

UNDERSTANDING THE NATIONAL HEALTH INSURANCE (NHI)

Frequently asked questions

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 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.

Who will be covered under the NHI Fund?

- The fund will purchase services on behalf of SA citizens, permanent residents, refugees, inmates and specific categories of foreign nationals.
- Asylum seekers and illegal foreigners will be covered for notifiable conditions and emergency medical services.
- All children will be covered for all benefits purchased by the fund regardless of nationality.
- Visiting foreign nationals will be covered by their mandatory travel insurance.

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Will unemployed people be able to access health care services?

- Yes. The NHI Fund will purchase services on behalf of all South Africans. All users will be able to access health care services without paying anything at the point of care, regardless of their socioeconomic status.

How much will it cost to receive services at a clinic, GP or hospital?

- The NHI Fund will pay the clinic, GP or hospital. You will not pay anything when receiving care.
- This is to make sure that everyone is able to receive health care services when they are sick, at a facility close to them (as long as the facility has a contract with the NHI Fund).

How can I register and what do I need for registration?

- You will register with the NHI Fund when you go to a clinic, GP or hospital that has a contract with the NHI for the first time. You will not need to register again when you go to any other clinic, GP or hospital because the NHI system will make sure that your records are available at every contracted health care provider.
- There is no fee payable for registration. This will be a similar process that you currently do each time you go to a clinic, GP or hospital.
- You will need your ID book, passport, or other identity document to register. Your fingerprints will be taken and put on the NHI Fund system. This will make it easy when you visit the clinic, GP or hospital again, or when your ID is lost. Fingerprints are a way to prevent fraud and identity theft but mostly to be absolutely sure that the medicines that you are given are for you and not someone else.
- Each time you attend a clinic, GP or hospital you will need to present your proof of identity. If you are unconscious, then the provider can still find your records using your fingerprints.

Will individuals be able to use facilities of their choice?

- Yes. The NHI aims to make health care more accessible to all South Africans. Individuals will be able to access NHI-contracted GPs, clinics or hospitals closest to them, whether in the public or private sectors.

How will South Africans who do not have IDs be helped?

- Biometric identification will be used in facilities under the NHI reform. This is to ensure that all users have a portable health record that can be accessed under all circumstances anywhere in the country.
- The department of Health has a collaboration with Department of Home Affairs to address birth and death records.
- This collaboration helped many undocumented South Africans to access COVID-19 vaccinations during the COVID-19 pandemic.

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

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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.

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.

Is NHI an affordable system?

- Yes. The World Health Organization has stated that countries must pursue universal health coverage with the current resources allocated for health and what countries are able to afford.
- As a nation we spend huge amounts of money for health care for very few people and very little on the majority. Our total spending on health care is far more than any country of similar size and economic activity to ours. We need to spend more efficiently.
- The NHI will redistribute money from the current multi-payer system of nine provincial health systems, tax rebates, levies, conditional grants and consolidate into one Fund. The pooling into one risk pool will ensure appropriate cross-subsidization between the young and old, rich and poor, healthy and unhealthy.
- The Fund as a single payer and strategic purchaser, will be able to negotiate prices for services and health products on behalf of the country.
- Through the elimination of waste and corruption in both sectors by simplifying the way we work and the use of all public and private health care provider capacity for everyone, health care can be delivered at a cost-effective price.

Who will run the Fund?

- The Fund will have a Board and various governance structures as required by the Public Finance Management Act (PFMA) and the principles contained in King IV's Report on Corporate Governance. The Board will have the responsibility of ensuring that there are institutionalised systems, policies and procedures that proactively prevent, detect, investigate and correct incidents/acts of fraud and corruption.

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What is being done to improve the infrastructure of public sector facilities?

- There are initiatives underway to improve the conditions of public facilities. The Department of Health has allocated R7.2 billion over three years to facilitate maintenance, refurbishment, upgrades, replacements of infrastructure or new infrastructure.

Will the NHI destroy the private sector?

- No, the NHI will not destroy the private sector. The private sector has different role players, and they are: 1. health care providers (such as GPs, specialists, pharmacies and hospitals); 2. suppliers of goods (health products such as medicines, devices and diagnostic devices); 3. funders (medical schemes) and 4. administrators. They have different roles to play in the NHI and they are described below.

What role do private health care providers play in the NHI?

- Private health care providers will continue to operate privately under the NHI dispensation. Contrary to some public narrative, the NHI is not going to abolish or do away with private health providers.
- NHI will not allow health care providers to set their own fees for NHI funded benefits. The Fund will set the fees that it will pay to private doctors, hospitals and others on your behalf.
- Private General Practitioners will be a part of multi-disciplinary networks in their communities and will be paid by the NHI Fund using a capitation model.
- The private health sector providers will benefit from the opportunity to contract with NHI to provide health services to the broader public, rather than the small proportion for which they currently provide services. They will be able to provide services to patients throughout the year not worried about depletion of funds of patients at any stage.
- Private hospitals will see patients referred by primary health care providers in both public and private sectors and the NHI Fund will settle the bill at the prescribed rates.

How will the NHI Fund procure health products?

- Suppliers of health products will remain private companies. The NHI Fund will determine the range of products (medicines, devices, etc) that are required to deliver the benefits that the Fund is paying for at any point in time and will set prices for those products that any contracted provider will pay to the suppliers. The large volumes create certainty for suppliers and help to reduce prices.

What role do medical schemes play in the NHI?

- The business models of private funders and their administrators will change over time. Once the NHI Fund covers a benefit, the medical schemes may not cover the same benefits. This means that their membership fees must be reduced, and some will be too small to survive so they will consolidate with others to maintain a viable risk pool for the benefits that they may still cover. Administrators of medical schemes will no longer manage over 250 options, meaning the complexity of their services will be greatly reduced.

Will NHI take the reserves of medical schemes?

- No, the Fund will NOT take the accumulated reserves of medical schemes since those belong to the members and not the schemes.

What if I want to contribute to a medical scheme?

- Once implemented, medical aid schemes won't be able to offer any health services already offered by the NHI.
- Medical schemes will only offer you extra services not covered by the NHI.
- The NHI will offer comprehensive health care service cover - there will be no co-payments.
- Medical Aid schemes will remain voluntary arrangement for those who choose to contribute to them, but they will only cover you for any additional benefits that the NHI Fund does not pay for, so they should be significantly cheaper.

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How does the NHI affect those who are currently insured by medical schemes?

- The Fund will be implemented over phases and over many years. Regulations will be published to address the phased implementation of the NHI Fund and phased implementation of service benefits as the money is moved to the Fund. Medical schemes will be given notice on the type of services that they will no longer be able to cover.

How can I qualify to be an accredited health care provider under the NHI?

- Every health care provider may be contracted by the NHI Fund. This will be initiated by the provider and once the provider meets the accreditation requirements they will be contracted. There will be no tenders for services.
- Every health care provider (public and private) must be certified by the Office of Health Standards Compliance.
- It will take some time for all health care providers to obtain certification, so the law makes provision for a transitional period of conditional accreditation by the Fund. The tools for health care provider compliance have been developed but NHI Fund accreditation and contracting requirements are still being developed.
- The health care provider must agree to, and comply with, the requirements of the NHI Fund to be accredited and contracted with the Fund. This includes connection to the Fund digital systems and reporting.
- A primary health care provider will be assigned a designated population that will be under their care and will be paid on a capitation basis. The details are being developed and will include a performance-based portion.

Is the function of accreditation by the NHI Fund substituting function of OHSC, HPCSA, SANC and other health professional regulatory bodies?

- No. The Office of Health Standards and Compliance (OHSC) primary responsibility is quality assurance. The role of the OHSC is to inspect and certify health establishments as compliant or non-compliant with prescribed norms and standards for a health establishment. All health facilities must be certified by the OHSC to be considered for accreditation by the NHI.
- The health professional regulatory bodies such as HPCSA and SANC are statutory bodies which regulate the registered professionals with the councils. All health professionals offering services in South Africa must be registered with the relevant professional bodies and comply with the rules and regulations and requirements of continuous professional development of the various bodies.
- The NHI will require both certification as part of the application for accreditation.

What are the requirements for accreditation with the NHI Fund?

- Accreditation with the NHI Fund will require that the provider must:
 1. Be registered with a recognised statutory health professional council.
 2. Be in possession of proof of certification by OHSC.
 3. Meet the needs of users and ensure service provider compliance with the Fund's prescribed specific performance criteria, accompanied by a budget impact analysis, including the:
 - a. Provision of the specified minimum required range of personal health services
 - b. Allocation of the appropriate number and mix of health care professionals in accordance with guidelines.
 - c. Adherence to treatment protocols and guidelines, including prescribing medicines and procuring health products from the Formulary.
 - d. Adherence to health care referral pathways
 - e. Submission of information to the national health information system to ensure portability and continuity of health care services.
 - f. Adherence to the national pricing regimen for services delivered.

Will private health care providers be forced to contract with NHI?

Not at all. Contracting with NHI Fund gives the health care provider opportunity to offer health care services to a designated population (significantly more patients than currently). The provider will not have to worry about the patients' affordability as the Fund would have paid a capitation fee for the designated population. Patients who consult with providers who are not contracted with NHI will pay cash for the providers' services. Patients will only be able to use their medical schemes to pay for benefits not covered by the Fund with non-NHI contracted providers.

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What will happen in the first few years of NHI implementation?

- The transitional arrangements for the NHI for the period 2023-2026 include:
 - Continuing with the health system strengthening initiatives including human resource planning.
 - Development of NHI legislation and amendments to other legislation.
 - Establishing institutions that must be the foundation for a fully functional Fund.
 - Purchasing of personal health care services for vulnerable groups such as children, women, people with disabilities and the elderly.
 - Establishment of the Fund as a Schedule 3A entity as contemplated.

How will corruption be prevented?

- The Fund will have a Board and various governance structures as required by the PFMA and King IV that will have the responsibility of ensuring that there are institutionalised systems, policies and procedures that proactively prevent, detect, investigate and correct incidents/acts of fraud and corruption.
- The Fund is required by law to establish and operate units that focus on fraud prevention, detection, investigation and correction of fraud and corruption.
- All employees of the NHI Fund will be responsible for preventing and detecting fraud in the execution of their assigned roles and responsibilities.
- The department, in collaboration with the Health Sector Anti-Corruption Forum (HSACF) and the Special Investigating Unit (SIU), is currently engaged in a process of risk identification, analysis and mitigation of all fraud and corruption risks that may affect the Fund.
- Control measures and mitigating strategies are currently being implemented in the design and development process of the NHI Fund.
- The public will have opportunity to anonymously report corrupt activities to law enforcement agencies and the HSACF which has been established by the President.
- The design of the NHI is far less complicated than the present myriad of departments and medical schemes. Everything that the fund does, all the contracts with providers and suppliers, and the common set of funded benefits, will be fully transparent. Since every person will be entitled to the same benefits and treated the same way, there is far less incentive for fraud and corruption.

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