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H Y GYj YbH DUf`]Ua Ybh i bXYf H Y H Ya Y: *Í Towards an Oversight
Agenda for the Seventh Parliament: Delineating Key Oversight Priorities
for the NCOP in the Seventh Parliament*

æbdi hVmH Y BU]cbU 8 YdUfha Ybhcz<YUH cb H Y æbHfj Ybh]cbg UbX
FYgdcbgY D`Ubg hc CdYfU]cbU]nY UbX æa d`Ya YbhH Y B<æ Ug k Y` Ug
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It is my pleasure to present to you, on behalf of the Hon Minister of Health, Dr Motsoaledi, matters relevant to the National Health Insurance.

His Excellency President Ramaphosa assented to the National Health Insurance Act, 2023 (Act No. 20 of 2023) on 15 May 2024. This marked the culmination of a lengthy legislative process that commenced in 2019 with the tabling of the Bill in Parliament.

After some delays owing to the COVID-19 pandemic the National Assembly passed the amended Bill (B-Bill) on 13 June 2023 and the National Council of Provinces took over the process. Some 60 community consultations were held covering all nine provinces. The NCOP adopted the Bill by a majority of 8 provinces to 1 on 6 December 2023.

Now that we have reached this critical milestone, we are able to gradually phase in the NHI using a progressive and programmatic approach based on financial resource availability, as required in the Act. The NHI must be implemented in two phases, phase 1 from 2023 to 2026 and phase 2 from 2026 to 2028.

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The specific transitional activimpl

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- Infrastructure development in the public health system
 - Further strengthening of the Primary Health Care system (PHC)
2. Besides the NHI Act itself there other National Health Insurance legislation developments and there will be amendments to other legislation in due course. The specific activities include:
- Drafting of Regulations pertinent to the sections of the Act that will be the first to be promulgated
 - Ensuring that the necessary preparations are made for the amendments that will be made through Schedule 1 of the Act.
3. Several institutions that must be the foundation for a fully functional Fund must be established. The Act provides for precursor committees and a statutory mandate for other committees which already exist in some form or other. These include:
- National Tertiary Health Services Committee
 - National Governing Body on Training and Development
 - Ministerial Advisory Committee on Health Care Benefits (as a precursor to the statutory committee in main sections of the Act)
 - Ministerial Advisory Committee on Health Technology Assessment (as a precursor to an envisaged separate agency as we see in many countries around the world)

- The Act also provides for migration of central hospitals (there are presently 10 such hospitals designated under the regulations of the National Health Act) so that they are funded, governed and managed nationally as semi-

promulgate the sections required to establish governance and administration, and to develop and publish regulations that will result in appointment of a competent Board.

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As we have noted, there is no Fund yet. The NHI preparatory activities are being managed within a Branch of the National Department of Health. Provincial departments continue to manage provision of public health services and the private sector continues to provide services through private establishments.

The National Department of Health receives an allocation in the budget to run the NHI Branch but there are also conditional grants that enable the department to support several health systems strengthening programmes such as development of the digital systems, a quality improvement programme, and various infrastructure projects.

From financial year 2025/26 onwards, and as the capacity of the Fund moves from the Branch in the department to the Schedule 3A entity, so functions can be shifted (as outlined in section 32 of the Act) and funds can follow those function shifts through Vote 18 to the Fund to pay for healthcare benefits.

The time horizon for function shifts is multi-year. Statutory changes and budget cycles will dictate the pace to financing reform and fund shifts. The source of funds for NHI are described in the Act and are essentially appropriated funds in the annual budgets adopted by this Parliament. This includes:

- in the first instance from general tax revenue, including the shifting of funds from national government departments and agencies and the provincial equitable share, and conditional grants into the Fund; and
- secondly through reallocation of funding for medical scheme tax credits that are presently granted to beneficiaries of medical schemes towards the funding of National Health Insurance.
- The Act provides for a payroll tax to be contributed to by employers and employees, and for a surcharge on personal income tax. However, the Act also states that should that route be followed, these taxes will need to be introduced through a money Bill by the Minister of Finance and earmarked for use by the Fund.

Honourable Members, while we must embrace the opportunity to address the gross inequity that exists in our health service provision in our country, we need to recognise that reforms of this magnitude must be managed with care over time.

This House will be a critical role-player in the adoption of the budgets that move through the NHI Fund and in the monitoring of the impact of the changes to health care and outcomes as a just health system evolves.

I thanks you.