

#### 4. National Health Insurance

The debate on National Health Insurance (NHI) continued.

The Minister of Finance delivered the Medium Term Budget Policy Statement on 25 October 2011. He stated amongst others that:

- Social security and health insurance reforms were important elements in creating a better deal for vulnerable workers, providing protection against unemployment, illness or injury, and securing an adequate income in retirement.
- Health spending would increase by 7.4% per year from R113 billion this year to R140 billion in three years' time to cover amongst others NHI pilot projects in ten districts focused on comprehensive primary health care. (The impression was therefore created that in the first 3 years of implementing of NHI, only 10 districts would be affected and the focus would be on primary care rather than comprehensive care.)
- National Treasury would publish a long term outlook for the public finances next year that would explore the implications for government finance of major long term priorities such as the establishment of NHI.

The Department of Health has recently released its human resource strategy for health, which acknowledged the severe scarcity of health care practitioners in SA. This challenge would have to be overcome to successfully roll-out NHI. The strategy focused amongst others on the human resource implications for the roll-out of the re-engineered primary health care services announced by the Minister of Health as part of NHI implementation.

The Director-General of Health has also established a Permanent Forum made up of scheme representatives under her auspices. She would structure a formal engagement process with this Forum that would meet regularly in order to participate in the work that would be done over the next 5 years when implementing NHI.

**IMPACT ON BENEFICIARIES:** No immediate impact. The actual impact would become clear when details of the NHI tax and the roll-out of NHI were released.

**IMPACT ON FINANCIAL ADVISERS:** No immediate impact. The actual impact would become clear when details of the NHI tax and the roll-out of NHI were released.

**IMPACT ON SCHEMES:** No immediate impact. The actual impact would become clear when details of the NHI tax and the roll-out of NHI were released.