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THE NATIONAL HEALTH INSURANCE BILL (NHI Bill) SUMMARY

The minister of Health presented the NHA Bill to the public on 08th August 2019. It has 11 Sections

Section 1 – Purpose and Application of the Act (Bill)

- Applies to all heath establishment. Exclusions are the Military and Secret Services Agency
- Establishes the NHI Fund as a legally defined organ of state
- Provides for control of the NHI Fund by the Board
- It defines beneficiaries of services covered by the NHI Fund, including population registration
- It provides for the Minister of Health (MOH) to determine healthcare benefits that will be reimbursed through the NHI Fund
- Where there is conflict with other legislation this Act will prevail except in cases where the Constitution and PFMA apply

Section 2- Access to Health Services

- The Fund purchases services on behalf of all beneficiaries – these services are free at the point of care. It covers the entire population – residents, refugees and prison inmates.
- Asylum seekers and illegal immigrants will be entitled for emergency services only
- Foreign Nationals – will need travel insurance / medical aid
- Registration as user is mandatory – with accredited healthcare providers and establishments. Those who will be eligible for services – everyone must register
- User of services have rights – free access at the point of service, no copayment
- Patients cannot be refused care on unreasonable grounds (Section 27 – Emergency care)
- Fund purchase services on behalf of the population
- The present government hospitals would be standalone entity not governed provincially or nationally (designated as semi-autonomous) Minister will nominate designated Central Hospitals (10 hospitals nationally) – e.g. Albert Luthuli, Groote Schuur, etc These institutions will be autonomous. Runs independently of Provinces or national level

3. Service Coverage (NHI Fund)

A. Establishment of Fund – It is a Section 3A public entity like OHSC, HPCSA, CMS
B. Services must be primarily PHC based – Gatekeeper.
C. Actively purchase services from accredited providers and enter into procurement contracts for goods
D. Timely reimbursements; and determine payment rates annually in a prescribed manner
E. Monitor quality and standard of healthcare services
F. They will be allocated a budget – not for profit and make decisions on their own.
G. Fund will not cover if not medically necessary – or where treatment is not cost-effective
H. Rights-based – refusal must be clarified to citizens who are refused.

I. Maintain a national database of the population serviced

J. Procurement of services, database of members and providers, monitor quality and outcomes, and Investigate complaints

4. Board of Fund

- It will have a board that comprises of 11 members with various competencies. It will be for a 5-year term and can only be reappointed once. Minister can remove board members and he (minister) appoints the chairman of the board.
- This board reports to the minister like all section 3A entities. It should meet at least 4x per year and advise the minister on matters relating to the Fund, financing, administration, pricing etc.
- They will define type of reports required from the executive management
- Board will determine its own procedures; and appoint its own board committees.
- Board member remuneration (fees) will be determined between MOH and MOF

5. Chief Executive Officer (CEO)

A. Board interview candidates - recommend to the MOH

B. 5-year term renewable once

C. Board may recommend removal of the CEO

D. Accounts to the Board – functions designated by the board

E. **Functions is to establish the following units**: planning, benefits, provider rates and payments, accreditations, purchasing, contracting, payment admin, performance monitoring, risk and fraud

F. Has to present Annual Reports

G. Meet with the MOH, DG, OPHSC, at least 4x a year to discuss matters affecting the Fund

6. Committees to be established by the Board

6.1 Committee of Board: will determine its own governance committees; meet 4x per year

6.2 Technical Committees: board to establish them ensuring that persons participating have relevant expertise, fit and proper and have no conflict of interest or have abused any position

7. Advisory Committees to be established by Minister

7.1 Benefits Advisory Committee

7.2 Health Care Benefit Pricing Committee – 16 persons and minister appoints chairman; 5 year terms renewable once, determine service benefits by level of care and one member must represent the minister

7.3 Stakeholder Advisory Committee – representatives from the professions' councils, health entities, labour, civil society organizations and advocacy groups

7.4 Disclosure of interest – personal and financial (conflict)

These committees report to the Minister. Will give feedback to the minister without reporting to the Fund

8. General Provisions Applicable to Operation of Fund

8.1 Role of Minister – Governance and Stewardship of NHIF – minister must delineate the role and responsibilities of the Fund taking into account Constitution, NHA to prevent duplication, ensure equitable provision and financing

8.2 **Role of the Department of Health (NHA and Constitution)**

Guidelines for norms and standard; governance and stewardship; Coordination of health services; Human resource planning; Integration of annual plans

Minister can intervene (Subject to Section 57) – based on non-performance and performance indicators (provides Oversight)

Minister may introduce NHA amendments to delegate functions to provinces, designate categories of hospitals autonomous legal entities, establish DHMO as government component

8.3 **Role of Medical Schemes** – services not covered by NHI. Benefit package will be progressive. As more services get provided by the NHI, the medical schemes would stop covering that function. They will end up providing supplementary services only.

8.4 National Health Information Systems NHIS

8.5 **District Health Management Office (DHMO**) – facilitate, manage, support, coordinate delivery of services; check on facilities, purchase, does management, coordinate = representative of a fund at a district level. **This would be the Contracting Unit for Primary Healthcare**

8.6 **Office of Health Products Procurement**

- Centralized facilitation and coordination of procurement of healthcare goods from contracted providers: GPs, Pharma
- Determine procurement process, pricing – replaces the tendering system (this would be a system that will not exclude providers, as opposed to a tendering system. For example, if there are 5 companies providing meds, they will ensure that they are all included in providing meds to the NHI Fund)
- They will review formularies taking account of the Burden of Disease (BOD), EEL, EML

8.7 **Accreditation of service providers – will be done by the Office of Healthcare Standards (OHSC)**

- Conclude a legally binding contract with establishments or provider - max 5 years.
- Appropriate mix of medical professionals and provide minimum range of medical services
- Condition for renewal – benefit package, certification, staffing mix, guidelines and referral pathways

9. **Complaints and Appeals** – these would be done by the **Appeal Tribunal**. It will consist of five (5) people appointed by the Minister of Health. They would deal with complaints. This would help in avoiding litigation. Lodge appeals within 60 days of receipt of notification. Power of Tribunal will be similar to High court (may set aside Fund decision)

10. **Financial Matters**

- Source of funding will be – appropriations, fines, interest, bequest
- General Tax revenue
- Medical Schemes' credits
- Payroll Tax, Surcharge on PIT

NHI Fund will be audited by the Auditor General of SA (AGSA). This would be similar to how the current government entities are audited. Annual reports will be required, and these would be submitted to parliament and the minister of health (MOH)

11. Miscellaneous

Assignment of duties and delegation of powers
POPI; Offences and Penalties, Regulations and Directives

Transitional Arrangements as per the white Paper:

Phase 2 – 2017/22

NHI legislation; foundation for a fully functional Fund, purchasing of personal health services for vulnerable groups; Formation of Committees; Accreditation of healthcare providers; Health Technology Assessments; migration of Central Hospitals; structuring of the CUPS; Legislative Amendments of 12 Acts

Phase 3 (2022/26) – continuation of health systems strengthening activities; People will switch over from medical schemes – when NHI fully functional and operational.
Will put preconditions: When all the public facilities are up to standard

12 Legislative Amendments

HPCSA Act, COIDA, NHA, MSA 131 of 1998, Health Professionals Act, Nursing Act 2005, Mental Health Act, Dental Technicians Act. Allied Professionals Act, Traditional Health Practitioners Act.
These acts will be reviewed, changed or removed to align with the objectives of the NHA Act.

GENERAL DISCUSSIONS ABOUT THE BILL;

A. Taxation will kick in when there is full implementation of NHI and all the conditions have been met
B. The board can recommend removal of CEO. In this case the CEO is employed (recommended) by the minister – this has led to a situation where the CEO does not want to leave as they believe that they are accountable to the minister and not the board.
C. The DG are more like permanent secretaries of the government departments. They are functionaries and not political appointments
D. Unlike medical schemes, there will be No Reserves in the fund
E. When you go to a facility and you present your biometrics or ID; your data that is in the Home affairs system database will be reflected. This will exclude undocumented people

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