SECOND READING DEBATE ON THE NATIONAL HEALTH INSURANCE BILL IN THE NATIONAL ASSEMBLY

MINISTER OF HEALTH, DR MATHUME JOE PHAAHLA

13 JUNE 2023

Madam Speaker

My Colleagues in the Executive

Chairperson of the Portfolio Committee on Health Dr Kenneth Jacobs

Honourable Members of the Portfolio Committee on Health and All Honourable Members

Fellow South Africans

Today is a historic day for this House, for the people of South Africa, for our long walk to freedom and for the democracy we started building in April 1994.

The National Health Insurance Policy whose Bill we are debating today has been in form construction since the gazetting of the Green Paper just over 12 years ago and it feels good that today we have reached this historic milestone.

The aspiration to create an equitable and just health system has been part and parcel of our struggle for freedom and democracy. Our forebears who led the struggle for freedom in the 1940s and 1950s laid the path in declaring both in the African Claims and the Freedom Charter that there can be no real freedom without access to good quality and equitable health service.

It is perhaps appropriate that we are holding this debate just 12 days before the anniversary of the first day of the sitting of the Congress of the People and 13 days before the adoption of the Freedom Charter.

What we have not been so successful over is the avoidance of replacement of race-based differentiation of access and quality by a class-based differentiation. As inequality has been growing in our country even cutting across race, access to quality health services has been a casualty with those who have private medical insurance consuming 51% of the national spending while constituting only 16% of the population, while 84% depend on 49% resources from the fiscus and services provided by Public Health System only.

This has led to a situation where the Public Health System is under tremendous pressure while the private health care is over-servicing its clients leading to ever rising costs to the members of medical schemes while the investors are enjoying huge dividends including from the JSE.

The reality Honourable Members is that this situation is not sustainable. As the number of people in formal jobs is not rising in line with the investment in private health care and the cost of administering medical aids, the cost of subscription is rising above inflation every year while benefits are reducing and getting exhausted before end of every calendar year.

Another major injustice is that almost all health care professionals are trained at the expense of all tax-paying South Africans including those paying VAT but also clinical training is done on ordinary South Africans who use public clinics and hospitals but once we become specialists and super specialists we become available to only the top payer. The availability of top health professionals to only those on medical aids and even migration to richer countries is unjust. Members of medical schemes even in this very House are under tremendous financial pressure and employers are also under pressure to increase that share of the contribution, not sustainable.

Honourable Members in simple terms what the NHI seeks to do is stop the two trains, i.e. Private Health and Public Health traveling on parallel tracks but both surely going toward crashing while if they can be pooled together there is good chance of complementing each other.

The NHI seeks to pool resources of those who can only contribute to the fiscus through indirect means such as VAT and other collections and those of us who are able and are already making fragmented contributions into 81 different schemes into one pool which can purchase services from both the public health system and private providers from lowest level of care up to the highest.

In doing so we can achieve access, equity and quality but also drive down costs. I know that there are those of you in this House and outside who say that NHI is unaffordable but you are basing this on the highly inflated costs amongst some of the private providers who are under pressure to keep

No significant private medical Insurance exists in UK. One of the big three private hospital groups making billions of profits here in South Africa could not survive in the UK because prices for private service providers there are determined by the NHS not the market made from desperate sick people.

Honourable Members we accept that the NHI will not be the silver bullet that will fix all our health problems but it is the necessary foundation to build on for a progressive improvement of access with quality and equity. We must work together to build our own National Health Service.

We must address the genuine fears of those who have access to private services where there are no queues, no waiting times, and no shortage of commodities except in a disaster like COVID-19 where even private hospitals ran out of beds and oxygen at some stage.

We accept that admission to hospital when you are at your most vulnerable is the fear of all of us. Access to Emergency Medical Services including an equipped ambulance and also a properly equipped emergency room with trained staff that is what we worry about. There are pockets of excellence even in the over-burdened public health system which we must invest in and manage properly.

We must address the fears of corruption and mismanagement, not all public hospitals have been run like Tembisa Hospital, you have your Steve Biko, Charlotte Maxeke, Groote Schuur, even Mamelodi District Hospital was turned around just in 2 years to become the darling of the Mamelodi people.

Yes We Can things which we need to f14 Tf1 0 c42 reTm0 g0 G[(t)-7(o)-4(f)-7(14 Tf1 0 c42 reTm0 g0 G[(t)-7(o)-4(f)-7ET8i