NATIONAL HEALTH INSURANCE: HOW SHOULD YOU POSITION YOUR PRACTICE?

The Green Paper on National Health Insurance (NHI) was published on 12 August 2011 for public comment until 30 December 2011. It contains the draft proposals of government for NHI. Once adopted by parliament, it would be called a “White Paper” and would then constitute official government policy. Although the Green Paper only contains high level proposals, it does provide a framework for the implementation of NHI. This article briefly reviews these proposals and their implications for optometric practice.

NHI Fund

A single-payer model has been proposed, which means that all funds would be pooled in a single fund, the National Health Insurance Fund (NHIF) and all payments for services would occur from this fund. A Chief Executive Officer (CEO) who be appointed for the NHIF and would report to the Minister of Health. Various technical committees such as the Technical Advisory Committee, Audit Committee, Pricing Committee, Remuneration Committee, Benefits Advisory Committee and others would be appointed to support the CEO. The Technical Advisory Committee would comprise experts in health care financing, health economics, medical and nursing services, public health planning, research, monitoring and evaluation, public health law, labour, administration of public insurance schemes, actuarial sciences, information technology and communication. The NHIF might draw on the expertise in the private health sector related to administration and management of insurance funds, for the development of in-house administration capacity.

Who will benefit from NHI?

All South Africans and legal permanent residents would be covered under NHI irrespective of their ability to pay. Other persons such as short-term residents, foreign students and tourists would have to obtain compulsory travel insurance. Refugees and asylum seekers would be covered in accordance with the Refugees Act and international human rights instruments.

What health care services will be covered under NHI?

It has been proposed that a comprehensive package of evidenced-based health services, which includes primary, secondary, tertiary and quaternary care, should be covered under NHI. The exact services to be provided have not been disclosed. It would, however, appear that the focus would be on primary care. Primary health care services would be re-engineered to focus on health promotion and preventative care whilst also ensuring that curative and rehabilitative services of an appropriate quality were rendered. Primary health care services would be delivered according to the following three streams:

- District-based clinical support teams that would consist of an integrated team of specialists supporting the delivery of priority health care programmes in districts especially those with a high disease burden;
- School-based primary health care services, namely health promotion, prevention and curative health services to address the health needs of school-going children. Services would focus amongst others on sex abuse, oral health services, vision screening, eradication of parasites, nutritional services, substance abuse, sexual and reproductive health rights, family planning and HIV & AIDS related programmes; and
- Municipal ward-based primary health care agents. Teams of primary health care agents would be deployed in all municipal wards and be allocated a certain number
of families. They would facilitate community involvement and participation in identifying health problems and behaviours that placed individuals at risk of disease or injury, vulnerable individuals and groups and implementing appropriate interventions.

Private providers in the various districts would also be contracted for the delivery of primary health care services. The range of services to be provided would be specified.

It was stated that systemic challenges such as the fragmentation associated with the high cost, curative and hospital-centric approach and the excessive and unjustifiable charges especially within the private sector would need to be addressed to ensure the sustainability of NHI.

Would persons still be able to belong to medical schemes?

Although membership of NHI would be mandatory for all South Africans, medical schemes would continue to exist alongside NHI. The intention was that NHI benefits to which all South Africans would be entitled would be of a sufficient range and quality that South Africans had a real choice whether to continue their medical scheme membership or draw on their NHI entitlements. Membership of medical schemes would therefore be voluntary and no tax subsidies would be available. Citizens and legal permanent residents would, however, still be obliged to pay the mandatory NHI tax irrespective of their medical scheme membership. This might impact on the affordability and sustainability of medical scheme cover. It has also been mooted that top-up insurance models could evolve offering top-up cover for NHI benefits.

What will NHI cost?

Only preliminary estimates of costs have been provided pending further work to be undertaken by National Treasury and the Department of Health. It was estimated that R125 billion (in 2010 real terms) would be needed in 2012 for the implementation of NHI. This amount would increase to R253 billion (in 2010 real terms) by 2025. Since SA was spending in excess of R227 billion when public and private health care expenditure were considered together, which was almost equivalent to 8.5% of GDP, it was believed that sufficient funds were available to fund the NHI expenditure. However, various sources of funding would be considered such as the fiscus, employers and individuals. It therefore appeared that an individual mandatory NHI tax was anticipated. It was suggested that co-payments might be imposed in certain instances, e.g. for services not rendered in accordance with NHI treatment protocols and guidelines, health care benefits not covered under NHI (e.g. expensive spectacle frames) and non-adherence to the referral system.

Would optometrists in private practice also be able to render services under NHI?

The District Health Authority would have the responsibility to contract with service providers. It would also monitor the performance of contracted providers within that district.

All public and private health service providers would be eligible to render health services under the NHI system. They would, however, have to meet the quality standards and be accredited by the Office of Health Standards Compliance. Accreditation standards would include service elements, management systems, performance standards and coverage in addition to quality standards that would improve safety and facilitate access to health care. Accreditation would also take the need for particular providers within a particular area, type of health services required as well as available resources within the district into consideration.

Access to the various categories of service providers would be referral based. It would appear that the entry point to access the NHI benefits would be through primary care providers.

How would service providers be paid?

Payment of service providers would be primarily based on alternative reimbursement mechanisms such as risk-adjusted capitation linked to a performance-based mechanism for primary care providers and global budgets for hospitals.

Contracted public and private providers would be assisted in controlling expenditure through recommended formula and adherence to treatment protocols in an attempt to avoid under-servicing.

A uniform coding system would also be adopted to allow providers to uniformly report on services rendered and goods provided for purpose of reimbursement.

When will NHI be implemented?

NHI would be implemented in 2012 on a pilot basis. Ten districts would be selected for this purpose. Thereafter additional districts would be added annually until the system was fully implemented, which was expected by 2025.

Strengthening of the public health system and transformation of the health services delivery platforms were critical to the success of NHI. The first five years of NHI would include pilot- ing and strengthening the health system in the following areas:

- Management of health facilities and health districts;
- Quality improvement;
- Infrastructure development;
- Medical devices, including equipment;
- Human resources planning, development and management;
- Information management and systems support; and
- Establishment of the NHIF.

Conclusion

Although the details in a number of areas were still outstanding in the Green Paper such as how the severe shortage amongst health care practitioners would be addressed, it was clear that government was committed to the introduction of NHI. Optometrists would need to consider the implications of NHI for their practices and consider to become accredited to deliver services under NHI. Comment should therefore be considered in respect of the accreditation criteria for optometrists, reimbursement levels, treatment protocols and which optometry services should be covered under NHI.