

# Benefits of NHI



## The National Health Insurance (NHI)

What is the NHI and how will it change the system?

- The NHI is a Fund, paid by our taxes, from which the government will buy health care services for all of us who live in the country from health care providers in the public sector and private sector.
- This means when you feel unwell, you can go to your nearest GP or clinic of your choice that has a contract with NHI and not worry about the cost of care.

## Why do we need NHI? What are the benefits of NHI?

- Providing health care for all: South Africa is a member of the United Nations community and we have committed that we will implement universal health coverage for all. We believe access to healthcare is a fundamental right for all. The government has the legislative mandate to realize this right. And the government has the responsibility to implement universal health coverage to ensure that all people are able to access health care when and where they need it without suffering financial hardship.
- Improving quality of services: The public sector has constraint budgets that are not sufficient to provide health care services for the 84% of the population that relies on public sector for health care. This results in an overburdened public sector that is characterised by underservicing. The private sector, that serves 14% of the population, is characterised by rising costs of care and overservicing without demonstrating much improvement on health outcomes. Both sectors need a reform to ensure

that quality of health is improved. The pooling of funds into one fund will improve quality of services and therefore improve health outcomes.

- Reducing burden of disease: Extending health coverage for all South Africans will improve access to care, quality of care and continuity of care. NHI reforms will contribute to the health system having a co-ordinated and well-structured response to burden of disease.
- Financial risk protection: The NHI Fund will protect individuals from financial hardship when they need to access healthcare services. Financial hardships take place when you need to pay out-of-pocket payments such as user fees at facilities and co-payments for individuals insured by medical schemes. Contribution to the Fund will be through prepayment methods such as taxes. Services will be paid for by the Fund and the patient will not have to pay at the point of care.
- Economic development and growth: A healthy population can work more effectively and efficiently and contributes to economic growth. A productive workforce contributes to the economy through growth of local business, attracting foreign investors and growing the domestic economy. An investment in health is an important safety net against poverty by providing financial protection for everyone.
- Integration of the healthcare system: The fragmented, two-tiered system undermines principles of equity and social solidarity and leads to a health system where resources are distributed unfairly. The NHI will promote equitable access to care, and this will be achieved by cross-subsidisation among the population. The NHI fosters social cohesion and contributes to developing a society that is compassionate across all socio-economic groups.

## What is the significance of passing the NHI Bill?

- Government considers the passing of the NHI Bill by the National Assembly as a key milestone to ensuring all people in SA have access to a clinic, a doctor or a hospital (public or private) closer to where they live or work without paying when they need the services. We will have paid in taxes already so the government will pay the provider of your care for you and your loved ones. There will be no gap cover for you to fund and no cash out of pocket payments.
- Government recognises the efforts by all stakeholders which exercised their constitutional rights to participate in legislative processes to influence decision-making process of the NHI Bill.
- The Department will remain available and accessible at all times to clarify any ambiguities and public concerns about the Bill and its objectives.

