

Presentation to SAMA Conference 2015

**NHI MODEL, RELATIONSHIP TO FINANCE AND ITS EFFECTS
ON PUBLIC AND PRIVATE MEDICAL PRACTITIONERS**

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Venue: Sandton Convention Centre

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CONTENT OF HEALTH FINANCING SYSTEMS

Classifications or models

- “National Health System” (Beveridge)
- “Social Health Insurance System” (Bismarck)
- “National Health Insurance” (Hybrids)

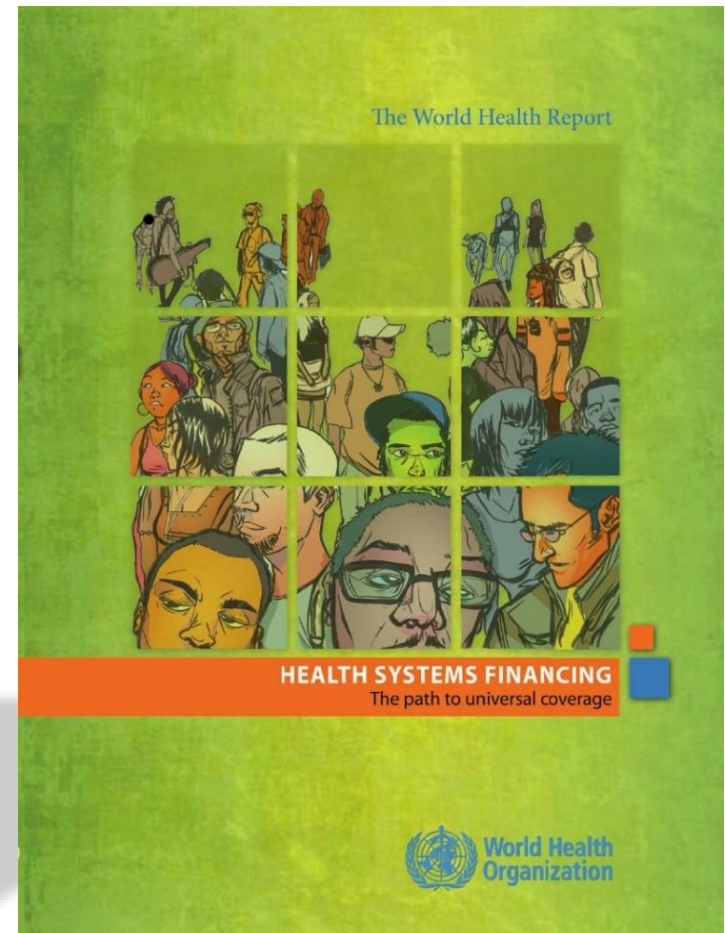
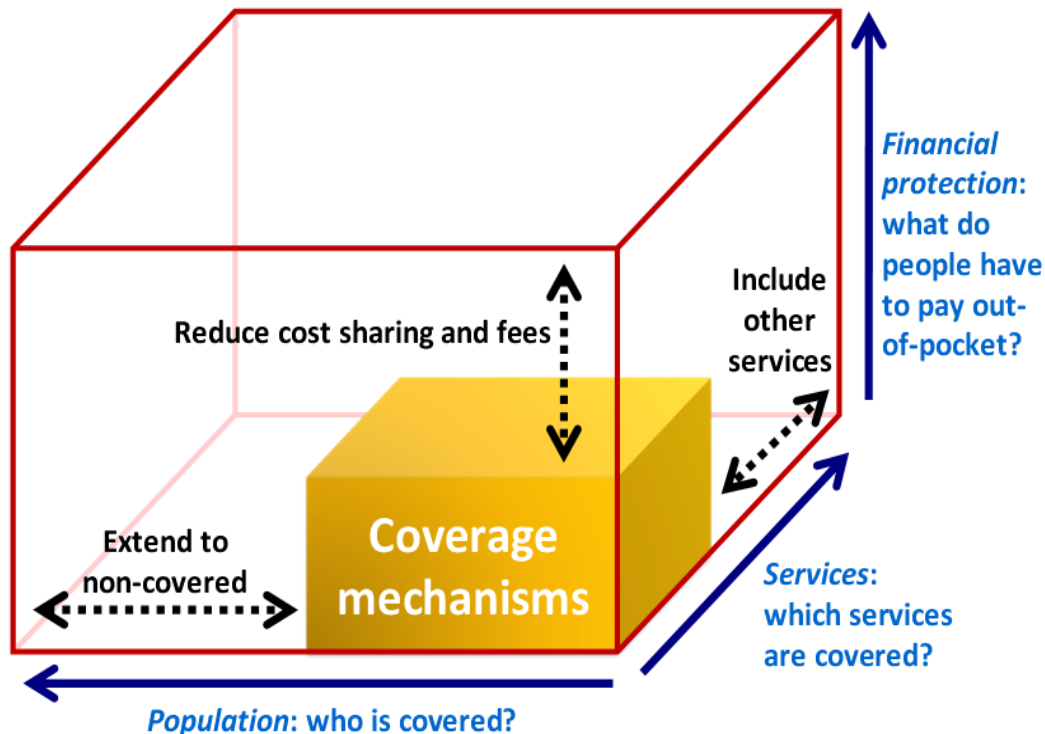
Functions and policies

- Collection
- Pooling
- Purchasing
- Benefits and rationing

German citizens are not *more insured* than British citizens just because they call their system “insurance”

- Understand **systems** (and reform options) in terms of **functions**, not labels or models

Towards universal coverage



“Towards UHC”:
direction in
which to move
your system

UHC is about
objectives, not
instruments

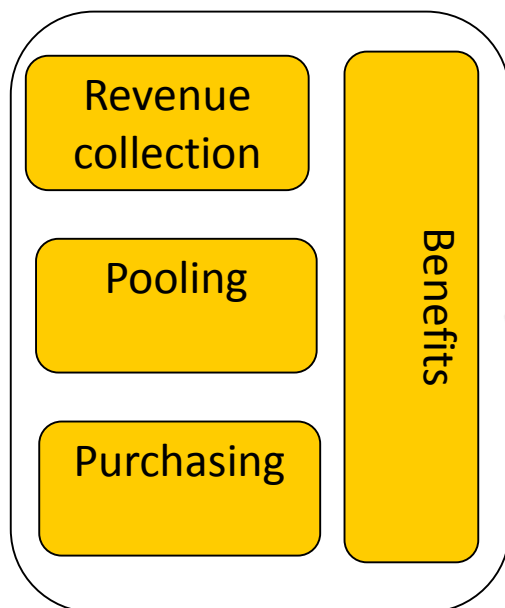
UHC objectives
matter at level of
system, not schemes

UHC doesn't mean
everything for everyone

Every country can
do something to
move towards UHC

CONCEPTUAL APPROACH ON HEALTH FINANCING STRATEGIES THAT PROMOTE PROGRESS TOWARDS UHC

Health financing within the overall health system



Rest of health system

UHC intermediate objectives

Equity in resource distribution

Efficiency

Transparency and accountability

Final coverage objectives

Utilization
Need

Quality

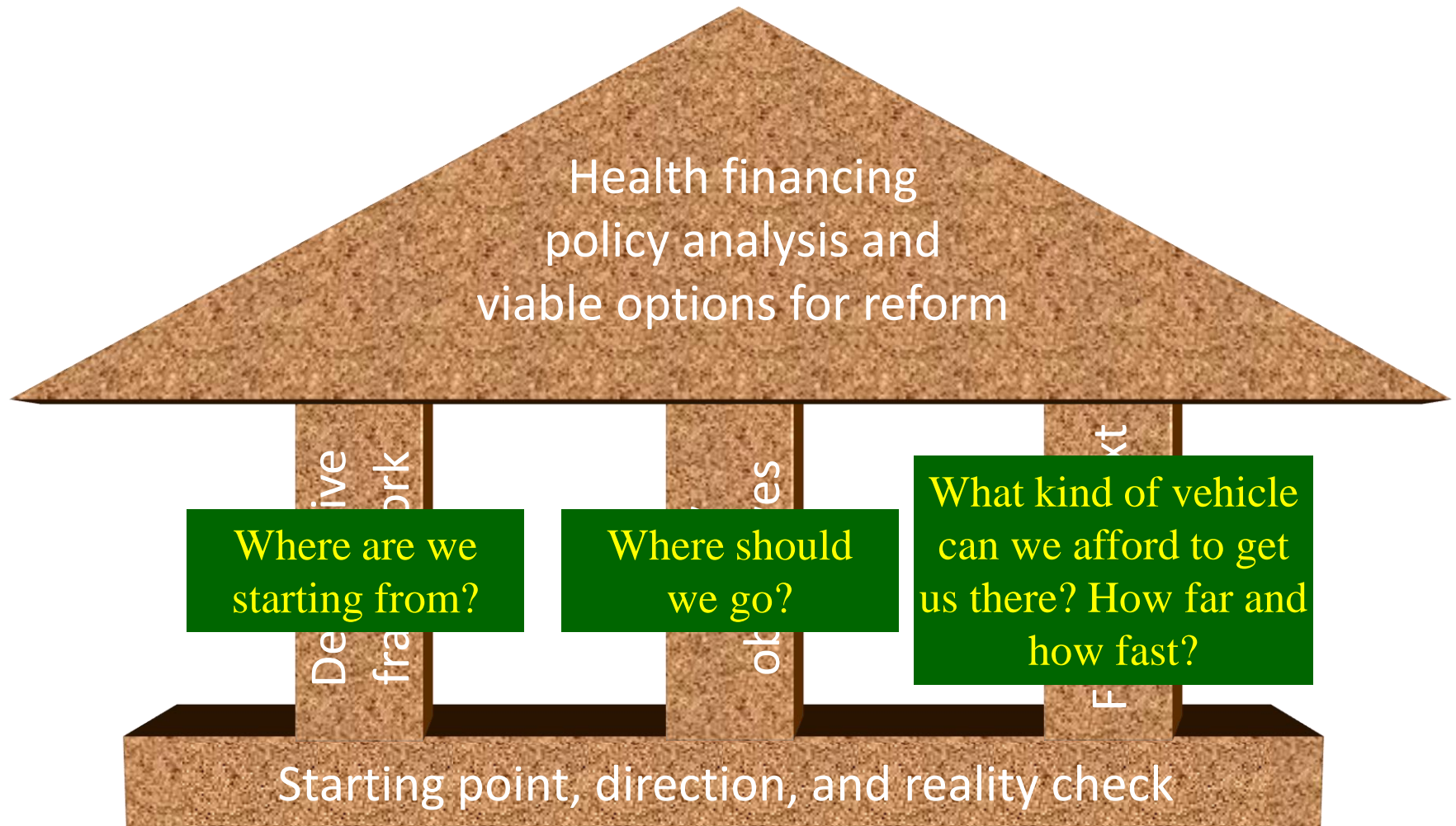
Universal financial protection

Wider context/
extra-sectoral
factors (SDH)

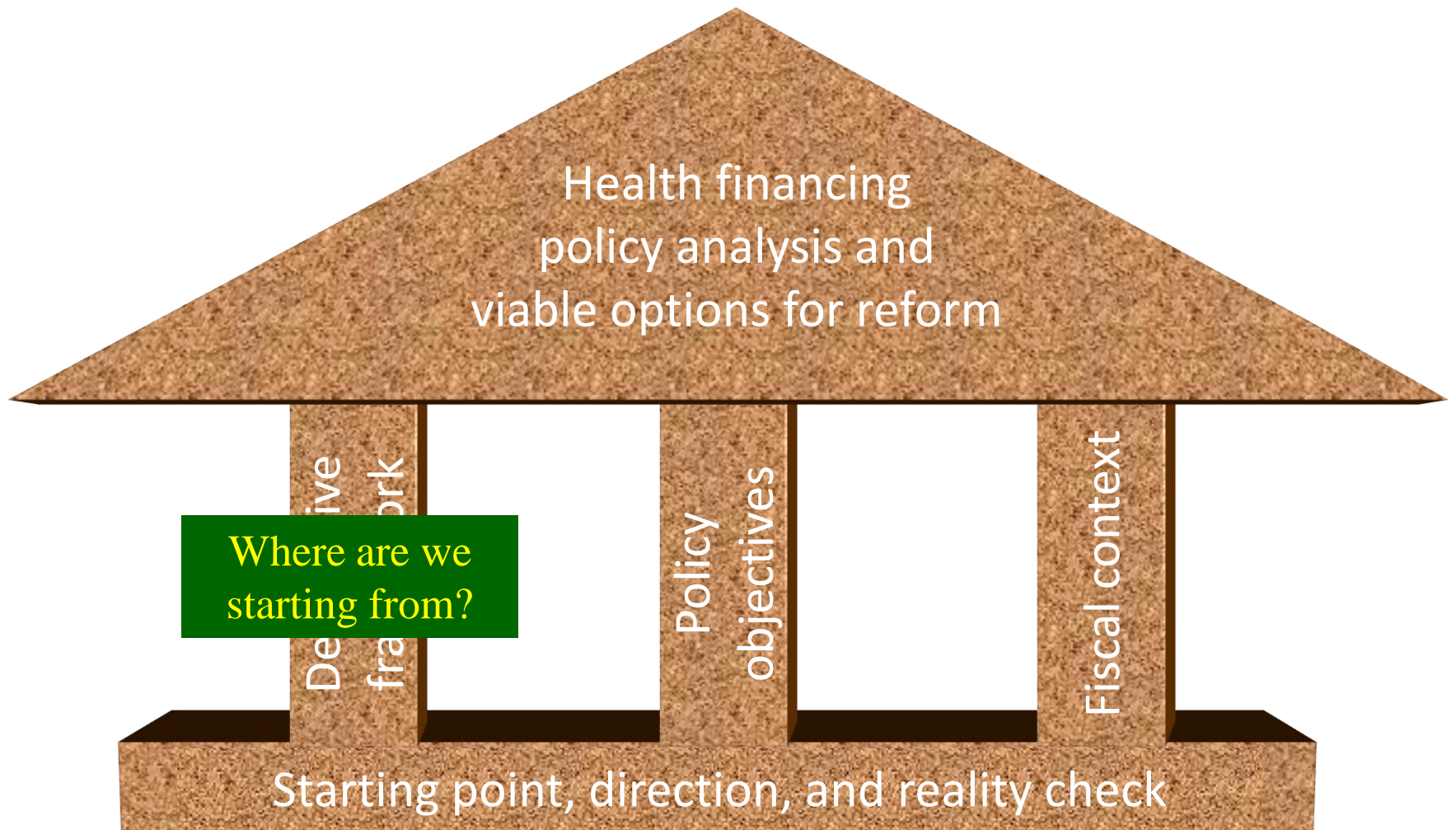
Kutzin, 2013 (WHO)

CONCEPTUAL FRAMEWORK FOR ANALYSIS:

PILLARS FOR MOVING FROM CONCEPTS TO POLICY DESIGN



1ST PILLAR: MOVING FROM CONCEPTS TO POLICY DESIGN





PROFILE OF SA

- Population over 55million (>60% urban)
- Middle-income (2014) : GDP = \$349 billion
- Total expenditure on health pc (2013): \$ 1 121
- Total expenditure on health % GDP (2013): 8.93
- Life expectancy 60.6/64.3 years (Midyear Population Estimates 2015, StatsSA)
- High inequality (Gini-coefficient) = 0.69



PUBLIC

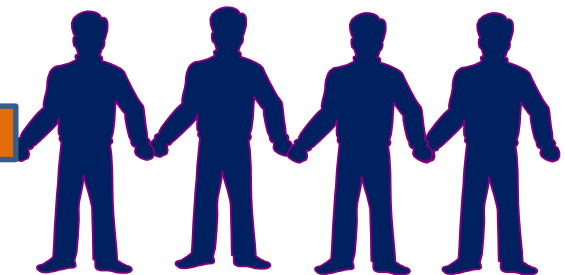
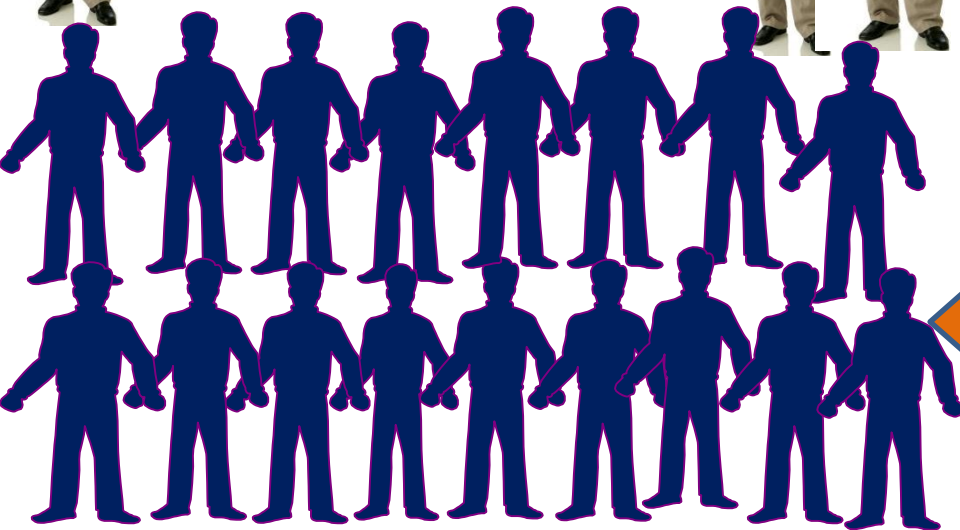
49% of THE

Salaries; historical budgets;
budget deficits

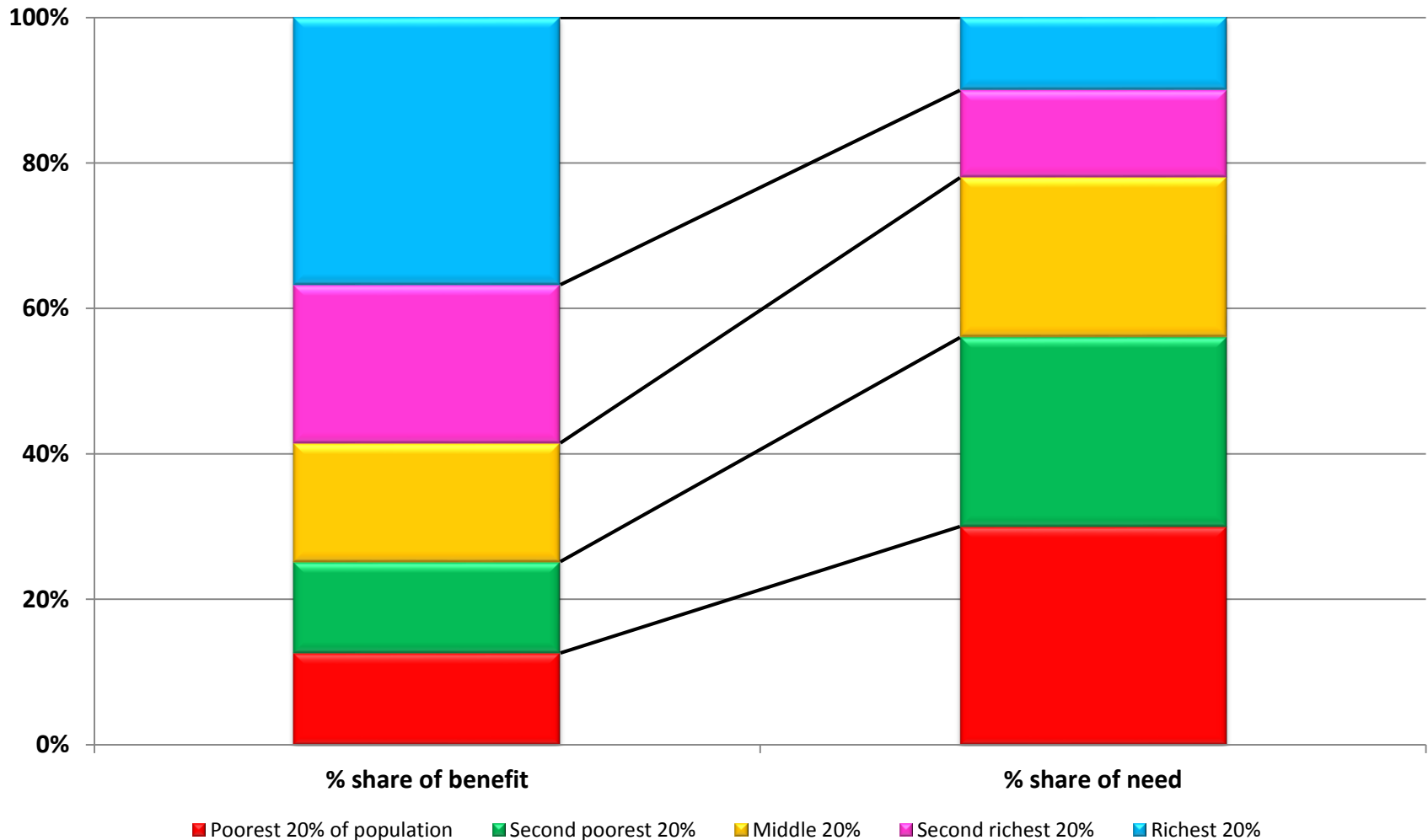
PRIVATE

49% of THE

Fee for Service

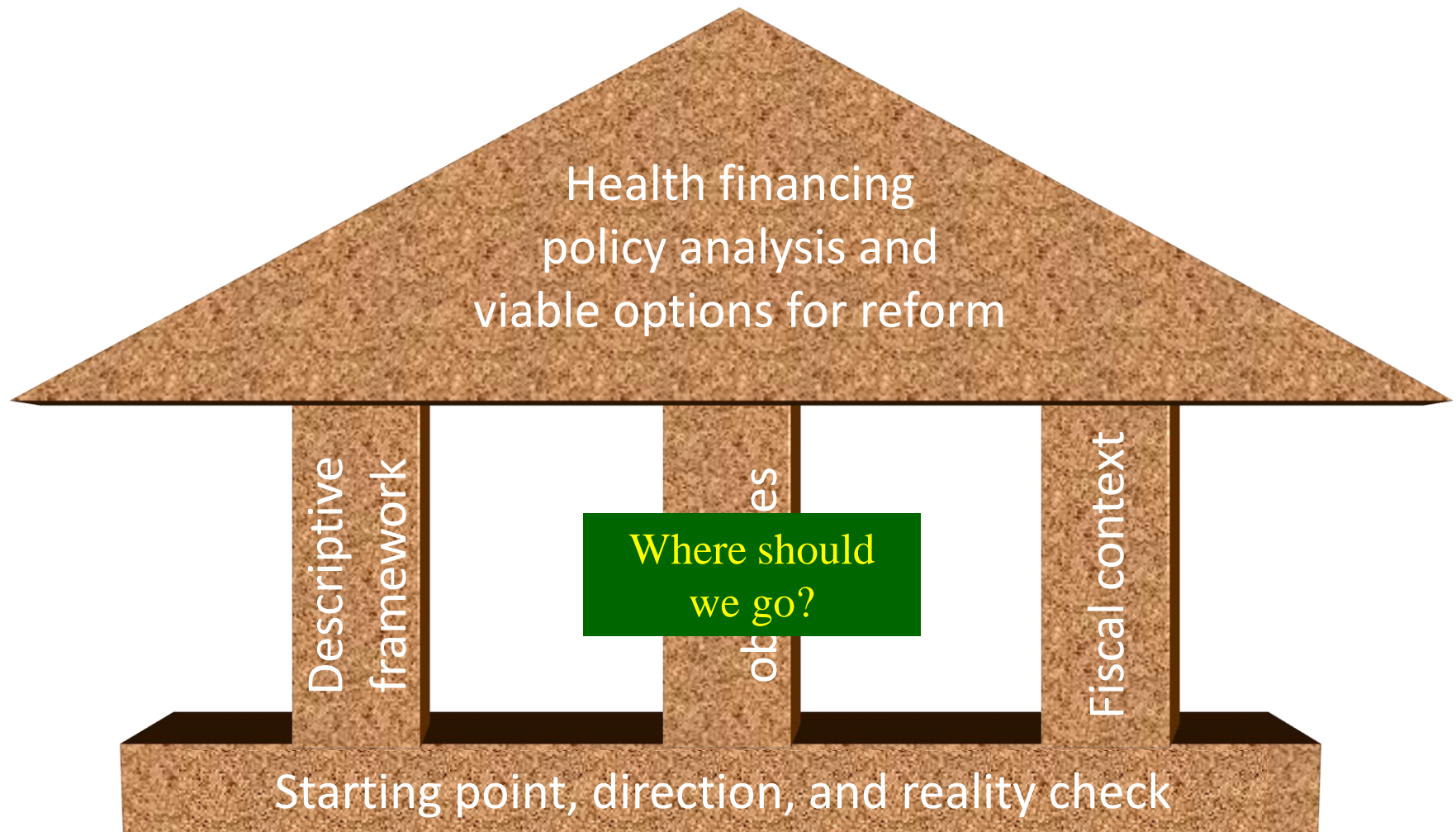


CONSEQUENCES OF FRAGMENTATION: INEQUITY IN DISTRIBUTION OF BENEFITS



Source: Ataguba & McIntyre (2009)

2nd PILLAR: MOVING FROM CONCEPTS TO POLICY DESIGN



NATIONAL DEVELOPMENT PLAN 2030

VISION AND TRAJECTORY FOR HEALTH

- National Development Plan (NDP) 2030 envisions a health system that works for everyone and produces positive health outcomes, and is accessible to all
- NDP Vision says that by 2030 South Africa should have:
 - ☐ Raised the life expectancy of South Africans to at least 70 years;
 - ☐ Produced a generation of under-20s that is largely free of HIV;
 - ☐ Reduced the burden of disease;
 - ☐ Achieved an infant mortality rate of less than 20 deaths per thousand live births,
 - ✓ including an under-5 mortality rate of less than 30 per thousand;
 - ☐ **Achieved a significant shift in equity, efficiency and quality of health service provision;**
 - ☐ **Achieved universal coverage;**
 - ☐ Significantly reduced the social determinants of disease and adverse environmental factors.

WHAT WILL NHI MEAN FOR SOUTH AFRICA

- National Health Insurance (NHI) as a financing mechanism that will move us towards universal health coverage (UHC)
- NHI is aimed at ensuring that:
 - **all South Africans** have access to quality health care irrespective of their socio-economic status
 - From each according to ability to each according to need
 - health services are delivered equitably
 - the population does not pay for accessing health services at the point of use
 - the population has financial risk protection against catastrophic health expenditure



NATIONAL HEALTH INSURANCE



**QUALITY HEALTH
ASSURANCE:
FROM CRADLE TO GRAVE**

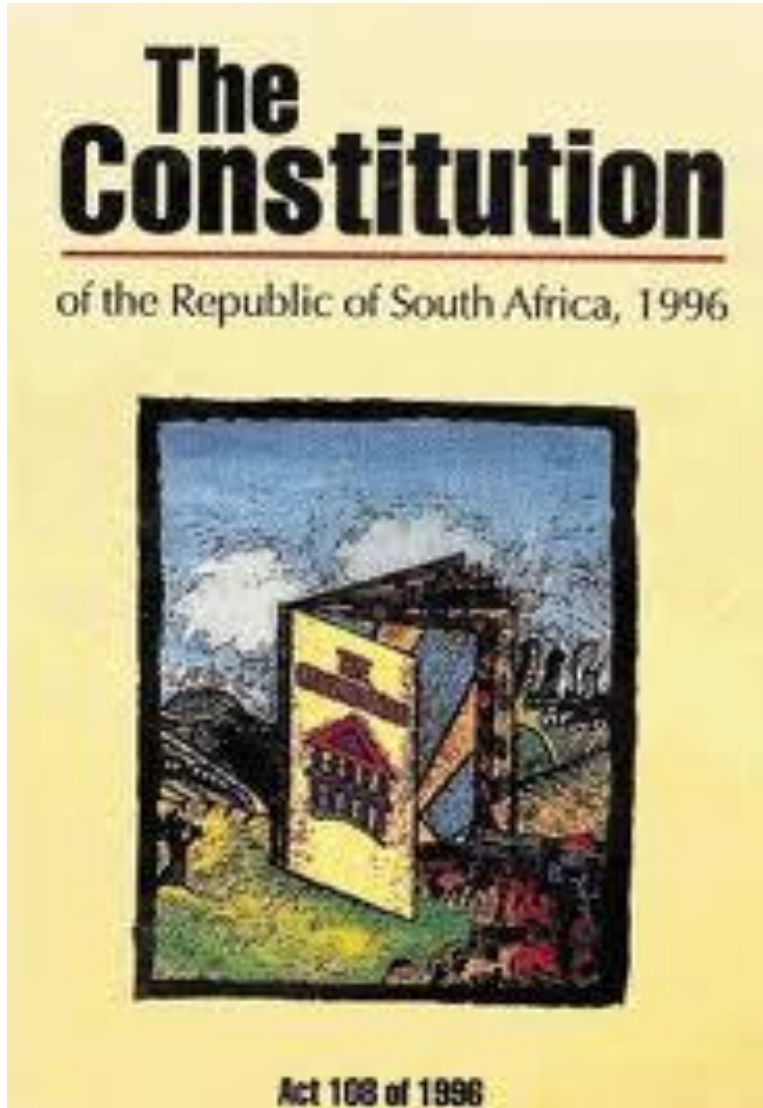


NATIONAL HEALTH INSURANCE

**QUALITY HEALTH
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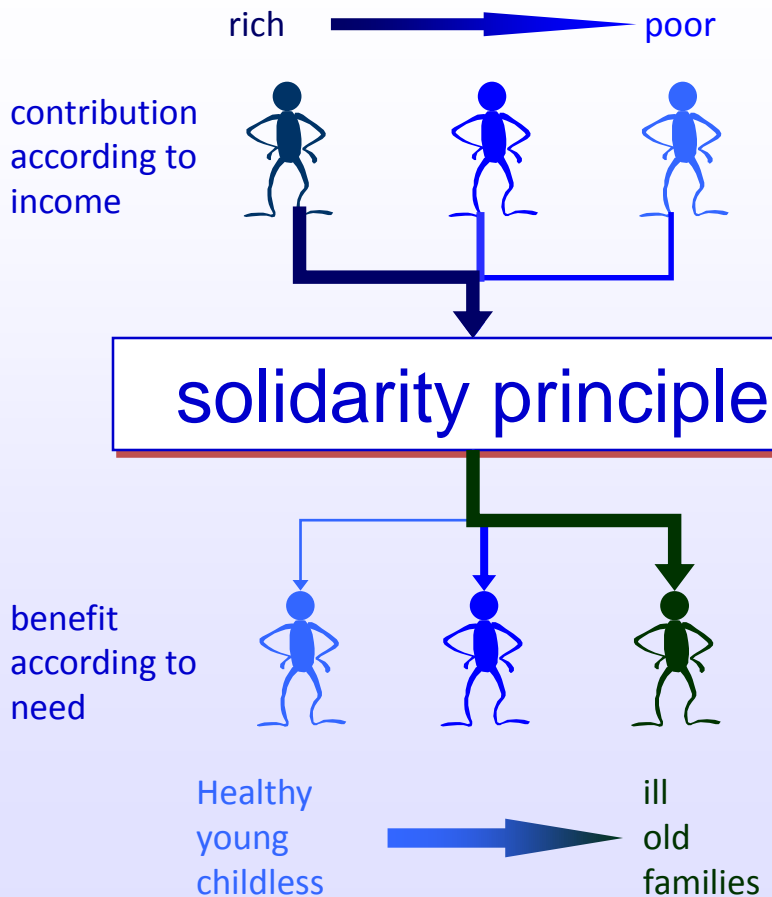
GUIDING PRINCIPLES FOR NHI



- Health as a Human Right and Universalism
- Social Solidarity
- Equity
- Public Good
- Affordability
- Efficiency
- Effectiveness
- Appropriateness

The Equity And Solidarity Principles In Pooling Finances And Risks

National Health Insurance



POPULATION COVERAGE

- NHI will establish entitlements and obligations for the population
 - **Entitlements**: services available to covered population
 - **Obligations**: responsibilities to be met by the covered persons in order to obtain the benefits (e.g. referral, other rules governing rationing of use of health services)

PHC SERVICE COVERAGE

- Maternal, women and child services
- Reproductive health and rights
- HIV/ AIDS and TB services
- Chronic Non-Communicable Disease services
- Violence and Injuries
- Nutritional services
- Mental Health services

- Oral Health services
- School Health services
- Rehabilitation services
- Optometry
- Basic curative services
- Emergency medical services
- Clinical support services including basic diagnostic services such as radiology and pathology

HOSPITAL SERVICE COVERAGE

- Emergency Medicine
- Internal Medicine
- Family Medicine
- Psychiatry
- Obstetrics and Gynaecology
- Paediatrics and neonatology
- Surgery

- Anaesthesia
- Urology
- Orthopaedics
- Oncology
- Ophthalmology
- Radiology
- Pathology
- All sub-specialities
- etc.

PURCHASING OF HEALTH CARE SERVICES

- Public and private health care providers will be accredited according to clearly stipulated criteria;
- PHC: GPs working in multidisciplinary teams, clinics;
- In-patient care at all levels of care through appropriately accredited and contracted public and private facilities



ACTIVE PURCHASING HEALTH CARE SERVICES

- Ensuring that all personal health services are free at the point of care and that the population is guaranteed financial risk protection at all times
- Giving incentives to providers for performance on efficiency and quality
- Gate keeping at primary, and higher levels of care will be implemented-
 - Upward and downward referral system
 - Leverage economies of scale and use purchasing power to ensure affordability and long-term sustainability
 - Centralised procurement of key resources

OBJECTIVES OF STRATEGIC AND ACTIVE PURCHASING

Assesses population needs for health services

- Ensures that the required services are available through purchasing these services from providers that deliver efficient, accessible, high quality services

Effective Health service Provision

- Provided and described in terms of the types of services to be provided at each level of care using clinical guidelines, protocols and formularies

Information on Service Coverage

- Includes personnel, equipment and other resources required to deliver types of services and guidance on referral mechanisms

Service Benefits updates and refinement

- On an on-going basis taking into account the epidemiological and demographic profiles of the population through the Benefits Advisory Committee

Allocative efficiency

- Prioritizing a cost-effective mix of services

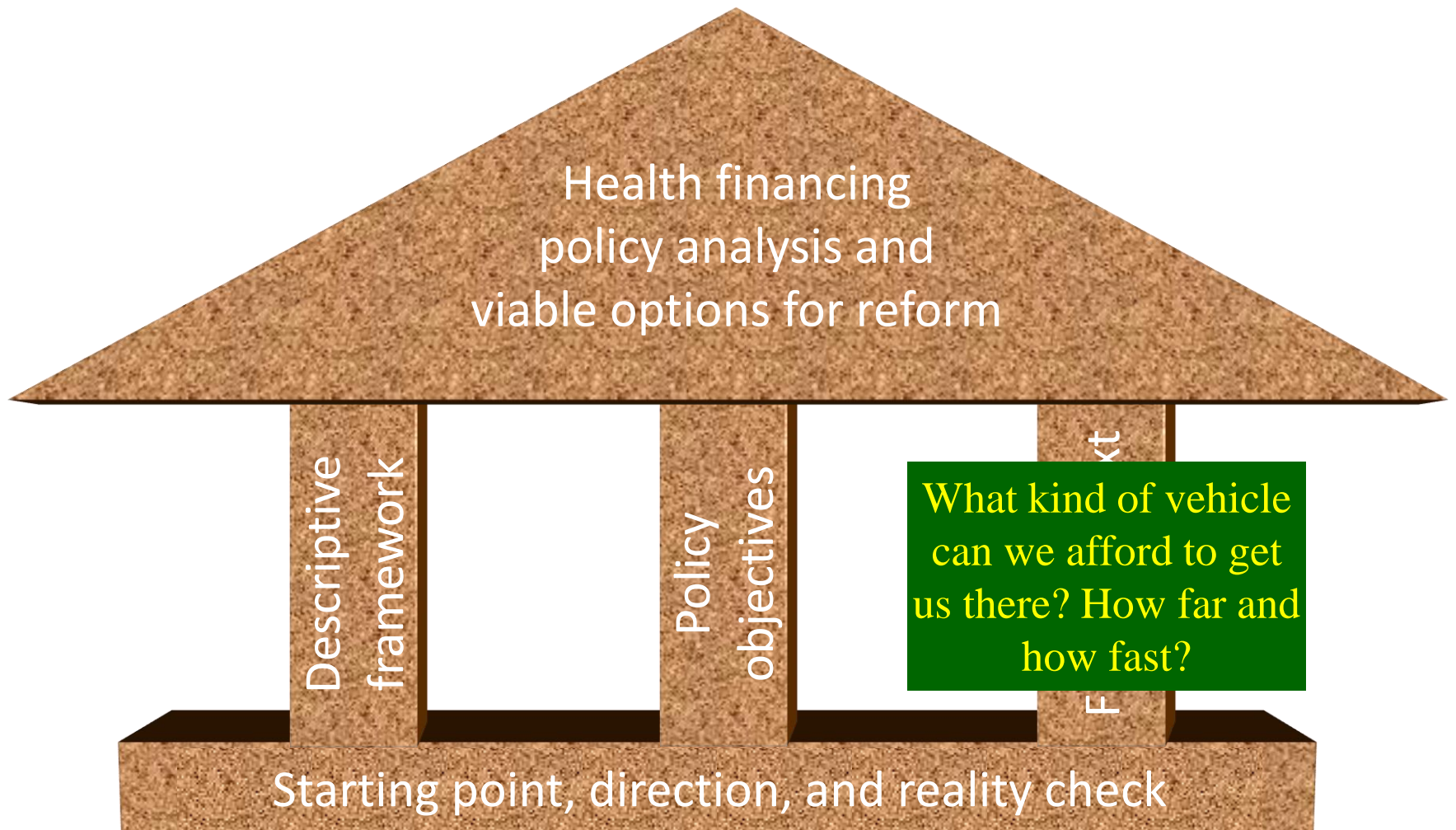
Financial protection

- Prioritizing mix of service and cost coverage that is likely to protect people against catastrophic risk

Other efficiency dimensions

- Promoting efficient use of the health system

3RD PILLAR: MOVING FROM CONCEPTS TO POLICY DESIGN



Stewardship of financing and provision
(governance, regulation, information)

Provision of services

Allocation mechanisms
(provider payment)

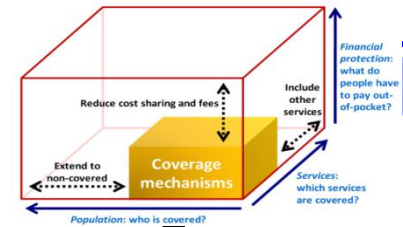
Purchasing of services

Allocation mechanisms

Pooling of funds

Allocation mechanisms

Collection of funds



Economies of scale and
efficiencies

Single Payor / purchaser

Social solidarity and cross-subsidisation

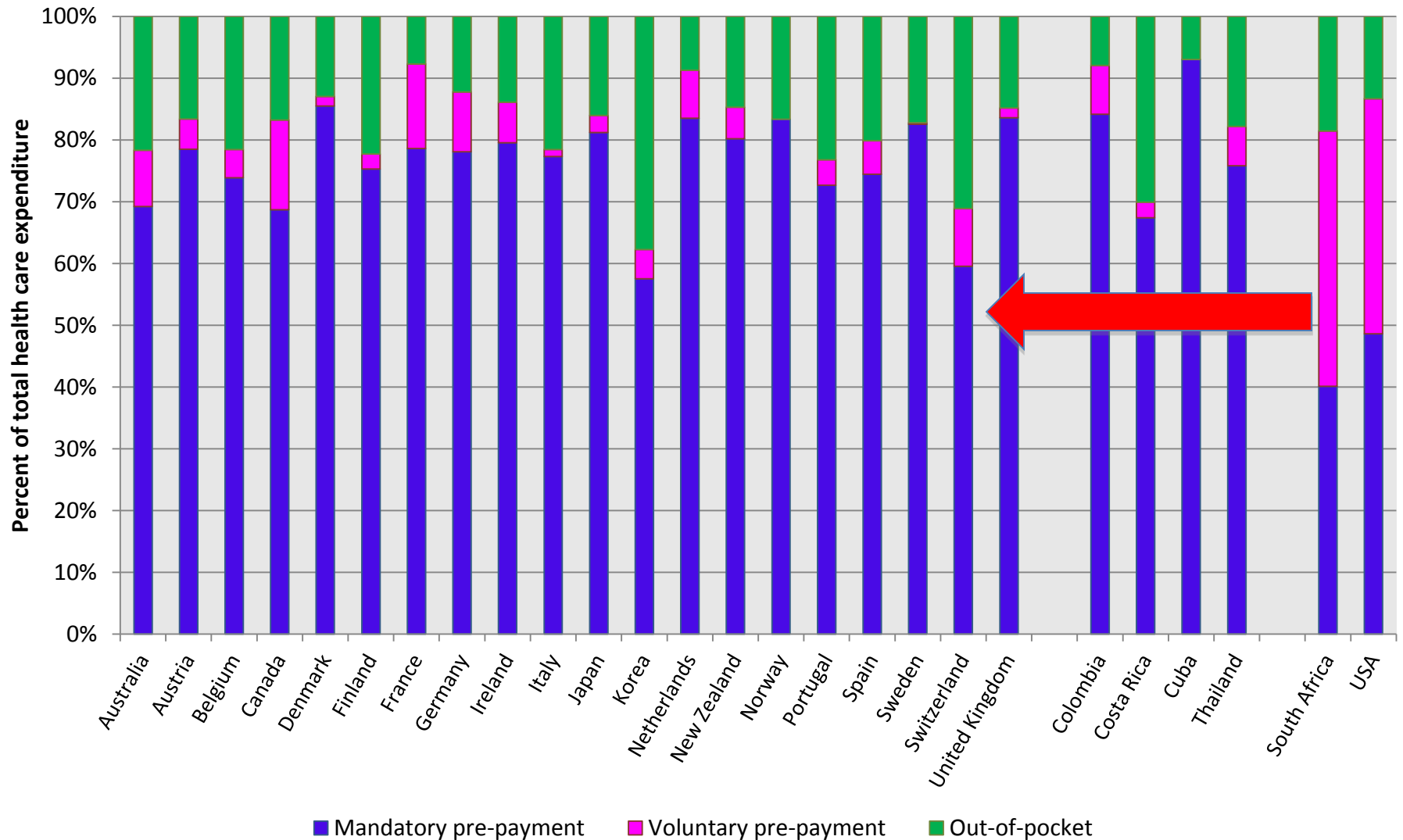
Single Pool for
Income and Risk

Financial Risk Protection

Prepayment
Taxes/ Contributions

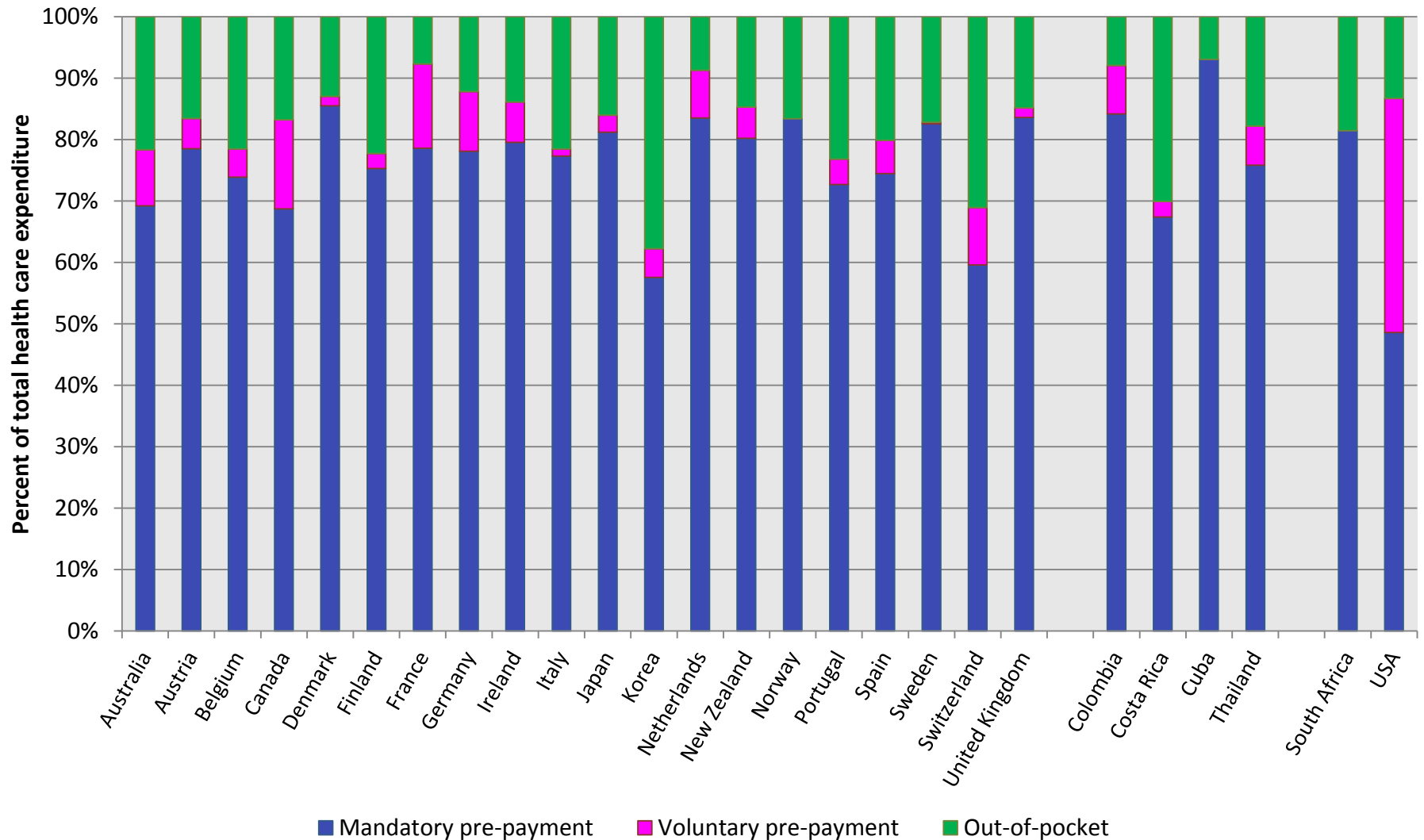
COVERED POPULATION

QUO VADIS?



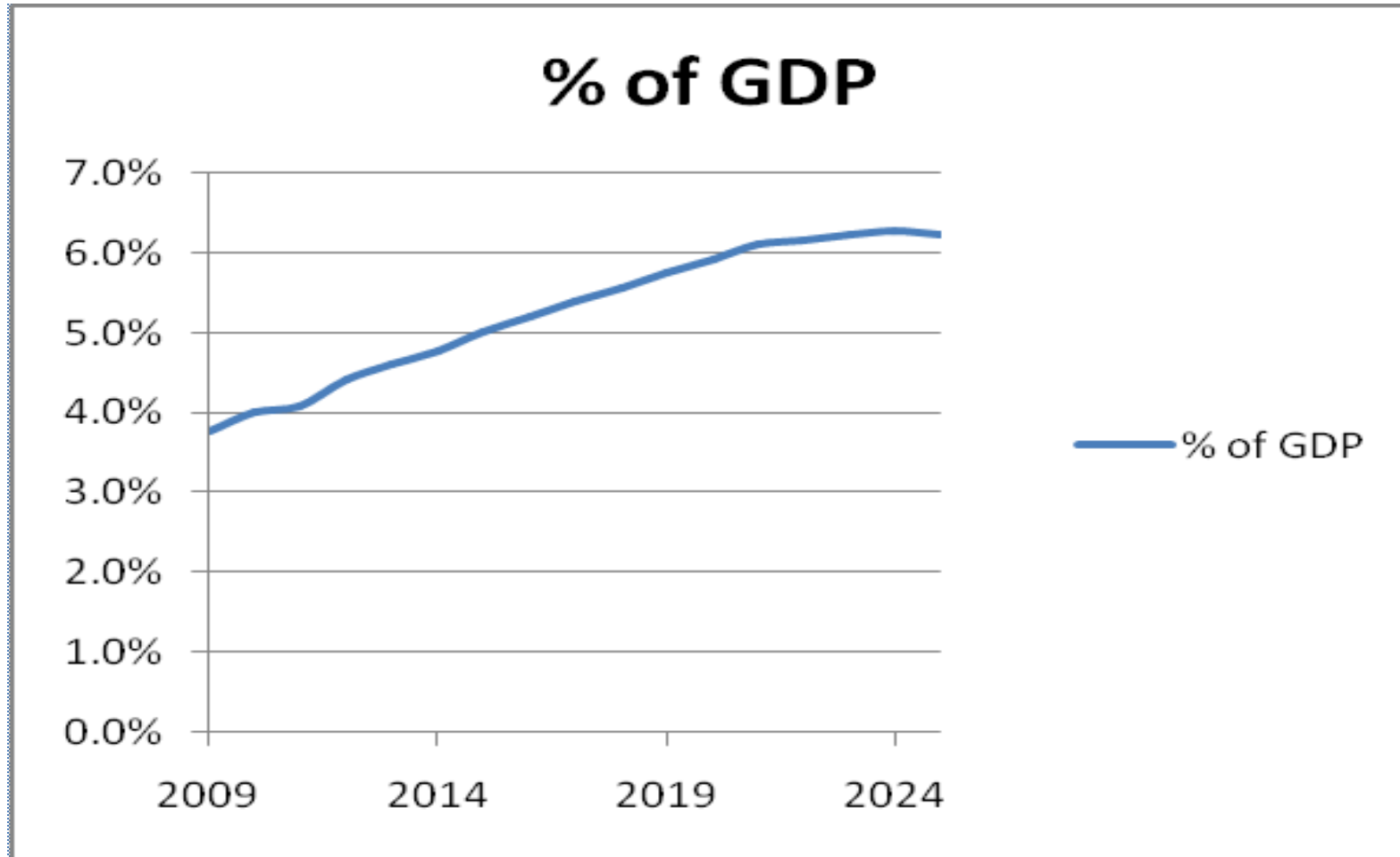
WHO National Health Accounts dataset (2009 data)

VOILA !!



WHO National Health Accounts dataset (2009 data) – not quite!!!

NHI AS A % OF GDP

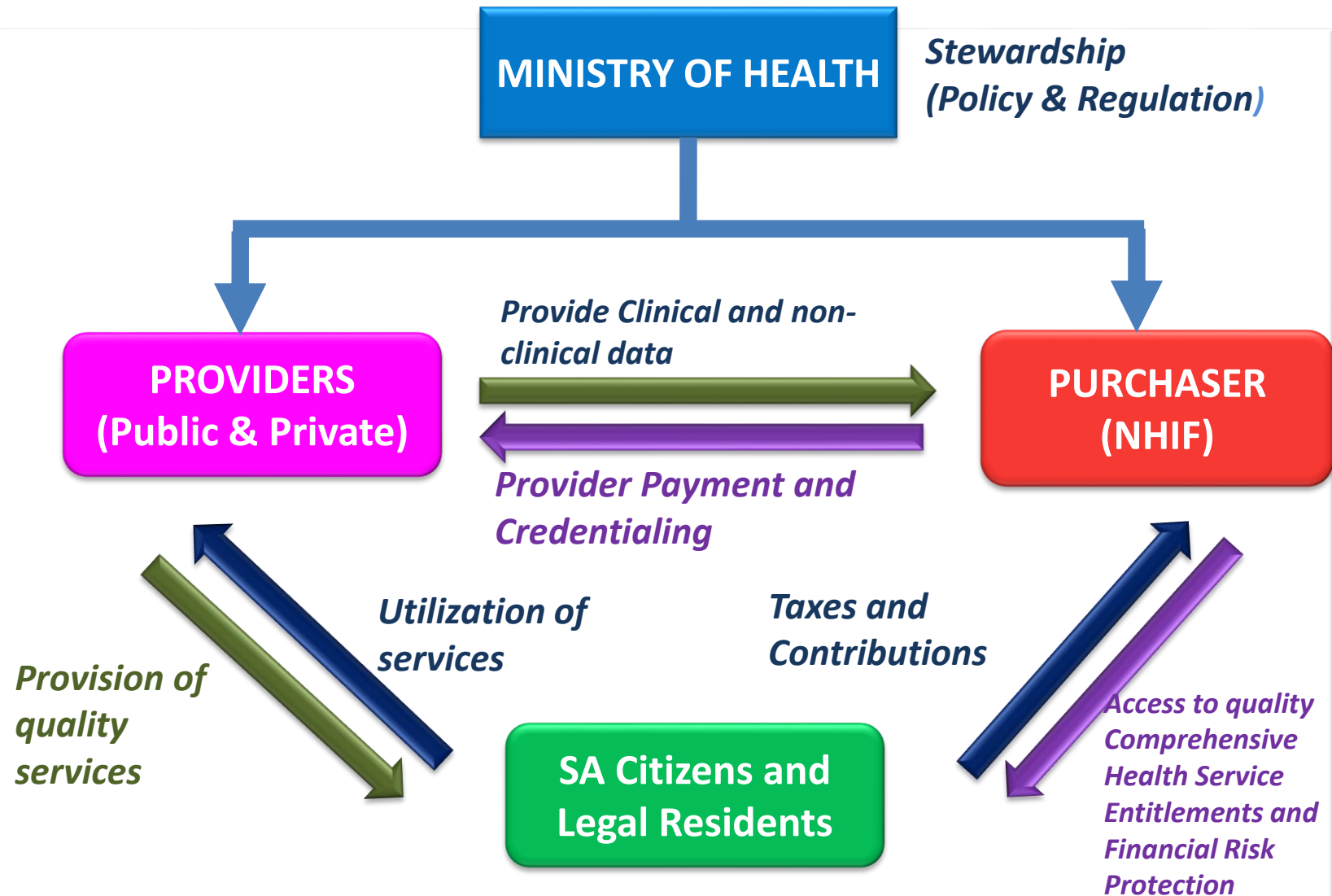


POOLING UNDER NHI

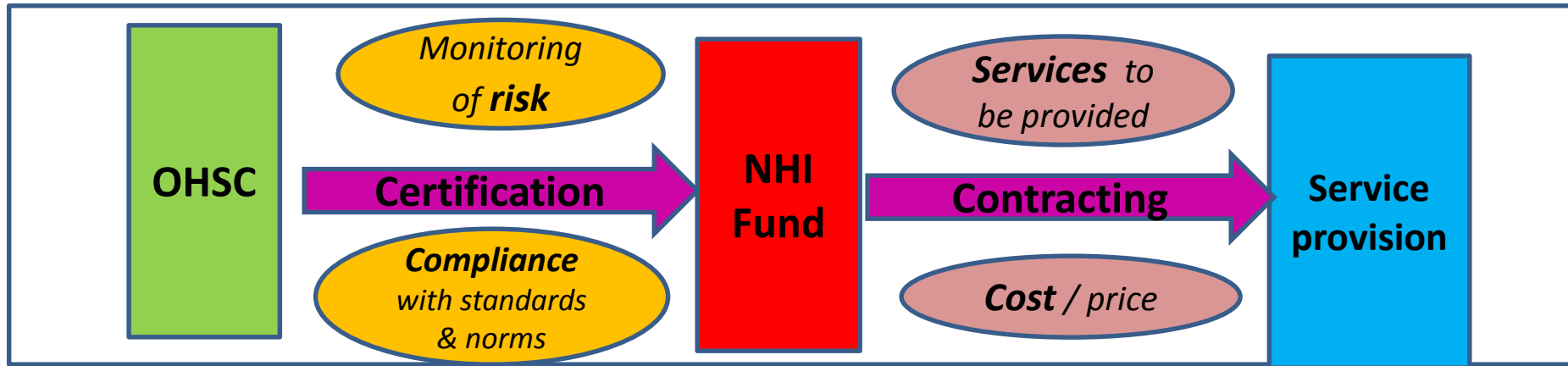
- Creation of a single publicly owned and publicly administered fund to pool funds on behalf of the entire population
- Reform of budgeting and allocation processes
- Single purchasing mechanism that will strategically purchase health services from contracted public and private providers



ENVISAGED NHI ARCHITECTURE / VEHICLE



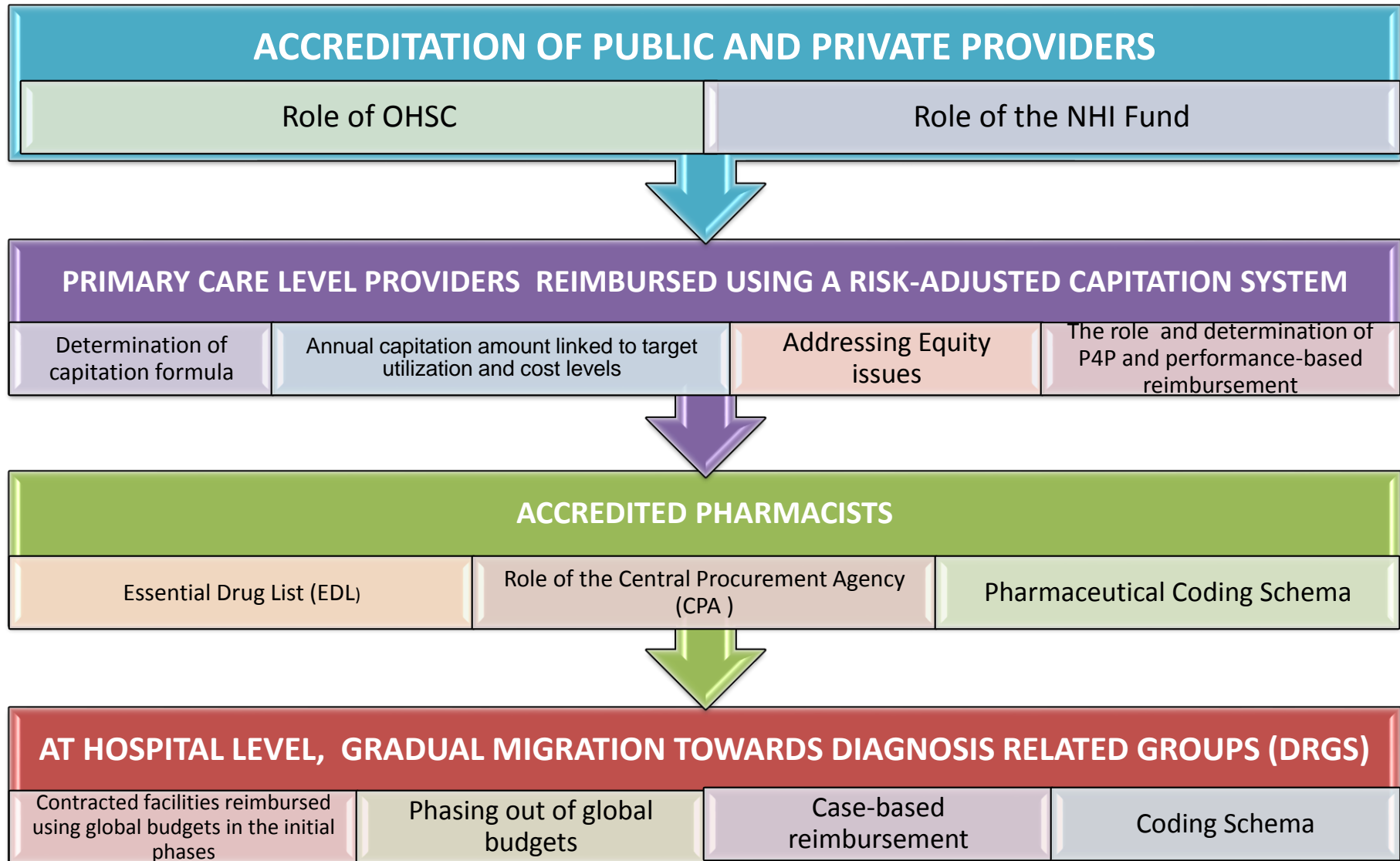
THE OHSC AND LINKAGES TO THE NHI FUND



Specific criteria for Contracting:

- Licensing by Statutory Council
- Certification by OHSC
- Ability to provide a range of services that are specified for each level of care;
- Having the appropriate number and mix of health care professionals to deliver the specified services;
- Adherence to treatment protocols and guidelines, including prescribing from the NHIF formulary;
- Initiating care at the primary care level and adherence to referral pathways;
- Submission of routine information required for performance monitoring; and
- Adherence to the pricing regimen for services delivered.

POLICY CONSIDERATION ON PROVIDER PAYMENT




CONCLUSION



**NATIONAL
HEALTH
INSURANCE**

*QUALITY HEALTH
ASSURANCE: FROM CRADLE TO GRAVE*

NHI means you will
receive healthcare for
FREE at the time you
require it



**NATIONAL
HEALTH
INSURANCE**

*QUALITY HEALTH
ASSURANCE: FROM CRADLE TO GRAVE*

NHI will encourage the
expansion of primary
healthcare services



**NATIONAL
HEALTH
INSURANCE**

*QUALITY HEALTH
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NHI will create fairness in
the sharing of skilled health
professionals, healthcare
finance and other resources.
NHI will keep the cost of
healthcare reasonable



**NATIONAL
HEALTH
INSURANCE**

*QUALITY HEALTH
ASSURANCE: FROM CRADLE TO GRAVE*

Through NHI
government aims to
achieve a healthier
nation, where people
live longer and suffer
less illness