

Getting South Africa ready for NHI: critical next steps

*Jane Doherty
Independent researcher and part-time lecturer
School of Public Health
Wits University*

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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	<ul style="list-style-type: none">•prepayment•mandatory (i.e. no-one can opt out)•free at the point of service•remove tax rebate for medical scheme cover	<ul style="list-style-type: none">•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	?	<ul style="list-style-type: none">•as simple and easy to administer as possible
Type of collecting organisation	?	<ul style="list-style-type: none">•use existing institution (SARS)

Kutzin framework: pooling of funds

	Green Paper	Key issues and critical next steps
Coverage and composition of risk pool	<ul style="list-style-type: none">•single, public NHI fund•medical schemes not financing intermediaries•entire registered population covered	<ul style="list-style-type: none">•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	<ul style="list-style-type: none">•national and Provincial DOH retain functions of policy, strategic planning, HR production etc.•districts have decentralised NHI Fund office	<ul style="list-style-type: none">•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	<ul style="list-style-type: none">•comprehensive•built on re-engineered PHC•everyone entitled to the same NHI benefits (NHI card)•extra benefits can be purchased from medical aid	<ul style="list-style-type: none">•cover 100% population•strong focus on health promotion and prevention essential<ul style="list-style-type: none">=>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<ul style="list-style-type: none">=>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)<ul style="list-style-type: none">=>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	<ul style="list-style-type: none">•gate-keeping•strong referral systems	<ul style="list-style-type: none">•pursue PHC re-engineering strategy•reinvigorate district hospitals and re-incorporate them into the district health system <p>=>overhaul provincial and district office administrative supervision of district hospitals</p> <p>=>develop clinical supervision and support for district hospitals</p>

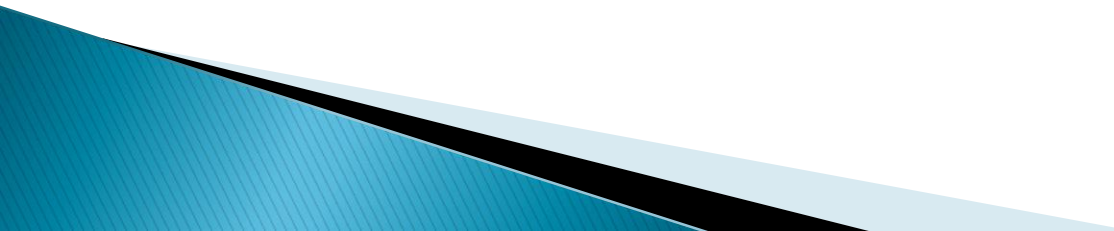
Kutzin framework: purchasing 3

	Green Paper	Key issues and critical next steps
Providers	<ul style="list-style-type: none">•public and private	<ul style="list-style-type: none">•strengthening public provision is essential:<ul style="list-style-type: none">=>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:<ul style="list-style-type: none">=>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
Reimbursement mechanism	<ul style="list-style-type: none">• purchaser-provider split with active purchasing• PHC: capitation• hospitals: global budgets -> DRGs	<ul style="list-style-type: none">• essential to set 'price' at appropriate level<ul style="list-style-type: none">=> 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

- ▶ sustained and adaptive leadership
 - ▶ formative evaluations
 - ▶ building capacity within government
 - ▶ harnessing social movements
 - ▶ greater transparency and inclusion of (some) stakeholder views
 - ▶ dealing with antagonistic stakeholders
 - ▶ demonstrating some 'quick wins'
 - ▶ ensuring trade-offs do not jeopardise vision
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The Netherlands

- ▶ A strong tradition of private insurance and private provision, together with a strong culture of taking out financial risk protection
 - ▶ Strong public policy on the role and size of the private sector
 - ▶ Almost three quarters of the population covered by social health insurance
 - ▶ Long-term care and care for the chronically ill financed by a separate, obligatory scheme that covers the majority of catastrophic costs
 - ▶ Only a small percentage covered by private health insurance (accounting for around 15 per cent of expenditure)
 - ▶ Benefit packages largely prescribed
 - ▶ State-regulated uniformity of access to providers and services for those insured under social and private insurance (including speed of access)
 - ▶ Several mechanisms to achieve cross-subsidization on the basis of health risk between private and social health insurance, and within private insurance
 - ▶ Most insurers are non-profit organizations
 - ▶ Most providers are non-profit or faith-based
 - ▶ A multi-payer system so that no company has more than 15 per cent of market share
 - ▶ Strong global cost controls that limits cost escalation, including state-determined maximum tariffs for providers and even limits on total income
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