Getting South Africa ready for NHI: critical next steps

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Universal health coverage (UHC)

- *'the intolerance of inequity'* (Tim Evans)
- a health system that provides all citizens with adequate health care at an affordable cost ... and ensures that no household is impoverished because of a need to use health services (i.e. gives financial protection)
- thus, three dimensions to measure progress:
  - how many people are covered? (i.e. population)
  - what services (of adequate quality) are covered? (i.e. service package)
  - how much financial risk is covered? (i.e. financial protection)
- Green Paper proposes 'NHI' as the financing policy to support the achievement of UHC (in dynamic interaction with other policies)
- 'NHI' is not just a very big medical scheme
- testing and phasing

Kutzin framework: revenue collection

	Green Paper	Key issues and critical next steps
Sources of funds	•prepayment •mandatory (i.e. no-one can opt out) •free at the point of service •remove tax rebate for medical scheme cover	•must be progressive (i.e. predominantly income-related) •overall level of funding must increase ⇒explore innovative funding options (and clarify role of informal sector) ⇒secure commitment to increased funding (ring-fencing?) ⇒demonstrate efficient use of existing funding
Contribution mechanisms and structure	?	•as simple and easy to administer as possible
Type of collecting organisation	?	•use existing institution (SARS)

Kutzin framework: pooling of funds

	Green Paper	Key issues and critical next steps
Coverage and composition of risk pool	•single, public NHI fund •medical schemes not financing intermediaries •entire registered population covered	•critical to have a single risk pool =>clarify whether constitution requires separation of 'equitable share' funds from 'new' funds =>if not, develop mechanisms for harmonised and equitable provincial pools =>develop governance systems and incentives for good performance/integrity of NHI Fund
Allocation to purchasing organisations	•national and Provincial DOH retain functions of policy, strategic planning, HR production etc. •districts have decentralised NHI Fund office	•critical to have integrated planning of purchasing and avoid fragmentation =>explore options for doing this under a quasi-federal system (including levers that promote equity) =>develop governance systems with careful attention to interaction between different political/geographic levels • allocations must be population-based

A single risk pool

- maximises cross-subsidisation:
    - Rich-poor
    - Healthy-sick
    - Young-old
- more efficient as simpler to administer and standardise incentives (risk-equalisation mechanisms complex and continually need to adapt)
- provides strong bargaining power with providers
- avoids entrenching two-tier system and reduces fragmentation

=>increases equity and sustainability

Kutzin framework: purchasing 1

	Green Paper	Key issues and critical next steps
Service package	•comprehensive •built on re-engineered PHC •everyone entitled to the same NHI benefits (NHI card) •extra benefits can be purchased from medical aid	•cover 100% population •strong focus on health promotion and prevention essential =>protect population-based activities (legislation, taxation, health promotion campaigns e.g. health promotion institute) =>strengthen personal activities through re-engineered PHC (including non-communicable diseases) =>explore how to incorporate into private provision models •strong focus on PHC services =>pursue PHC re-engineering strategy =>explore clinical support and supervision of PHC services •use clinical guidelines and implicit/explicit rationing to control utilisation (rather than specified benefit package) =>research utilisation, including laying foundation for information system •top-up insurance must not become too large

Kutzin framework: purchasing 2

	Green Paper	Key issues and critical next steps
Access and referral	•gate-keeping •strong referral systems	•pursue PHC re-engineering strategy •reinvigorate district hospitals and re-incorporate them into the district health system =>overhaul provincial and district office administrative supervision of district hospitals =>develop clinical supervision and support for district hospitals

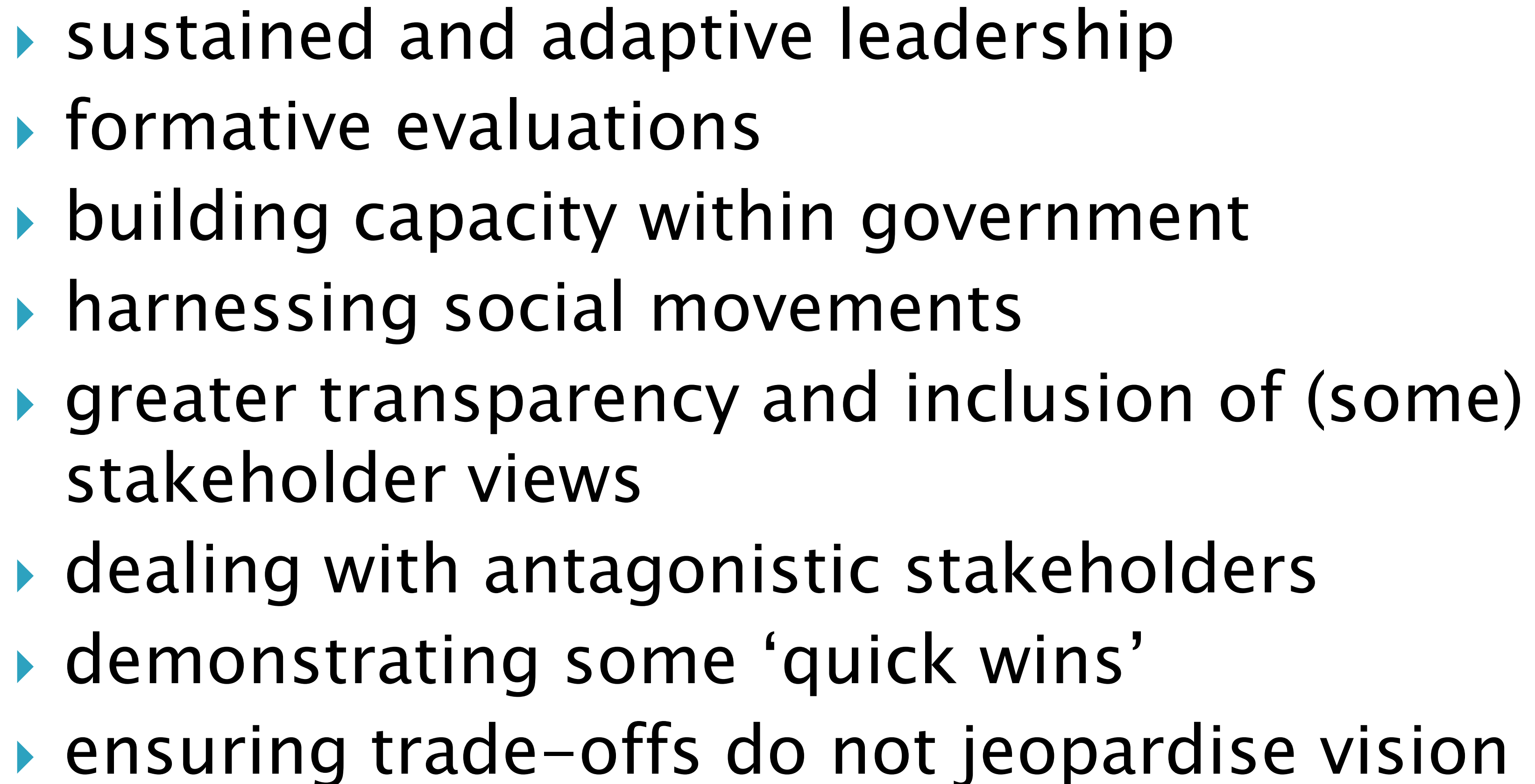
Kutzin framework: purchasing 3

	Green Paper	Key issues and critical next steps
Providers	•public and private	•strengthening public provision is essential: =>improve management systems =>improve staffing levels and incentives (financial and non-financial), especially for rural work =>improve the quality of care =>strengthen clinic committees and hospital boards =>increase HR production, including exploring options for alternative cadres and rural training •harness private providers at district level: =>pilot sessional doctors at district hospitals and community health centres (adequate and timely remuneration, extend roles) ⇒pilot use of private pharmacists, especially for distribution of chronic medication ⇒explore legal issues around creating comprehensive private PHC services ⇒level playing fields with respect to costs faced by private primary care providers ⇒explore regulatory and accreditation requirements

Kutzin framework: purchasing 4

	Green Paper	Key issues and critical next steps
Reimburse-ment mechanism	•purchaser-provider split with active purchasing •PHC: capitation •hospitals: global budgets -> DRGs	•essential to set 'price' at appropriate level =>initial costing, including laying foundation of information system =>understanding interaction between price, volume and quality, as well as level of flexibility required =>explore options for independent body

The policy process



The Netherlands