

# Services of NHI



- Medicines and medical devices specified on the Essential Medicine List and Essential Equipment List.
- Diagnostic procedures specified in the Treatment Guidelines and protocols.

## Will the NHI provide adequate cover compared to current medical scheme benefits?

- Yes, the NHI benefit package will be comprehensive. It is important to bear in mind that the NHI benefits are not confined like most current medical scheme benefits. In the present system of medical schemes, in a desperate attempt to contain the escalating prices, a lot of benefits have been reduced. Furthermore, the system is characterized by co-payments for costs which the medical scheme is not prepared to pay for because they are regarded as too expensive, and the cost is simply pushed back to the patient. Service providers like private hospitals and specialists then resort to sending individual patients legal letters of demand to pay what their medical schemes are refusing to pay.
- The Council of Medical Schemes (CMS), a Statutory Body established to regulate medical schemes, in trying to protect consumers, came up with a system of what is called prescribed minimum benefits (PMB's). This is a group of 26 chronic conditions and 271 medical conditions which by instructions of CMS, medical aids need to pay for in full. Not all diseases are included in this group leaving their sufferers to pay out of pocket whilst contributing to a medical scheme.
- Under NHI, this problem will not exist since NHI has no intention to choose between diseases in order to remain sustainable. The range of cover of benefits will be much better than under the current system.

## 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.

### What services will be provided under NHI?

- NHI will purchase comprehensive personal health service benefits from NHI-contracted public and private health facilities.
- The service benefits include services provided at primary, secondary, tertiary, specialized and quaternary levels.
- Once the NHI Fund covers a benefit the medical schemes may not cover the same benefits.
- The Benefits Advisory Committee will determine which benefits are medically necessary benefits and this will include:
  - Primary Health Care services: visits to clinics, community health centres and accredited multi-disciplinary group practices and centres at a non-specialist level, community health care outreach workers, integrated school health services,
  - Hospital services: outpatient and in-patient visits at all accredited hospital levels, using a referral system (requiring a letter from a PHC centre/ provider unless in case of emergency)
  - Rehabilitation health services
  - Palliative Care
  - Mental health services
  - Emergency medical services
  - Transportation for patients who are referred to and from another health facility.

### Where will the funding for NHI come from?

- National Treasury will determine the sources of funding for NHI and be approved by Cabinet. Treasury will also determine when any dedicated NHI contributions are introduced or changed in line with the fiscal and economic environment.
- NHI will be funded through a mandatory pre-payment system and other forms of taxes collected by SARS and allocated to the Fund by Parliament.
- Based on the NHI Bill, NHI will be predominantly funded through general revenue allocations, supplemented by: (1) a payroll tax payable by employers and employees and (2) a surcharge on individuals' taxable income.
- The financial impact of the NHI taxation system must not create an increased burden on households compared to the current system. There will be no option for opting out of NHI for eligible people.
- Out-of-pocket payments such as co-payments and user fees will not be used to generate additional funding for comprehensive health care services to be covered under NHI. This ensures that healthcare services are delivered free of charge at the point of service and that the most vulnerable are not denied access.

