



“Do we need more foresight and flexibility in designing facilities to meet our future service needs?”

Changing Lifestyles – How might NHI affect our healthcare experience?

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health

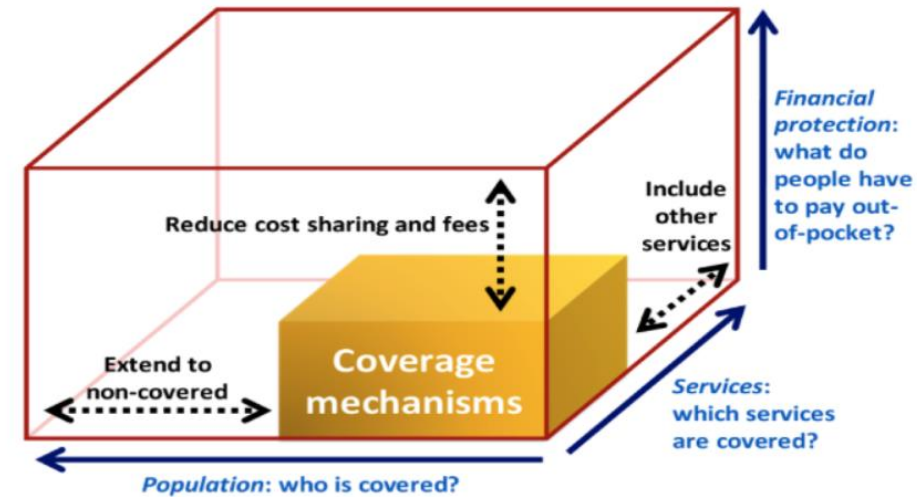
Department:
Health
REPUBLIC OF SOUTH AFRICA



- What is National Health Insurance (NHI)?
- Why do we need NHI?
- How will NHI work?
- NHI Fund as strategic purchaser
- What is strategic purchasing?
- What does this mean for our healthcare experience?
- Foresight and flexibility in designing facilities to meet our future service needs

Recap: What is National Health Insurance (NHI)?

- NHI (National Health Insurance) is a **health financing system** that is designed to pool funds to provide access to quality affordable personal health services for all South Africans, based on their health needs, irrespective of their socio-economic status
- NHI aims to achieve Universal Health Coverage (UHC) for all South Africans
 - Cover more people
 - Cover greater range of services
 - Less cost to user at point of care (and improve quality of care)



The three dimensions of universal health coverage (World Health Organization)

Recap: Why do we need NHI?

- Health care is a **human right** that every one of us is entitled to
 - widely accepted international principle
 - this right should not depend on one's financial status
- Present system is a totally inadequate two-tier health system with poor outcomes in comparison to inputs
 - Fragmented, poor, inefficient, understaffed and ill-equipped public sector serving about 85% of the population
 - Fragmented, over-serviced, over-specialised, expensive, private sector serving about 15% of the population
- It is not possible to address one part of the dichotomy without addressing the other, they are mutually dependent
- The **whole system** needs a 'face-lift'
- Recognise both systemic change required and local change required

Recap: How will NHI work?

- NHI will pool public resources into **one NHI Fund**
- NHI Fund will **purchase services (benefits)** on behalf of the whole nation from both the public and private health providers
- The NHI Fund **contracts directly with service providers (public and private)**
- The public (Users) must register with clinics and doctor/family practitioners to obtain services

PURCHASER / PROVIDER SPLIT

(single purchaser model)






Recap: NHI Fund as strategic purchaser

- Fund will **purchase health** services (benefits) for all of us based on need
- Fund will **procure** medicines, health goods and health related products from service providers within the context of the national health system
 - Office of Health Products Procurement
 - Benefit design and inclusion/exclusion
 - HTA

Providers will **purchase** the medicines, health goods and health related products that they need to provide the services (benefits)

What is strategic purchasing?

-  • In the systems where providers are paid **fixed budgets**, we almost always eventually see evidence of low productivity as there are no incentives to see more patients, facilities can become overcrowded, people are waiting a long time because the turnover is very slow, and quality often deteriorates and there's nothing in the system that drives providers in the direction of efficiency and quality
-  • In a **fee-for-service system** there's an incentive for providers to do (and charge for) more so there will always be overprovision of services eventually, and costs will escalate
-  • NHI will use data to **match population need** (as opposed to demand) **with benefits** provided and so drive equitable access to services

What does this mean for our healthcare experience?

- Preventive and home-based care paid to multi-disciplinary provider teams
- No payment for any patient at point of care
- Paid from national revenue account – tax – to providers directly
 - So healthcare is not ‘free’, but it is guaranteed when we need care
- Financing mechanisms designed to:
 - Remove admin costs
 - Remove duplication of services
 - Use massive collective buying power to reduce costs
 - Incentivise providers to work where there is need
 - Encourage and reward quality
 - Promote entry to health care system at PHC level
 - Encourage designed and controlled referral by clinicians
- All services will require dramatically improved digital systems and data exchange

Foresight and flexibility in designing facilities to meet our future service needs

- Facilities professionals need to think about how to facilitate preventive and home-based care provided by multi-disciplinary provider teams
 - Different GP room requirements
 - Rehabilitation professionals access into communities and homes
 - Patients with chronic conditions accessing care, not always at health facilities (eg CCMDD)
- Over time healthcare providers will find it viable and more rewarding to work where there is need (rather than where there is money)
 - Many work from facilities but we need to think differently about the facilities from which they might work
 - This includes residential accommodation and recreation opportunities
- Since NHI will encourage and reward quality, facilities professionals need to think about how to reduce maintenance needs in design and to improve maintenance programmes
- NHI's promotion of entry to health care system at PHC level means that the focus on PHC facility improvement will remain
- NHI systems will encourage designed and controlled referral by clinicians so every facility (public and private) **MUST** be a part of the comprehensive provider platform

- There will always be too little money to do all that is needed, so:
 - Reduce design requirements
 - Introduce more standardised and modular building
 - Improve maintenance
 - Refurbish what exists wherever possible
 - Plan collectively to ensure sensible and workable choices of priorities
 - Find new ways to finance capital management

