

NHI

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Deel van die Solidariteit Beweging

Failure of state-owned enterprises (SOE)

- Government's track record inspires zero confidence
- Eskom, SAA, Transnet
- 2020/2021 Auditor-General's report
- Findings of the Zondo Commission
- NHI on a much larger scale than other SOEs

Systemic corruption

- Lack of will to end corruption – would bleed NHI system dry.
- Impossible to calculate, but recent estimates are that South Africa lost more than R1.5 trillion between 2014–2019 alone.
- Looting of Covid-19 relief funds – more than one out of every two rand spent were stolen.
- 62% of contracts found to be irregular.
- Former MEC of Health and Minister of Health implicated in scandal.

NHI is unaffordable

- There is no realistic estimate of what NHI will cost and no money to pay for the project.
- The Medium-Term Budget Policy Statement estimated an additional R40 billion over five years.
- An independent report from Discovery found that 44% (R212 billion) of total healthcare funding is spent in the private sector.
- Shortfall will need to be absorbed by state if private medical aids are eliminated.
- Raising of taxes on already overburdened taxpayers.

NHI is unaffordable (cont.)

- Due to government's failure, South African citizens pay "double taxes" for privatised essential services such as schools, security and healthcare.
- South Africa has a higher tax rate than countries in its GDP bracket.
- The economy contracted by 7% in 2020, tax base declined by 7,8%, estimated that 25% of taxpayers pay 80% of income tax.
- NHI will break the taxpayer's back.

Public healthcare sector in tatters

- Government has failed to maintain existing healthcare infrastructure and facilities, e.g. Steve Biko and Charlotte Maxeke hospitals.
- Only Western Cape reached a clean audit from the Auditor-General in the 2019/2020 audit.
- Incapable of managing current healthcare services – much larger scale health system will be a bigger disaster.

Brain drain

- South Africans seeking personal safety and better value for taxes abroad.
- NHI will bring about unseen exodus of skilled medical professionals.
- South African Medical Association warned that 38% of its 12 000 members plan to emigrate if NHI is implemented, 6% plan to emigrate for other reasons and 17% were unsure about leaving if NHI is implemented.
- South Africa cannot afford this in the face of already crippling shortages.

Impact of illegal residents on NHI

- NHI will only cater for South African citizens and legal residents.
- Unknown what impact porous borders and a constant influx of illegal immigrants will have on the system.
- There are no accurate statistics on number of illegal residents in South Africa – impossible to gauge potential impact on system.

NHI = End of private medical aid industry

- State becomes sole purchaser driving competition out of the marketplace.
- State is heavily reliant on private medical industry.
- Private medical aids provide a large amount of hospital beds in South Africa.
- Depriving citizens of existing access to quality healthcare.

Conclusion

- Costs are not accurate, unaffordable and being forced on overburdened taxpayer.
- Will be unavoidably plagued by corruption, excessive bureaucracy, mismanagement and inefficiency such as other SOEs.
- Government using NHI as a way of garnering votes from citizens with legitimate concerns.
- Lessen total access to quality healthcare by destroying private healthcare.

Solution

- Healthcare system must be reformed.
- Problems with current healthcare systems are due to governance.
- Get rid of corruption and mismanagement in current system.
- Extend possibility for private insurers to compete in free market to provide services for users.
- In the long term, phase in mandatory private medical aids with low base level healthcare services.
- No centralised fund to be looted, workings of free market ensure greatest cost efficiency for users.