The decision not to fund is a significant one – this statement needs strengthening.	Proper process for non-funding to be developed and Bill to refer to the structure which would make this decision.

SAMA Specific Recommendations

Section	Clause	Challenge with current formulation	Proposed Amendment / New formulation
Purchasing of health services	35	Not all elements of the health services system are addressed. The proposals reflect intention to fund the system as it currently exists in the public sector– e.g. PHC our of hospital and all other services in hospital. This does not have to remain the case going forward.	Remove these specific mechanisms to make room for evidence-based, piloted and proven successful delivery structures. These could be innovative arrangements which have not been explored yet.
Private funding	6(o)	Clause 6(o) provides that users have the right to access private complementary cover for services not covered by the NHI Services may not be "available' by virtue of waiting times, shortages, protocol exclusions.	SAMA believes it would be unconstitutional to prevent patients accessing services they need which are supposed to be available through NHI but are not because of resource constraints etc. Patients should still have a right to access these services through other funding mechanisms.

SAMA NHI Survey November 2019

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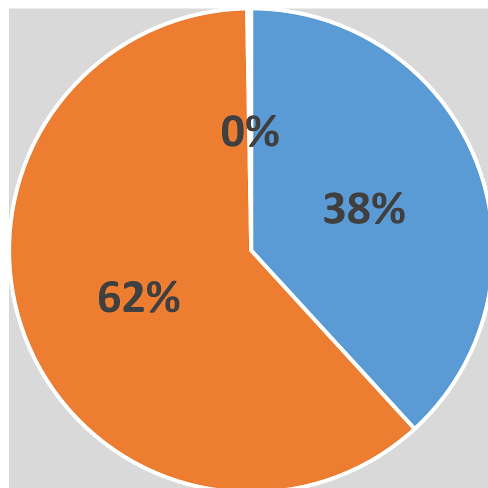
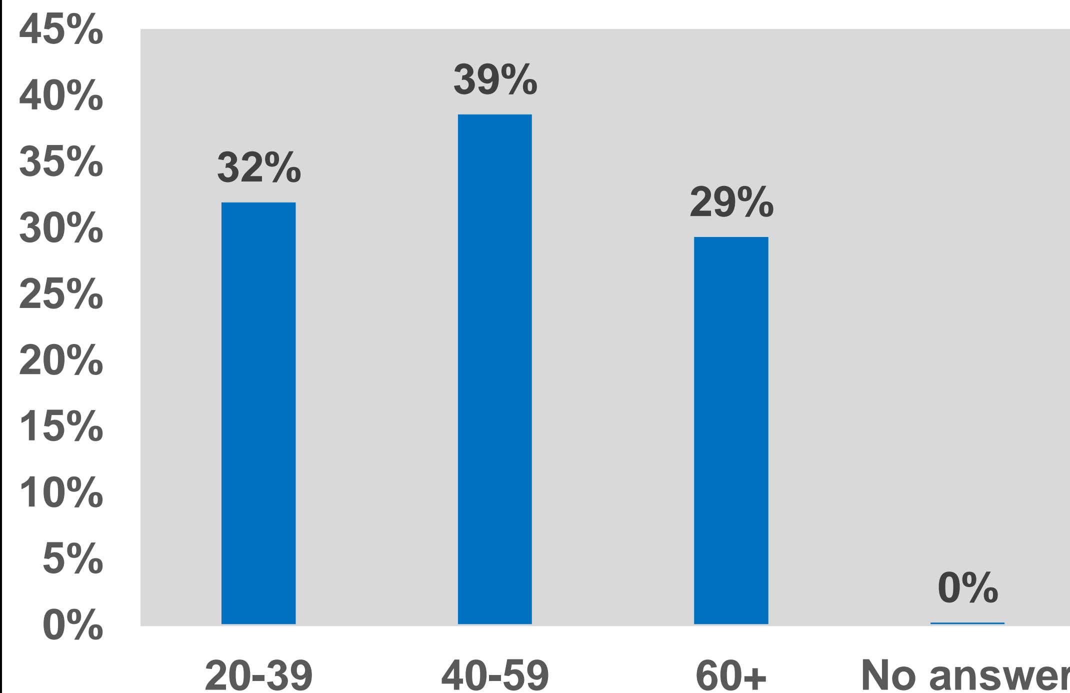
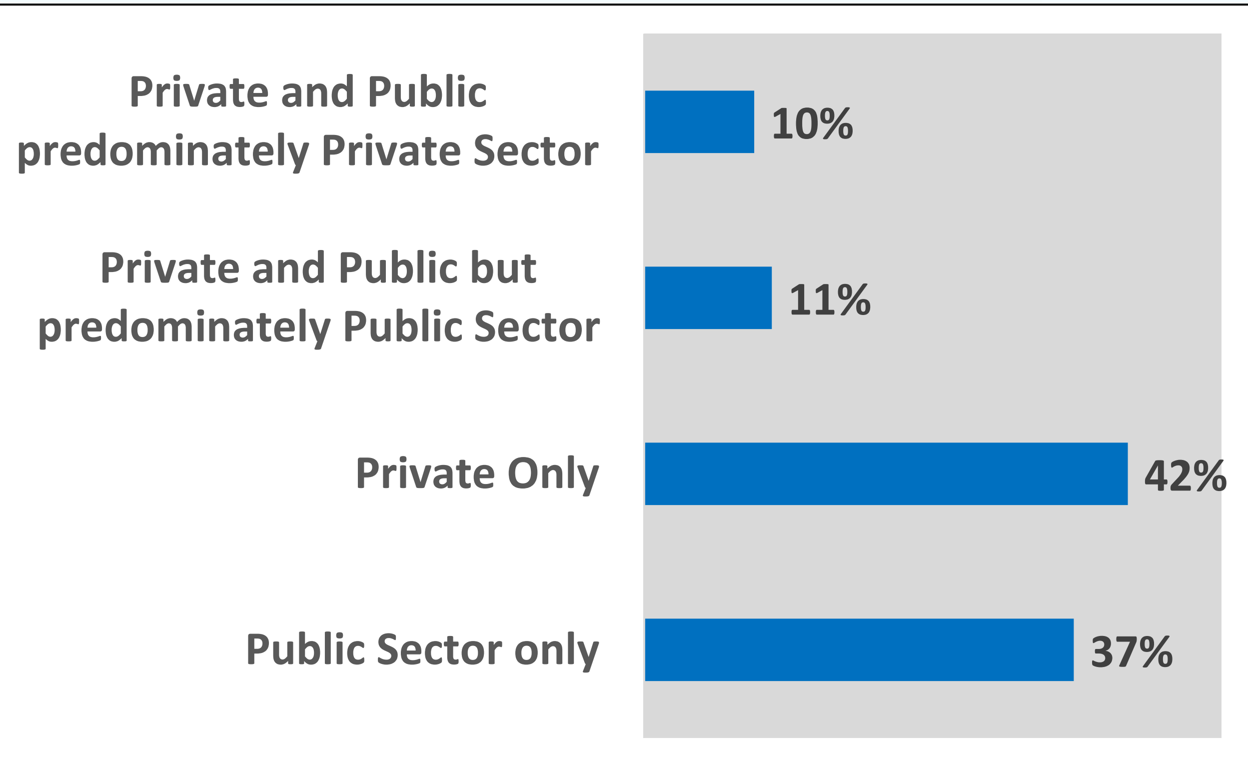
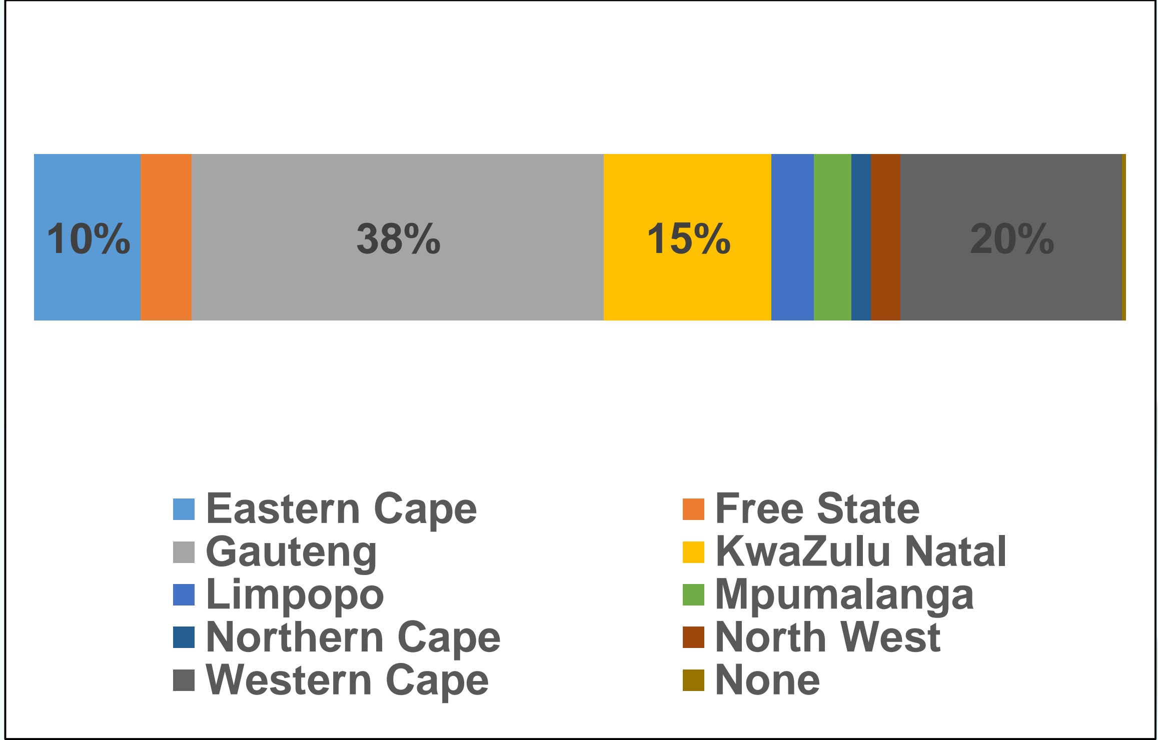
Age and Gender





Sector and province





Questions on NHI

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The National Health Insurance Proposals will improve the **quality** of healthcare in the country

Response	Percentage
Strongly disagree	48%
Disagree	30%
Neutral	11%
Agree	9%
Strongly agree	3%

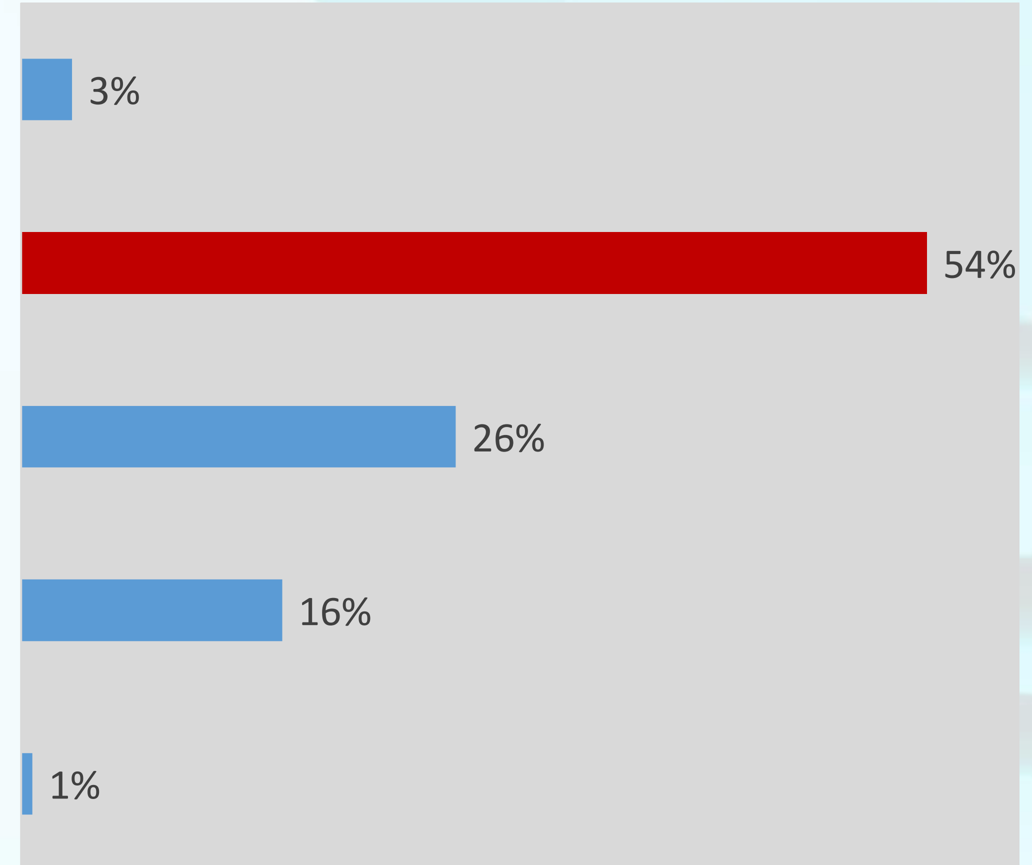
I am concerned about the NHI proposals for the following reasons:

Reason	%
I am not concerned about the proposals and am in support	2%
Other (please specify)……………….	9%
It will not be affordable	69%
Benefits offered by the NHI will be insufficient for South Africans	53%
Quality of care does not receive enough attention	64%
Potential for Corruption and lack of accountability	91%
Governance challenges within the fund	83%

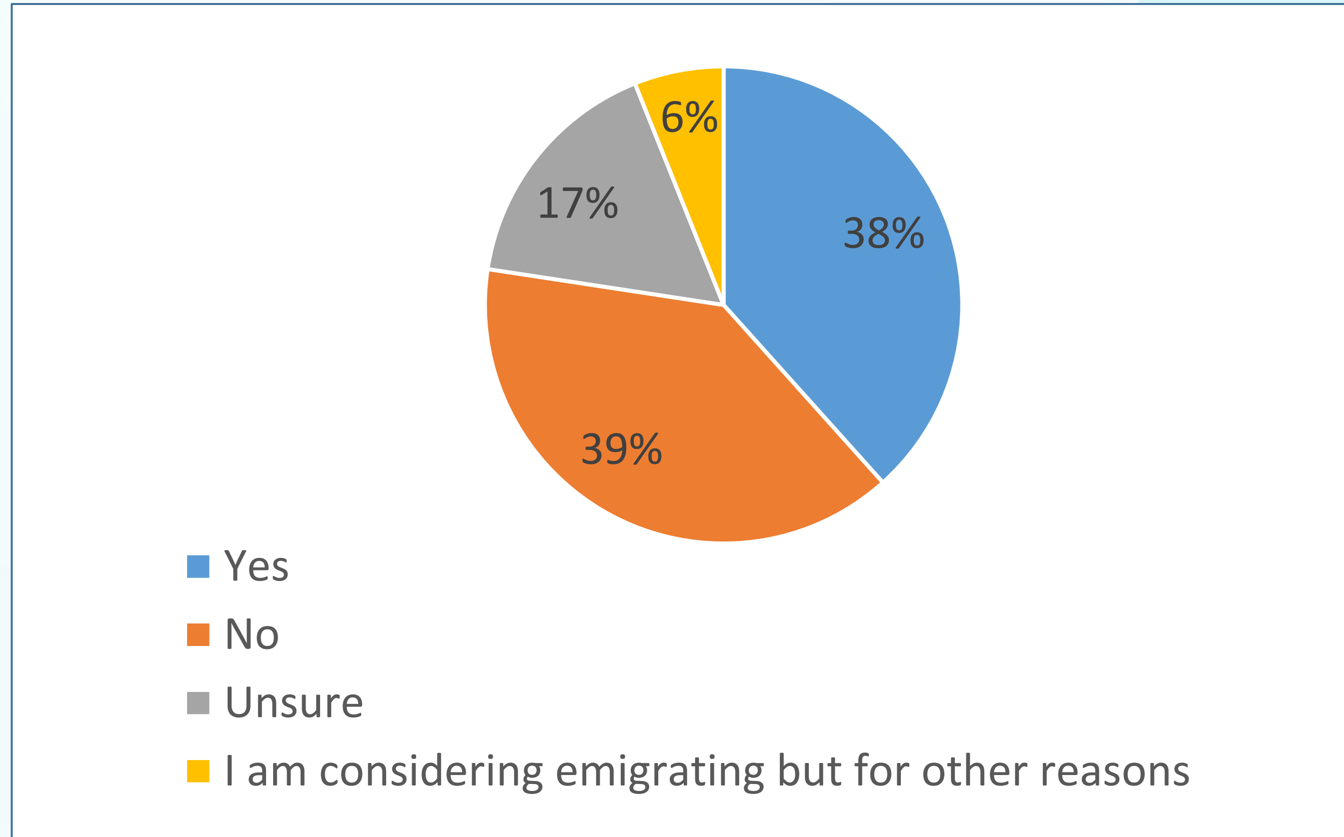
From the NHI proposals it is clear to me how I will be remunerated in the future

Response	Percentage
Strongly disagree	52%
Disagree	28%
Neutral	15%
Agree	3%
Strongly agree	2%

What position should SAMA take in relation to the current NHI Bill?



Are you considering emigrating because of NHI?



Thematic Analysis of Text Comments

Survey also collected hundreds of free test comments

Main themes emerging:
- Doubt that National Government is capable to run the system
- NHI will not address the failings in infrastructure and management in public sector
- NHI is extremely open to corruption and Minister of Health has too much power
- Not affordable

Main proposals repeated:
- Fix the public sector to a point where it can begin to appeal to private sector patients
- Engage with private doctors to provide additional services funded by the state
- Pilot the proposed systems and payment mechanisms

Conclusions

- SAMA is committed to the cause of Universal Health Coverage in South Africa.
- We have actively engaged in discussions and projects for the improvement of the conditions for patients in both the public and private sectors, quality initiatives, policy discussions and advocated where crises have manifested in service delivery to the country.
- We are committed to serving the patients of this country and improving the levels of quality of care patients receive.
- Many of the proposed reforms, new structures and changes in governance and accountability have not been tested or explained in a policy document.
- We, therefore, cannot support the NHI Bill in its entirety, nor the multiple structural and functional reforms and new entities, units and agencies which are proposed.

Thank you / Questions

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