

# Minister outlines private sector's role in NHI

 By [Nicci Botha](#)

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National Health Insurance (NHI) is not merely a consumption expenditure, but a social investment that is a basis for sustainable and inclusive growth, the recently appointed Minister of Health, Zweli Mkhize told delegates at the Board of Healthcare Funders of Southern African (BHF) conference in Cape Town.



Minister of Health, Zweli Mkhize

“Inclusive growth will be achieved through a healthy workforce and thus will contribute to poverty reduction, job creation as employment creators are assured of a healthy workforce. Job creation will increase the tax-base of the country and this will result in fiscal sustainability,” he said.

Cabinet recently approved the NHI Bill for tabling in Parliament for public consultation, and the National Department of Health will in the interim be reorganised to support the implementation of NHI. In addition, the NHI Implementation Unit will be established while the legislative processes are underway. This unit will form the embryo of the NHI Fund.



## NHI Bill approved for submission to Parliament

11 Jul 2019



NHI will also require that a digital health information platform that will support the operations of the NHI Fund is established. The Health Patient Registration System will form the backbone of an electronic health patient record on this digital platform.

“We are building the capacity of managers to implement NHI with the support of our international partners. Over 30 managers will leave within the next four weeks to get exposure and learn about NHI in different countries whilst we continue with other initiatives aimed at preparing for NHI implementation,” Mkhize explained.

## The role of the private sector

“We view collaboration between the public and private sector role players as crucial, guided by conditions in our country. This is in line with the commitment that we made during the Joint Session of Ministers of Health and Finance during the G20

"As an example of this convergence, we envisage greater collaboration between the public and private sectors to revamp our ailing public health infrastructure. We intend to revitalise our infrastructure over a period of 5-7 years and this will be undertaken concurrently as we implement NHI. This will require that we employ creative strategies on financing mechanisms and alternative models of delivering the health infrastructure to ensure that we meet these timelines," he said.

"Practitioners and providers in the private sector will benefit from improved referral systems, increased pool of empowered users, reduced costs for goods required to provide services, and predictable payment mechanisms.

"The requirement of accreditation will ensure that multi-disciplinary health teams are introduced resulting in the reduction of the workload and more time to dedicate to the patients served," Mkhize said.

## Reimbursement

Alternative reimbursement strategies such as capitation for services delivered at primary healthcare level and diagnosis-related groupers for in-hospital services presents a strong incentive for cost-containment and managing quality and will contribute to the sustainability of healthcare financing.

## Regulatory reforms that are envisaged for the private sector

The role of medical schemes will change as NHI will cover the entire population, the minister said. Medical schemes will be required to provide top-up, complementary cover for services not covered under NHI.

"Amendments to the Medical Schemes Act through the Medical Schemes Amendment Bill (MSAB) focus on improving the efficiency in regulating the private medical scheme industry. The comments received after the publication of the Draft Bill in 2018 are still under review.

"The outcomes of the Health Market Inquiry (HMI) into Private Health Sector Costs are also being considered and once these have been finalised, they will be assessed to ensure that they are supporting NHI implementation," Mkhize said.

## ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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