South African healthcare reforms towards universal healthcare – where to next?

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The National Assembly approval of the National Health Insurance (NHI) Bill represents an important milestone, but there are many uncertainties concerning its implementation and timeline. The challenges faced by the South African healthcare system are huge, and we cannot afford to wait for NHI to address them all. It is critical that the process of strengthening the health system to advance universal healthcare (UHC) begins now, and there are several viable initiatives that can be implemented without delay. This article examines potential scenarios after the Bill is passed and ways in which UHC could be advanced. It begins with an overview of the trajectory of health system reform since 1994, then examines the scenarios that may emerge once the Bill is passed by Parliament and makes a case for finding ways in which UHC could be advanced within the country, regardless of any legal or financial barriers that may delay or limit NHI implementation.

 $S\,Afr\,Med\,J\,2024;114(3):e1571.\,https://doi.org/10.7196/SAMJ.2024.v114i3.1571$

The National Assembly approved the National Health Insurance (NHI) Bill^[1] on 12 June 2023.^[2] The Bill was passed with only relatively minor amendments in response to the concerns raised[3] via the Portfolio Committee on Health's public participation process. This has resulted in a very mixed response, with extensive coverage in media and online platforms. Responses are broadly divided into two camps - those supporting NHI and those against it, some of whom threaten to institute legal challenges to the Bill if it is passed. [4] There is a high level of uncertainty about when and how the necessary reforms to strengthen the health system to move towards universal health care (UHC)^[5] will be carried out.^[6] The present article provides an overview of the trajectory of health system reform since 1994, examines the scenarios that may emerge once the Bill is passed by Parliament and makes a case for finding ways in which UHC could be advanced within the country, regardless of any legal or financial barriers that may delay or limit NHI implementation.

Overview: Health reforms trajectory since 1994

The first democratically elected government in South Africa (SA) inherited a healthcare system facing a wide range of challenges. [7] The health system needed to deal with a high and increasing quadruple burden of disease. Although relatively well resourced (8.5% of gross domestic product), resources were inequitably distributed across a two-tiered public and private system. The public sector was characterised by weak and uneven leadership and management capacity, provincial fragmentation, inequality and inefficiency in resource distribution across provinces and levels of care. The private sector was well resourced, but fragmented, expensive and highly inefficient.

The government set out to address these challenges by committing to the Sustainable Development Goals (2015)^[8] and to UHC (2019),^[5] setting three main objectives for the health system (and the reform process): (*i*) to ensure equity in access to health services: everyone who needs services should get them, not only those who can pay for them; (*ii*) the quality of health services should be good enough to improve the health of those receiving services; and (*iii*) the cost of using healthcare services should not put people at risk of financial harm.

To achieve these objectives, the government embarked on a reform process driven by commissions and committees supported by domestic and international technical assistance, funded by multiple donor partners. The agendas, mandates and membership of committees varied over time. ^[9] The focus in the 1990s was on introducing social health insurance. This led to some reforms of private health insurance (Medical Schemes Amendment Act No. 131 of 1998), but no wider reforms. With an ANC leadership change in 2007, NHI was tabled as a priority item. Policy documents were published for public debate, including the 2011 NHI Green Paper, ^[10] the 2015 NHI White Paper and the 2019 NHI Bill. ^[1] While other broader reforms of the health system were considered in earlier policy documents such as the White Paper and the National Health Act No. 61 of 2003, ^[12] more recently the focus of reform has been limited to a single health system financing model (NHI).

Moving toward UHC requires attention to all six of the World Health Organization (WHO) 'building blocks' of the health system (financing, leadership/governance, service delivery, health workforce, health information systems, medical products and technology). ^[13] The extended focus on financing reforms has not only failed to deliver meaningful strengthening of the financing component of the health

system, but also resulted in neglect of the other building blocks, with serious consequences for the overall capacity of the health system to deliver UHC. While SA's healthcare spend is greater than that of any other African country, healthcare outcomes are not commensurate with spending.^[14] In a WHO assessment of health system performance conducted across 191 countries, the SA healthcare system ranked 175th.^[15] Resources in the public sector continue to be inequitably distributed across provinces, districts and levels of care.^[16]

Evidence of the failures to address or strengthen stewardship, governance, leadership and management is now overwhelming, with corruption and irregular expenditure endemic at all levels of government and of the health system.^[17-19] Many parts of the health system are no longer able to deliver their assigned services, or an acceptable quality of care. [20] This has translated into a huge increase in medicolegal claims. From 2014/15 to 2020/22 medicolegal payouts from all the health departments increased from ZAR0.5 billion to ZAR1.7 billion, and contingent liabilities increased from ZAR28.6 billion to ZAR120.3 billion.[21] The National Department of Health 2030 Human Strategy has highlighted the weakness of health workforce planning in the country and the fact that despite having higher national health worker densities and salaries than most other African countries, health and health system outcomes in the country are not commensurate with these relative advantages.[22] An integrated national health information system remains a dream. A National Digital Health Strategy^[23] was developed – and given some impetus by the COVID-19 pandemic – but overall implementation progress has been poor. Quality of care in many public facilities is poor or declining, with infrastructure and equipment deteriorating or non-functional, and stock outages a common problem. [24] The high and increasing cost of private sector care led to the Health Market Inquiry, which produced a detailed report^[25] documenting challenges facing the private sector and providing practical recommendations to deal with them, but little or no action has resulted.

Passage of the NHI Bill and subsequent scenarios

Following approval by the National Assembly, the next step is consideration and approval by the National Council of Provinces (NCOP). [26] This entails briefing of the permanent delegates in the NCOP and legislature delegates in all the provinces, obtaining public input and comment on the Bill, consolidating the Select Committee's position and obtaining final mandates from the provinces. If the NCOP also passes the Bill, it will be sent to the office of the President for assent and promulgation. If the NCOP does not concur with the National Assembly, the Bill is sent back for further amendments and processing.

Assuming that the Bill is approved by the NCOP and enacted, it will face three challenges to implementation. The first is the threat of legal challenges from a range of stakeholders, including political parties, the private sector, civil society organisations and potentially one or more of the provinces, regarding legal loopholes in the Bill including constitutional infringements.^[3,4] The second, as conceded by Finance Minister Enoch Godongwana, ^[27] is simply the inability to fund such a massive social and structural transformation in a weak and stagnant economy. ^[28,29] The third stems from the structural challenges of implementing NHI in an environment of endemic corruption ^[18] including that in the health sector, ^[19] lack of trust in government, ^[30] a highly divided and unequal society, ^[31,32] and a health system in which all the the building blocks required for successful implementation are severely compromised. ^[24,33]

The Department of Health has indicated that the laws currently being processed are intended to lay the groundwork for NHI which will be rolled out in phases, starting in 2026 and only expected to be fully realised in 15 - 30 years. [26] Given the challenges, uncertainties and long timelines, it is very difficult to predict what will be implemented and when. Against this background, what are the options for making progress toward the ultimate goal of UHC in the interim?

Options: Wait or do something now?

The first option is to continue with the status quo until the NHI is finally approved and implementation begins. The underlying rationale for this approach is that (i) NHI will be approved and any potential legal challenges to the Bill will be dismissed, and (ii) NHI will provide the 'silver bullet' for resolving all the health and health systems issues facing the country, on the presumption that the lack of NHI system design and regulations is the root cause of all the current challenges faced by the SA health system. This is largely the approach adopted since NHI came to dominate the reform agenda ~10 years ago. This approach has arguably stalled efforts to carry out the other reforms required to build and strengthen the health system, and contributed to the neglect and deterioration of both public and private health systems.

The second option is to embark immediately on a plan of action to build and strengthen other key building blocks of the health system (regardless of the outcome of the NHI process). The underlying rationale of this approach is that it would assist in (i) making advances towards UHC in the short-to-medium term and (ii) putting in place the other building blocks necessary for successful implementation of NHI once legal challenges are settled. The second should be the preferred option, representing a more pragmatic, lower risk, more achievable, incremental change. Importantly, an immediate plan of action would not preclude NHI but rather create the conditions for a more achievable transition to an NHI-type funding arrangement. It would move away from the sterile and non-constructive 'for v. against NHI' discourse to one that focuses on what can be done now to strengthen health system capacity to achieve UHC, from financing reforms to strategies known to be capable of health system improvement.

To illustrate the point we provide examples of possible reforms in five areas that could assist in advancing towards UHC. [5 bullets]

Progress on urgently needed legislative reform: the Health Professions Act No. 56 of 1974[34] needs to be reformed to allow for implementation of alternative reimbursement models, group practices etc. The National Health Act No. 61 of 2003[12] needs to be reviewed to address issues including control of central hospitals. The regulations related to the Office of Health Standards Compliance (OHSC) need to be reviewed, to allow the OHSC to play a foundational role in ensuring that our health facilities provide and keep providing - safe and quality care to all in SA. The Medical Schemes Act No. 131 of 1998 needs to be reviewed to address the extensive recommendations of the Health Market Inquiry (HMI), [25] which to date have had limited implementation. The HMI provided detailed recommendations of specific steps that could be taken to improve the performance, efficiency and sustainability of the private voluntary health insurance market and private healthcare providers. Central to these recommendations was a supply side regulator. The immediate establishment of this regulator would generate sector improvements and would also align with NHI aims: the effectiveness and efficiency of the private sector is important, given the integral role of private sector providers in the implementation of NHI.

Reforms to processes for improving sound and competent management, administrative and clinical oversight and governance:

changes take a long time to effect, and we need to start the process by addressing the lack of separation between the political and operational spheres. While policy determination is inevitably a political process, technical competence should be the over-riding concern in the operational sphere, including for all appointments. Much can be learned from the Western Cape Department of Health, which has managed to balance political and operational imperatives better than most of the other provinces and has performed better on key indicators as a result.[35]

The establishment of a national health information system: the National Digital Health Strategy^[23] needs to be fast-tracked, including implementation of a common health patient registration system and health patient registration number for all residents (both public and private sector users). Only through the establishment of an integrated IT platform can we start capturing the data necessary to plan for the health and healthcare needs of the country. The COVID period generated several innovative information agreements and dashboards that brought public and private sector data together, making information both transparent and useful. Other IT systems (such as the Hospital Emergency Centre Triage and Information System (HECTIS) in Western Cape Province, used to triage and track patient flow through services) are already available to roll out

Steps to improve prioritisation and use of evidence and analysis to inform decision-making across private and public sectors: health technology assessment and evidence-informed design of benefits packages would both contribute to progress towards UHC and generate immediate efficiency, quality and equity improvements. A key driver of sustainability and public trust in NHI will be the technical and procedural competence to define what health technologies and interventions the NHI will offer and for whom. International experience indicates that such systems take many years to develop. A functioning system of prioritisation is a critical element of any sustainable health system, and existing work on this issue can be accelerated regardless of NHI reform progress. In previous work, it became clear that the public sector largely operates according to defined clinical protocols, whereas private sector practices showed much more variation, with influences on practice from professional organisations, clinical networks and international practice. [36] Adopting a set of agreed common protocols and clinical guidelines based on SA-specific evidence of efficacy and costeffectiveness would go some way to standardising quality of care as well as providing a common and recognised medicolegal baseline for clinical practice.[37]

Learning from health system reform experience within the country and in other countries, particularly low- and middleincome countries: we have an existing health system in which some elements and innovations are working very well, and lessons from this success could be applied to other focus areas for improvement or rolled out across more parts of the country. A call to identify such programmes is sure to elicit a long list of examples. Over 70 countries have attempted health reforms in the past decade.[38] While SA has experienced difficulties in rolling out NHI policy, other countries such as Ghana^[39] have made significant progress in implementing their reforms and advancing towards UHC. We need to learn from these experiences in shaping our reform process.

Conclusion

The approval of the NHI Bill by the National Assembly represents an important milestone, but there are many uncertainties concerning its implementation and timeline. The challenges faced by the SA

healthcare system are huge, and we cannot afford to wait for the NHI 'silver bullet' to address them. It is critical that the process of strengthening the health system to advance UHC begins now, rather than waiting for NHI to solve all problems. Viable initiatives exist and can be implemented without delay. The adage that UHC is a 'journey not a destination' [40] has never been more relevant, as South Africa resumes this journey.

Declaration. None.

Acknowledgements. The authors would like to acknowledge the institutional support to the study authors provided by the South African Medical Research Council, the University of Cape Town and the Clinton Health Access Initiative.

Author contributions. Conceived and designed the study: GS, VB. Developed the article: GS, VB, TD, NM, JC. Reviewed the article: TW, NM, IC.

Funding. GS is employed on a contractual basis by the South African Medical Research Council and NMG Consultants and Actuaries; support in the form of salaries was provided by the South African Medical Council.VB is employed by the Clinton Health Access Initiative. None of these institutions had any additional role in the study design, data collection and analysis, decision to publish, or preparation of the manuscript. Conflicts of interest. None.

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Accepted 12 December 2023.