

## National Health Insurance

**Objectives:**  
Health financing system designed to pool funds to provide access to quality, affordable personal health services based on health needs, irrespective of socio economic status

**Features of NHI:**  
Universal access  
Mandatory prepayment for healthcare  
Comprehensive services  
Financial risk protection  
Single fund with single payer  
Strategic purchaser

**Principles:**  
Right to access healthcare  
Social solidarity  
Equity  
Healthcare as public good  
Affordability, efficiency, effectiveness and appropriateness

Benefit Structure			
<b>Primary Health Care</b>  <b>Foundation:</b> Health promotion, disease prevention, rehabilitation and palliative care  <b>Design:</b> <ul style="list-style-type: none"> <li>Provision through community networks of public and private practices and community health centres</li> <li>District health service delivery platform</li> <li>Referral system to higher levels of care</li> </ul> <b>Reimbursement mechanism:</b> global budget with risk adjusted capitation fee with performance based payment, adjusted for population size, age / gender, disease profile	District clinical specialist teams	Contracting private health practitioners at non specialised levels	<b>Hospital and Specialised Services</b>  <b>Facility levels:</b> District Regional Tertiary Centralised Specialised  Referral system to higher levels of care, supported by protocols and treatment guidelines
	Integrated school health programme		<b>Design:</b> Scrapping of uniform patient fee schedule Norms and standards determined by Office for Health Standards Compliance (OHSC) and NHI Benefits Advisory Committee (BAC)
	Municipal ward based primary healthcare outreach teams		<b>Structure:</b> Semi autonomous structures with enhanced Governance including strengthening of hospital boards  <b>Reimbursement mechanism:</b> case mix activity adjusted payment
			<b>Pharmaceuticals</b> Objective: increase access <ul style="list-style-type: none"> <li>Enable full range of essential medications to be available in public health facilities</li> <li>Chronic pre-dispensing and delivery to patients</li> </ul>
			<b>Pathology</b> Objective: improve efficiency <ul style="list-style-type: none"> <li>Defining essential set of tests</li> <li>Clinical governance rules to manage demand and/or utilisation</li> <li>Capitation based reimbursement</li> </ul>
			<b>Emergency services</b> Objective: provide uniform level of quality and access <ul style="list-style-type: none"> <li>Define nationally determined norms and standards</li> <li>Ensure urban and rural based accessibility</li> <li>Capitation case based fee</li> </ul>

Benefit Pillars

Measurement of health outcomes  
Application of NHI Fund pricing and reimbursement methods  
Fee for service not preferred method of reimbursement, no co-payments

**Enabling infrastructure:**

- Office of Health Standards Compliance (OHCS)
- Human Resources for Health strategy (HRH)
- eHealth, Patient Registry and Master Patient Index
- National Quality Standards for Health
- Fraud and risk management oversight

Funding

Review of current private healthcare spending and structure

**MEDICAL SCHEMES**

Complementary to National Health Insurance benefit coverage

Voluntary purchasing

Changes to Medical Schemes Act to be enacted, with overhaul of PMBs

Expectation of decrease in number of covered lives

**CURRENT FUNDING REVIEW:**

- Subsidies paid by State (to GEMS, Polmed, Transmed etc)
- Subsidies paid by employers
- Tax credits
- Contributions and out of pocket expenditure to be redirected

Implementation

PHASE 1 (2012/13 - 2016/17)	PHASE 2 (2017/18 - 2019/21)	PHASE 3 (2021/22 - 2024/25)
I • Transitional fund to contract primary healthcare providers • Project team establishment with NHI work streams • Health systems strengthening • Move Central Hospitals to National • Establish NHI Fund • Establish Office of Health Standards Compliance (OHSC), District Health Management Offices (DHMO), and National Health Commission (NHC).	II • Purchasing of services to be funded by NHI – public hospitals, emergency services and National Health Laboratory Services • Mobilise additional resources through Social Security alignment and State subsidy review • Functional NHI fund with all identified units • NHI Fund management and governance structures • Population registration process	III • Accreditation of private sector providers and hospitals and specialised services • Mandatory prepayment for NHI services • Finalise and implement Medical Schemes Act enabling complementary cover