NHI Sneak Preview:
From Green to White Paper

Presentation to the Anova Health Institute’s Seminar: The 2nd Paradigm Shift - Scaling-Up Best Practice in Health Systems Strengthening

5 November 2013
Aquina Thulare
Outline

1. Background
   a) Profile a
   b) BRICS Countries
2. Green Paper on NHI
   a) Pillars of Move Towards UHC
   b) Health Systems Strengthening
   c) Financing Reforms
3. Phase 1 Implementation
   a) Pilot Selection / Objectives
   b) Health System Strengthening Initiatives
4. Legislative Reforms
5. Governance Reforms
6. Institutional Reforms
7. Progress in relation to Green Paper Timelines
9. Conclusion
South Africa is in the process of implementing National Health Insurance (NHI) as a mechanism to realize UHC.

NHI is aimed at ensuring that:

1. all South Africans irrespective of their socio-economic status have access to quality health care.
2. health services are delivered equitably.
3. the population does not pay for accessing health services at the point of use.
4. the population has financial risk protection against catastrophic health expenditure.
NHI Green Paper

- Published on 12 August 2011

- Public inputs were sought through verbal and written approaches

- The Green Paper states that NHI will be implemented over 14 years in 3 phases

- Service provision
- Population Coverage
- Strategic Purchasing
- Financing
- Governance
- Institutional arrangements
Guiding Principles for NHI

- Universalism and Rights
- Social Solidarity
- Equity
- Public Good
- Affordability
- Efficiency
- Effectiveness
- Appropriateness
Towards universal coverage

Reduce cost sharing and fees

Include other services

Extend to non-covered

Coverage mechanisms

Financial protection: what do people have to pay out-of-pocket?

Services: which services are covered?

Population: who is covered?
Key Health Systems Reforms for NHI

**SYSTEM BUILDING BLOCKS**
- Service Delivery
- Health Workforce
- Information
- Medical Products, Vaccines & Technologies
- Financing
- Leadership/Governance

**OVERALL GOALS/OUTCOMES**
- Improved Efficiency
- Improved Health (Level & Equity)
- Responsiveness
- Social & Financial Risk Protection

WHO Health System Framework
Quo Vadis.........
Improving Quality and Health System
Strengthening Initiatives in readiness for NHI

- Establishment of OHSC
- PHC Re-engineering
- District Health Authorities
- Improving Hospital Management and Governance
- Human Resources Management

- Infrastructure Development and Medical Equipment
- Pharmaceutical Procurement and Management
- E-Health Strategy
- Non-Negotiables
Phase 1 of Implementation

- The Green Paper states that NHI will be piloted in the 1st Phase

1st 5 years includes:
- Strengthening of the health system and
- Improving the service delivery platform

Pilot sites launched in March 2012
Selection Criteria for NHI Pilots

- Burden of Disease
- Demographic
- Health Service Performance
- Socio-Economic
- District Management Capacity
Selected NHI Pilot Districts
Objectives for NHI Pilots

Å Pilots focus on the most vulnerable sections of society across the country

Å Reduce high maternal and child mortality through district-based health interventions

Å Strengthen the performance of the public health system in readiness for the full roll-out of NHI

Å Strengthen the functioning of the district health system
Specific Objectives of NHI Pilots

Å To assess whether the health service package, the PHC teams and a strengthened referral system will improve access to quality health services particularly in the rural and previously disadvantaged areas of the country

Å To assess the feasibility, acceptability, effectiveness and affordability of innovative ways of engaging PHC private sector resources for public purpose

Å To examine the extent to which communities are protected from financial risks of accessing needed care by introducing a district mechanism of funding for health services
Specific Objectives of NHI Pilots

• To test ability of the districts to assume greater responsibilities associated with the purchaser-provider split required under a NHI

• To assess the costs of introducing a fully-fledged DHA and implications for scaling-up such institutional and administrative arrangements throughout the country

• To assess utilization patterns, costs and affordability of implementing a PHC service package
Risk pooling
Ensures that the financial risk associated to health expenditures is born by all members of the population rather than by individual contributors

Revenue collection
Generation of funds through general taxes, payroll-tax, pre-payment

Strategic purchasing
Setting the right incentives for providers to deliver high quality services at reasonable costs

Task of health system financing

Ability to collect and provide enough resources to pay for the best possible quality and access to care

Protecting households from the financial risks associated with the occurrence of severe health shocks / catastrophic expenditure

Allocating resources in order to ensure high-quality, timely and cost-efficient service provision for the entire population

Health system financing functions

Financing Reforms
Profile of South Africa

- Population over 51 million (>60% urban)
- Middle-income: $10,360 GDP pc (PPP)
- High inequality (Gini-coefficient 0.63)
- Life expectancy 60 years (2011)
Per Capita Expenditure Compared to Other BRICS Countries

Total expenditure on health per capita, 2007 * (in US$)

The boundaries and names shown and the designations used on this map do not imply the expression of any opinion whatsoever on the part of the World Health Organization concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Dotted lines on maps represent approximate border lines for which there may not yet be full agreement.

* Based on data updated in March 2010.

Data Source: National Health Accounts series, World Health Organization
Map Production: Public Health Information and Geographic Information Systems (GIS) World Health Organization

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Legislative Process

1. Enabling legislation:
   - Office of Health Standards Compliance
   - NHI White Paper and Act
   - DHA’s

2. Reviewing laws with implications for NHI
Governance Reforms

Roles and Responsibility

Power
Financial, Human Resources, Management
Rules, Development, Assets

Accountability for Results

- Devolved decision making
- Stakeholder participation
- Accountability at all levels
  - District Health Authorities
  - Hospital boards
  - Establishment NHI Fund

Principal—Agent Relationship
Institutional Arrangements

1. Three new institutions
   - Single NHI funder, publicly administered
   - Office of Health Standards Compliance

2. District structural reforms
   - Separate purchaser & provider functions
   - Strengthen districts (planning, M&E, Delegated Finances, HR, Procurement, SCM)
   - Autonomous, accountable providers
## Progress on Phase 1 Deliverables of Green Paper on NHI (1)

<table>
<thead>
<tr>
<th>Key features</th>
<th>Time-frames</th>
<th>Progress to date</th>
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- Public consultations ended 30 Dec 2011  
- Currently finalising White Paper on NHI |
| - Release of White Paper for Public Consultation  
- Launch of Final NHI Policy Document  
- Commencement of NHI Legislative process | |
| 2. Management reforms and Designation of Hospitals | August 2011 August 2011 October 2011 | - Regulations on designations of hospitals and policy on management of hospitals released  
- Posts for Hospital CEO advertised and being filled |
| - Publication of Regulations on Designation of Hospitals  
- Policy on the management of hospitals  
- Advertisement and appointment of health facility managers | |
| 3. Hospital Reimbursement reform | April 2011 January 2012 | - Notice on Revenue Retention published in April 2011  
- Process of developing DRG’s and Coding Schema currently under way |
| - Regulations published for comment on Hospital Revenue Retention  
- Development of a Coding Scheme | |
### Progress on Phase 1 Deliverables of Green Paper on NHI (2)

<table>
<thead>
<tr>
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</table>
| **4. Establishment Office of Health Standards Compliance (OHSC)**  
  - Parliamentary process on the OHSC Bill  
  - Appointment of staff (10 inspectors appointed) | August 2011 January 2012 |  
  - NH Amendment Act for the establishment of the OHSC has been signed by President  
  - The Board of the OHSC is currently being appointed  
  - Trained and appointed 40 Inspectors |
| **5. Public Health Facility Audit, Quality Improvement and Certification**  
  - Audit of all public health facilities  
    - 21% already audited (876 facilities)  
    - 64% completed (2927 facilities)  
    - 94% completed (3962 facilities)  
  - Selection of teams to support the development and support of quality improvement plans and health systems performance  
  - Initiate inspections by OHSC in audited and improved facilities  
  - Initiation of certification of public health facilities | End July 2011 by end of December 2011 by end March 2012 October 2011 February 2012 March 2012 |  
  - 3800 facility audits have been completed and report is on website  
  - Facility Improvement Teams currently in our provinces  
  - 600 Facilities have been audited  
  - Ideal Clinic Pilots in 8 clinics |
| **6. Appointment of District Clinical Specialists* Support**  
  - Identification of posts and adverts  
  - Appointment of specialists  
  - Contract with academic institutions on a rotational scheme | August 2011 December 2011 February 2012 |  
  - To varying degrees the DCSST appointed in pilot districts |
### Progress on Phase 1 Deliverables of Green Paper on NHI (3)

<table>
<thead>
<tr>
<th>Key Features</th>
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<th>Progress</th>
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<tbody>
<tr>
<td><strong>7. Municipal Ward-based PHC Agents</strong></td>
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<tr>
<td>- Training of first 5000 PHC Agents</td>
<td>December 2011</td>
<td>4500 PHC agents trained by November 2011</td>
</tr>
<tr>
<td>- Appointment of first 5000 PHC Agents</td>
<td>March 2012</td>
<td>Teams trained for the pilot districts in Jan 2012 and being deployed to various extents in pilot districts</td>
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<tr>
<td>- Appointment of PHC teams</td>
<td>April 2012</td>
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<tr>
<td><strong>8. School-based PHC services</strong></td>
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<tr>
<td>- Establish data base of school health nurses including retired nurses</td>
<td>August 2011</td>
<td>Database on School nurses established in September 2011</td>
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<tr>
<td>- Identification of the first Quintile 1 and or Quintile 2 schools</td>
<td>October 2011</td>
<td>Q1 and Q2 schools identified in October 2011</td>
</tr>
<tr>
<td>- Appointment of school-based teams led by a nurse</td>
<td>November 2011</td>
<td>School Mobiles have been launched and deployed in all pilot districts</td>
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<tr>
<td><strong>9. Public Hospital Infrastructure and Equipment</strong></td>
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<tr>
<td>- Refurbishment and equipping of 122 nursing colleges</td>
<td>March 2012</td>
<td>Health Infrastructure Grant established in November 2011</td>
</tr>
<tr>
<td>First 72 nursing colleges by end of financial year 2011-2012</td>
<td>Commence 2012</td>
<td>Nursing Infrastructure Grant established in Nov 2011</td>
</tr>
<tr>
<td>- Building of 6 Flagship hospitals and medical faculties through PPP’s</td>
<td></td>
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<tr>
<td>Â· King Edward VIII Academic (KZN)</td>
<td>Ongoing</td>
<td>Flagships currently at Feasibility Stage</td>
</tr>
<tr>
<td>Â· Dr George Mukhari Academic (Gauteng)</td>
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<tr>
<td>Â· Nelson Mandela Academic (E. Cape)</td>
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<tr>
<td>Â· Chris Hani Baragwanath Academic (Gauteng)</td>
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<td>Â· Polokwane Academic (Limpopo)</td>
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<tr>
<td>Â· Nelspruit Tertiary (Mpumalanga)</td>
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<tr>
<td>- Refurbishment of public sector facilities</td>
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### Progress on Phase 1 Deliverables of Green Paper on NHI (4)

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<tr>
<td><strong>10. Human Resources for Health (HR)</strong></td>
<td>September 2011</td>
<td>- HRH Strategy was finalised and launched by the in October 2011</td>
</tr>
<tr>
<td>- Short to medium term increase in supply of medical doctors and specialist</td>
<td>2012 – 2014</td>
<td>2012 – 2014</td>
</tr>
<tr>
<td><strong>11. Information Management and Systems Support</strong></td>
<td><strong>July 2011</strong></td>
<td>- The development of a national health information repository and data-warehouse commenced in July 2011</td>
</tr>
<tr>
<td>- Establishment of a National Health Information Repository and Data Warehousing (NHIRD)</td>
<td><strong>November 2011</strong></td>
<td>- Provincial roll-out of NHIRD commenced in February 2012</td>
</tr>
<tr>
<td>- Provincial and District roll-out of the NHIRD</td>
<td><strong>November 2011</strong></td>
<td></td>
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<tr>
<td>- Appointment of Information Officers and Data Capturers</td>
<td></td>
<td>- A number of training faculties took up the request to increase medical student intake in 2012 and 2013</td>
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<td></td>
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<td>- WISN Tool currently being tested</td>
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## Progress on Phase 1 Deliverables of Green Paper on NHI (5)

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<tr>
<th>Key Features</th>
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<tbody>
<tr>
<td><strong>12. Build capacity to strengthening of DHA</strong></td>
<td></td>
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<tr>
<td>• Creation of district management and governance structures</td>
<td>April 2012</td>
<td>• Business Plans currently being developed for creation of NHI district Mx and Governance structures in line with DORA</td>
</tr>
<tr>
<td>• Selection of Pilot Sites (First 10 districts)</td>
<td></td>
<td>• 10 Pilot districts selected in February 2012 and 11 Pilot Districts launched in March 2012 (KZN has 1 additional- Amajuba District)</td>
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<tr>
<td>• Development and test the service package to be offered under NHI in pilot sites</td>
<td>June 2013</td>
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<tr>
<td>• Extension of Pilots from 10 districts to 20 districts</td>
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<tr>
<td><strong>13. NHI Conditional Grant to support piloting of initial work in 10 districts</strong></td>
<td>April 2012</td>
<td>• Conditional Grant established in Feb 2012</td>
</tr>
<tr>
<td>• Piloting of the service package in selected health districts</td>
<td></td>
<td>• Piloting of services currently underway</td>
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<tr>
<td>• Piloting fund administration</td>
<td></td>
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<tr>
<td><strong>14. Costing model</strong></td>
<td>2012 2013</td>
<td>• Ongoing</td>
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<tr>
<td>• Refinement of the costing model</td>
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<tr>
<td>• Revised estimates</td>
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### Progress on Phase 1 Deliverables of Green Paper on NHI (6)

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<th>Key Features</th>
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<tr>
<td>15. Population registration</td>
<td>Commences April 2012</td>
<td>Research and Development commenced in April 2012</td>
</tr>
<tr>
<td>- Partnership between Departments of Science and Technology, Health and Home Affairs on:</td>
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<tr>
<td>- Population identification</td>
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<tr>
<td>- Population registration mechanisms</td>
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<tr>
<td>16. ICT</td>
<td>April 2012</td>
<td>Research and Development commenced in April 2012</td>
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<tr>
<td>- Scoping exercise with Department of Science and Technology and CSIR</td>
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<tr>
<td>- Design of ICT architectural requirements for NHI</td>
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<td>17. Establishment of NHI Fund</td>
<td>2014</td>
<td></td>
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<tr>
<td>- Appointment of CEO and Staff</td>
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<tr>
<td>- Establishment of governance structures</td>
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<tr>
<td>- Establishment of administrative systems</td>
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<tr>
<td>18. Accreditation and contracting of private providers by NHI Fund</td>
<td>2013 2014</td>
<td></td>
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<tr>
<td>- Establishment of criteria for accreditation</td>
<td></td>
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<tr>
<td>- Accreditation of first group of private providers</td>
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Quo Vadis: From Green Paper to White Paper

St Peter asked Jesus Christ
To which He replies, "Romam vado iterum crucifi" ("I am going to Rome to be crucified again")

- Publication of Green Paper
- Closing of Comments Period
- Launch of NHI Pilot Sites
- Ministerial Road Shows
- Consultations with other Govt Depts
- Stakeholder Consultations
- Evaluation of Submissions
- Piloting of Health System Strengthening Initiatives / NHI CG
- Drafting of White Paper on NHI
- Refining of WP Based on Inputs from other Govt Depts

- August 2011
- 30 December 2011
- March 2012
- May 2012-June 2013
- May-July 2013
- August – October 2013

August 2011-December 2011
February-August 2012
April 2012
September 2012-April 2013

St Peter asked Jesus Christ, "Romam vado iterum crucifi" ("I am going to Rome to be crucified again")
Conclusion

“Every system is perfectly designed to achieve exactly the results it gets”

Â Therefore, the many failings in our health system are based on design faults that continue to entrench inequities, disparities in health outcomes and unfairness in access to quality healthcare

Â With such a big policy change we are likely to encounter implementation challenges

Â Political will and oversight