

# National Health Insurance

Why It Won't Work and  
Alternatives That Will

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## Why now? - 3 reasons

- Few things are as important to people as their healthcare;
- The FMF believes we can contribute in a meaningful, rational, and moral way to solving the economic and social problems that afflict SA;
- In a world recovering from COVID-19, we believe that policies underpinned by the following will alleviate SA's problems: Free markets, free minds, free people

# Current state of play

- The state is, as a rule, incapable and running out of funding. The inefficiencies – and tragedies – associated with the public sector are becoming all too common.
- Eskom's debt – not to mention that of the other SOEs
- Won't solve increasing health misspend – for this refer to the latest report from the Auditor General

## Over-involvement of state leads to less desirable outcomes

- No objective reason to believe that NHI will perform better than other SOEs
- Great room for improvement in public sector – and pvt sector – but no reason to presume that nationalising the management of all healthcare in the hands of state bureaucracy will solve problems. This is, in effect, what the NHI would require.

# FMF alternatives & alleviating measures; The power in the hands of the citizen - 1

- Financing health care for the poor – preferably via state-sponsored vouchers, which the indigent can spend where they choose
- Encouraging more private hospitals by deregulating the industry and eliminating Certificates of Need
- Reducing prices and increasing healthcare quality through increased competition

# FMF alternatives & alleviating measures; The power in the hands of the citizen - 2

- Allowing the private sector to train doctors and nurses
- Encouraging income-producing medical tourism
- Retaining skilled South Africans and attracting others by removing the limit on skilled foreign doctors
- Deregulating medical schemes so they can offer their clients exactly what they want
- Deregulating pharmacies

# FMF alternatives & alleviating measures; The power in the hands of the citizen - 3

- Removing price controls, which send mixed messages to the industry
- Speeding up registration of clinical trials
- Giving those who pay for their own healthcare a tax deduction
- Strengthening IP rights, that encourage innovation, better products & ultimately cost savings
- Allowing low-cost insurance options

# Not the kind of structural reform SA needs

- SA should not pursue policies & plans that could add to the growing debt-to-GDP ratio – placing burden on future generations
- NHI will not alleviate the problems in the public healthcare sector – nor in the private sector
- Will not solve current corruption-associated hurdles
- SA needs policies that unlock & encourage economic activity, job creation and progress
- We need dynamism – not stagnation
- The NHI is not the appropriate vehicle for SA to attain better universal health coverage