Submission from the **Professional Provident Society** Insurance Company Limited and its subsidiaries (PPS) to Parliament's Portfolio Committee on Health on the National Health Insurance (NHI) Bill

November 2019

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Introduction

This document has been prepared by PPS in response to the National Health Insurance Bill, 2019, and contains PPS's submissions to the draft Bill. PPS owns a subsidiary called PPS Healthcare Administrators, **which will make an independent submission separately** because it is directly affected by the NHI bill, by virtue of being a private healthcare administrator.

PPS was founded in 1941 and provides a comprehensive suite of financial and healthcare products that are specifically tailored to meet the needs of **graduate professionals**. As a business operating under the ethos of **mutuality**, PPS exists solely for the benefit of its members. There are no outside shareholders. PPS members with qualifying products share in the profits of PPS via annual allocations to their unique PPS Profit-Share Accounts. PPS has more than 250 000 professional members.

As a company that represents professionals, PPS believes that it can **contribute positively** to the improvement of healthcare delivery in South Africa. PPS's member base consists of professionals in various fields, such as medical, legal, engineering, actuarial, information technology and accounting. These professionals have the potential to play a vital role in the successful implementation of effective universal healthcare for South Africans.

We acknowledge and welcome the following endeavours by government outlined in the NHI Bill and the NHI Booklet:

- **Public/ private partnerships,** allowing the private sector to deliver services.
  "NHI will enter into contracts with private and public hospitals, as well as private health practitioners and public clinics, to provide services. A patient will be able to choose any NHI-contracted provider near to him or her for regular health needs." (NHI Booklet: HOW WILL NHI WORK WITH PRIVATE AND PUBLIC HOSPITALS)
- **Acknowledgement of risk of corruption,** and how to counter it.
  As noted in Section 52 of the NHI Bill, which deals with delegation of power.
- **Performance management processes** (often lacking in the public sector).
  "The National Health Act is being updated to provide for the setting up of the Office of Health Standards Compliance (OHSC). The aim is to make sure you get good quality care from the healthcare providers the public uses. The OHSC will advise the Minister of Health and report to the Minister. It will guide and inspect health facilities and will only certify those that meet the required standards. An OHSC certificate at healthcare facility will be public guarantee that standards of hygiene, safety, and respect for patients are being met." (NHI Booklet: THE STANDARDS OF HEALTH WILL BE IMPROVED AND MONITORED)
  In addition to the OHSC, the Health Market Inquiry (HMI) Recommendations (published 30 September 2019), highlight the importance of an Outcomes and Quality Monitoring organisation that will ensure all providers of healthcare services are monitored in terms of the quality of service provided.

"The HMI recommends the creation of an Outcomes Monitoring and Reporting Organisation (OMRO) as a platform for providers, patients and all other stakeholders in the provision of healthcare to generate patient-centred and scientifically robust information on outcomes of healthcare. The OMRO will be an independent, private organisation in which key actors such as providers (doctors and hospitals) and patients co-operate to generate relevant and standardised outcome information for two purposes: to provide practitioners and hospitals with relevant outcome information and ways to improve clinical quality, and, secondly, to provide patients and funders with relevant choice information on health outcomes."

In preparation for this submission, PPS embarked on **research** among its members to ascertain their knowledge, perceptions and concerns about the NHI. This research has been shared with the Department of Health and has informed some of the aspects of this document.

By far the largest concern was the **lack of clarity** regarding certain areas that affect professionals directly – as suppliers of medical services, as users of these services, and as taxpayers in general. PPS understands that the Bill provides a framework and that much of the detail will be developed in due course, which from a getting-to-the-best-solution perspective is good. However, it is important to note that any lack of clarity is fertile ground for uncertainty at best, and fearmongering at worst. The right messages must be clearly communicated, as soon as possible, as PPS's research has shown that the negativity, brought about by lack of clarity, spreads, and adds to the issues driving South African professionals to consider alternatives such as emigration. The main contributors to professionals' decisions to leave the country, or stay, are:

1. Personal security
2. Access to quality healthcare
3. Education
4. Taxes (relative to what is received in return)

NHI of course directly impacts points 2 and 4. Implementation must therefore be done with utmost consideration and care.

PPS's submission is based on the sentiments of its professional members. Therefore, the document will follow these main areas of concern:

1. Supply of Service Providers – Healthcare Professionals
2. Human Resource Planning and Labour Management
3. Freedom of Choice and Association
4. Financial Sustainability

5. IT Infrastructure for Administration of Services
6. Governance
7. Need for clarity

As a general comment before looking at these areas of concern: The notion that healthcare resources and capacity in South Africa are unequally skewed towards an oversupply in the private sector that services a minority of South Africans, must be challenged to some extent. The NHI Booklet released by the Health Systems Trust makes the following statement: *"The two-tier system of paying for healthcare has failed to guarantee good quality healthcare for all. Government pays for the health facilities that assist the poor and it also provide tax subsidies for medical scheme contributions used by the wealthier families, who use private doctors and hospitals. This system has locked out the poor who cannot afford a large number of health professionals and facilities in the private sector. "(NHI Booklet: 10 REASONS WHY NHI IS GOOD FOR THE COUNTRY)*

Statements such as this one must be used with caution, as they portray the existence of the private healthcare sector in a negative light. It assumes that users of private services are unduly benefitting from government spend (through the training of health professionals and the tax subsidies), when in fact they are (1) the main funders of such spend, and (2) not utilizing such government services, making way for such services to be spent on other segments of society. Professionals are merely exercising their right to spend their own surplus funds on private healthcare, after having met their tax obligations to the government to fund public healthcare. Put differently: The reason why a private healthcare sector exists is merely due to **exercising free choice**. Surplus funds could have been spent on other consumption. Spending on private healthcare should not be criticised, or mischievously be used to focus attention away from government's own failings to provide such services in certain areas at an acceptable standard; it should in fact be applauded.

1. Supply of Service Providers – Healthcare Professionals

Healthcare professionals the world over are globally mobile and highly sought after, and research has demonstrated that South African healthcare professionals are no different. Each healthcare professional not only represents a skilled worker, but many are self-employed and pay taxes as individuals, as well as in their business capacity. Professionals create many jobs around them, in their business environments through practicing their professions, at home, and also as consumers in the economy. This creates the tax base of South Africa. Ignoring the mobility of professionals will be a grave error and our concern is that this is a 'blind spot' in policy formulation.

1.1.Emigration

Healthcare professionals as service providers

The highest risk to effective universal health cover in South Africa is the loss of highly skilled professionals, through emigration, for better prospects elsewhere. PPS believes that this risk is not appreciated enough by government as a likely consequence of the proposed legislation. Healthcare professionals are not restricted geographically; it is becoming increasingly easier for them to apply their trade almost anywhere in the world. Research has proven that the decision to emigrate is a complex one that is driven by various personal and societal pull and push factors. The responses to the PPS member research have shown NHI to potentially be a push factor that may add to the list of pain-points experienced by healthcare professionals. In a paper titled *Reasons for doctor migration* by Bezuidenhout, Joubert, Hiemstra and Struwig (2009), some of the top individual reasons cited by doctors for leaving South Africa were financial reasons, working conditions, and the South African income tax system. Socio-economic and political issues also play a material role in the emigration decision.

Healthcare worker migration from South Africa in the past has been driven by policy decisions, and socio-economic and political considerations. In 2001 the number of nurse emigrants was roughly 20% of the total number working within the public sector in South Africa. That, together with being ranked as having the eighth highest global number of emigrating physicians in the year 2000, created a dire situation for the sustainability of healthcare in South Africa at the time.

It is of no comfort that 86% of the African-trained doctors operating in the USA in 2004 were from three feeder countries, namely South Africa, Nigeria and Ghana. The average cost globally to governments for training a doctor was estimated at US $100 000 per doctor in 2005. Therefore, emigration not only reduces South Africa's already fragile skills set, but also costs the fiscus a significant amount of money.

According to a 2018 report by the South African Society of Anaesthesiologists, 20% (482) of the 2,826 specialist anaesthesiologists registered in South Africa, are vulnerable to emigrating. This is particularly concerning for South Africa because the global minimum standard is to have at least five specialist anaesthesiologists per 100 000 people in the country. In South Africa we currently have 2.51 anaesthesiologists per 100 000 people. The situation in the public sector is dire, at 0.9 anaesthesiologists per 100 000 people. Emigration of this group of professionals is a critical risk for the South African healthcare sector in terms of resources for surgical procedures.

Other professionals as tax-payers

PPS's research among professionals indicates that emigration is a consideration for many. Results from the PPS NHI survey highlighted that an overwhelming majority of respondents (73%) cited NHI as a potential reason for emigration, with 15% unsure and only 12% noting that they would not consider leaving at all. The reasons given for considering emigration was that professionals would seek better working conditions, and they fear loss of income. South African professionals benchmark themselves against their global peers, meaning that when considering work opportunities, they do not limit themselves to their local environment.

Statistics from **Profmed**, a medical scheme administered by PPS Healthcare Administrators (PPSHA) which is a subsidiary of PPS, illustrates the following increase in the emigration of professionals: 22,7% (357) of members in 2019 (January to September) who resigned cited emigration as the reason for resignation from the medical scheme. In 2018 the proportion was already 17,5%, or 336 members.

If we note PPS's own statistics on **resignations**, over the same period (January to September), 489 professionals sited emigration as the reason for leaving PPS in 2019, compared to 313 in 2018, a 56% increase.

1.2.Remuneration

Remuneration of doctors was cited as a high concern for respondents to the PPS member survey. From this research it was apparent that there are three main perceptions that doctors deduce from the Bill:

a. They will not be able to charge what they believe is fair for their professional services and will be subject to standardisation of costs, meaning a reduction in their revenue;
b. The perception that government does not pay service providers timeously; and
c. Doctors will be part of the population that could potentially contribute even more to tax, while losing revenue because of standardisation of fee structures.

These perceptions are not necessarily correct and should be addressed by effective and clear communication in future as the NHI evolves.

Adequate remuneration of doctors is especially important to enable them to continue investing in cutting-edge technology and medical advancements. When specialists **procure** equipment for their practices, they often look at international advancements in medical technology and they should therefore not be constrained by limited fee structures.

The concern about remuneration is highlighted by the experience of South African pharmacists who currently are the only healthcare profession with a regulated income in terms of the Medicines and Related Substances Act. Since the introduction of the dispensing fee in 2010, this fee has not kept up with inflation for all these years. In addition, the costing model being used is still based on a 2010 business cost model, with only the salary component being adjusted, while ignoring the other inflationary increases of business cost components such as rent.

There clearly is a strong need for negotiation and **collaboration** with healthcare professionals on the issue of fee structures and remuneration, to ensure a satisfied supplier base. PPS can assist to facilitate this.

1.3. Professional Development

All healthcare professionals in the value chain of the South African healthcare system have different levels of skills, experience and interests, which require specific programmes that look after their ongoing development as professionals. Government needs to have a thorough process for how professional development will be processed to ensure that healthcare service providers remain relevant at the optimal levels of their professional streams, and provide consistent levels of expertise to South Africans. therefore, the NHI cannot propose blanket strategies given the diversity of practitioners and NHI must be deliberate in promoting professional growth and development.

2. Human Resource Planning and Labour Management

The 2018 Human Development Report (*Human Development Report Office 2018 http://hdr.undp.org/sites/default/files/2018_human_development_statistical_update.pdf*) demonstrates how countries that have good policy and spend on education and health, also show improved quality of life, longer life expectancy, and significantly better living standards. An effectively run universal healthcare system is therefore imperative for South Africa and will require resource planning that offers adequate services to all geographical areas of South Africa.

According to the South African Health Review 2018 (*https://www.hst.org.za/publications/Pages/SAHR2018.aspx*) there are major gaps in the current human resources foundation which must be addressed. These include:

- Insufficient HR planning across the entire healthcare system;
- Lack of a national integrated HR information system;
- Inadequate information on overall HR supply to address historical inequities between urban and rural areas, and the public and private health sectors;
- Gaps and / or failures in HR governance; and
- Poor operational management across all types of health facilities, with rural provinces worse off than their urban counterparts.

It is therefore critical that government addresses these weaknesses when implementing the NHI, as these affect all levels of healthcare workers, including but not limited to:

- Medical doctors
- Nursing staff
- Administrative staff
- Facilities management staff etc.

The current situation in both public and private healthcare is a spread unequally skewed in favour of urban areas, leaving rural areas lacking frequent and quality healthcare services.

Addressing **working conditions** in the public sector, and addressing the shortage of medical posts available, will be a fruitful route to addressing the challenges of universal healthcare. Feedback from our member research, particularly doctors working in the public sector, cites working conditions that are far from ideal: overcrowding at many public facilities, and medical staff that is overworked. This points to a public sector that is failing, despite the resources at its disposal. It is critical to fix the public sector and institute **professional hospital management**, otherwise the introduction of NHI will not bring about the healthcare reform that government is trying to achieve.

In order to deliver an effective universal healthcare system, it is imperative that **service level** agreements are set at an acceptable standard. As noted in the Introduction section above, performance management is an encouraging theme in the NHI Bill. The South African public

healthcare service has come under scrutiny for several issues, from ill-treatment of patients, to shortage of doctors and medical resources, and corruption. These issues will have to be eradicated when implementing NHI so that all South Africans will have access to quality and effective healthcare services. To maintain high levels of service, there must be accountability for failure to meet the requirements for acceptable standards. There cannot be job security for non-performers and those who bring the Department of Health into disrepute.

The private healthcare sector by default needs to **remunerate** competitively in order to attract highly skilled and sought-after nursing professionals. Remuneration is one of the key drivers of staff retention and performance, thereby making it a critical part of the labour management aspect of NHI. Government must demonstrate the ability to retain and remunerate healthcare professionals sufficiently. This will be challenging, given limited resources, especially considering the current state of the South African economy.

Continued **training of nursing staff** is critical in the human resource planning of NHI, and we acknowledge that this is a massive task for government to achieve alone. Due to previous closure of nursing colleges, there is a multi-year backlog in the training of nurses. For the NHI to be successful, it is critical that government creates new training opportunities for nurses, with the goal of producing thousands of new nurses per annum in order to provide acceptable levels of nursing care. We therefore recommend the use of private sector hospitals as teaching and training facilities to ensure a robust and well-skilled healthcare worker base.

Finally, government must provide clarity on the role of unions and the level of their involvement in labour matters concerning healthcare professionals. While NEHAWU has publicly welcomed, supported and defended the NHI Bill, there is a concern with the disproportionate strength of the voice of unions in other public sector departments such as education, and as such, balance will be key to success.

3. Freedom of Choice and Association

Section 18 of the Bill of Rights states that: *"Everyone has the legal right to freedom of association." (Constitution of the Republic of South Africa, 1996, Chapter 2)*

This is an important consideration when reviewing Clause 33 of the NHI Bill, which is perceived as challenging a basic right of South Africans when it comes to choosing the kind of healthcare cover they wish to procure.

Clause 33 of the NHI Bill states that only services not paid by the NHI Fund may be covered by medical schemes:

> *33. Once National Health Insurance has been fully implemented as determined by the Minister through regulations in the Gazette, medical schemes may only offer complementary cover to services not reimbursable by the Fund.*

Most developing countries with universal health cover allow for a dual system where citizens can pay taxes towards healthcare and then opt to pay for private healthcare should they wish. Many South Africans already exercise their choice to spend additional money on private healthcare while meeting their tax obligations.

Taxpayers, after paying taxes to fund government healthcare, could have spent surplus funds on anything. They are exercising their free choice to spend it on private healthcare. It is for this same reason that services such as private education or private security exist. By exercising their right to choose, professionals are in effect unburdening the state from providing these services to them. A dual system should be applauded, because people are paying taxes to fund government spending and then further reducing the demand by paying for private services.

Section 217 of the Constitution, 1996 reads as follows:

> *217. (1) When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.*

Limiting the role of medical schemes in healthcare provision has significant implications for healthcare professionals and creates an incentive for them to consider leaving South Africa.

Potential constitutional challenges arise from limiting the ability of medical scheme beneficiaries to access services outside of NHI and to purchase cover for such services. In a system characterised by differences in access to healthcare (i.e. those who can afford to access healthcare via voluntary private health insurance and those who cannot and are therefore reliant on healthcare provided by the State), it is incumbent upon the State to very carefully take account of different segments of society and income levels in ensuring access to healthcare.

Limitation of citizens to purchase private healthcare, and to fund for such spending through private medical schemes, even after paying taxes, will be globally unprecedented and will be open to constitutional challenge.

4. Financial Sustainability

The capitalisation and ongoing solvency of the NHI Fund will be of paramount importance. There must be a robust and sizeable base of income-tax payers to fund it, otherwise it will fail. As set out in section 46 of the NHI Bill, funding will be secured as follows:

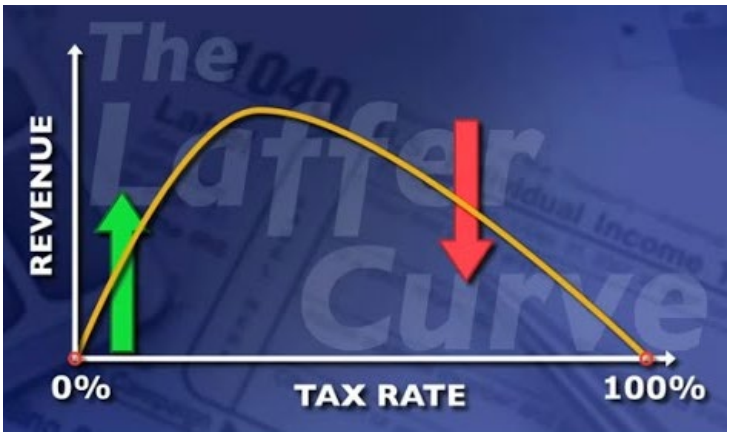
> *49(1) The Fund is entitled to money appropriated annually by Parliament in order to achieve the purpose of the Act.*
>
> *(49) (2) The money referred to in subsection (1) must be—*
>
> *(a) appropriated from money collected and in accordance with social solidarity in respect of—*
>
> *(i) general tax revenue, including the shifting funds from the provincial equitable share and conditional grants into the Fund;*
>
> *(ii) reallocation of funding for medical scheme tax credits paid to various medical schemes towards the funding of National Health Insurance;*
>
> *(iii) payroll tax (employer and employee); and*
>
> *(iv) surcharge on personal income tax, introduced through a money Bill by the Minister of Finance and earmarked for use by the Fund, subject to section 57; and*
>
> *(b) calculated in accordance with the estimates of income and expenditure as contemplated in section 53 of the Public Finance Management Act.*

It will be important for Treasury to demonstrate how the plan to fund NHI from tax contributions will not overload an already burdened taxpayer base.

South Africa's income tax base is small and decreasing (4,8 million out of a population of 57,7 million). The burden of generating tax revenue, to address the inequality in access to quality healthcare, in a challenging economic environment, is critically dependent on a small proportion of the population, of which professionals form a significant part, that South Africa cannot afford to lose.

The concern around the overloading of the taxpayer base is about the recourse that professionals might choose to seek, including emigration. Increasing tax rates further is quite likely to reduce revenue for funding healthcare, because the tax base might crumble further. South Africa most likely already finds itself on the wrong side of the Laffer Curve. This curve demonstrates the relationship between tax rates and the amount of tax revenue collected by governments. If taxes are too high, it discourages taxed activities, such as work and investment, enough to reduce total tax revenue (as demonstrated in Figure 1 below):

Figure 1: The Laffer Curve



The financial sustainability of the NHI will of course also be impacted by the cost of managing the NHI Fund - the non-healthcare administrative functions. The cost of the NHI Fund administration will form a significant part of the NHI's expenses and needs to be costed, in addition to revising the total healthcare costs for NHI. The next section on the following page focuses on this area.

5. IT Infrastructure for Administration of Services

The importance of flexible IT infrastructure in the management of the NHI cannot be over emphasised. In rolling out universal health cover to 57 million people, it is imperative that such systems are always available and have robust IT support to deal with any system failures.

South African private sector healthcare administrators have been operating world-class IT systems and infrastructure to ensure accurate membership, appropriate hospital admissions with Level of Care and exceptional electronic claims processing, resulting in a reduction of errors and fraud. Geolocation functionality ensures that the same standard is rolled out to all South Africans, irrespective of where they reside, and whether access to technology is limited. This will be of paramount importance when dealing with the issue of referral pathways and the concerns raised by PPS members about how efficient this process will be. Referral pathway management currently exists in the private sector healthcare administrators. In the interest of patients, it is imperative that government gets this right at implementation of the NHI.

The private healthcare sector is well-versed in effective management of data and patient records and would be willing to collaborate with government to access these systems, rather than building a new system.

To ensure a successful and efficient NHI, PPS recommends that the NHI Fund should make use of the knowledge, skills, expertise and systems that are already available in the private healthcare administration sector.

6. Governance

Section 52 deals with delegation of power:

> *52. Subject to the Public Finance Management Act—*
>
> *(a) the Minister may assign any duty and delegate any power imposed or conferred upon him or her by this Act, except the power to make regulations, to any person in the employ of the Fund; and*
>
> *(b) the Chief Executive Officer of the Fund may assign any duty and delegate any power imposed or conferred upon him or her by this Act to any employee of the Fund*

Section 20(2)(e)(i) deals with the investigation of fraud and corruption:

> *(2) Subject to the direction of the Board, the responsibilities of the Chief Executive Officer include the—*
>
> *(e) establishment of an Investigating Unit within the national office of the Fund for the purposes of—*
>
> *(i) investigating complaints of fraud, corruption, other criminal activity, unethical business practices and abuse relating to any matter affecting the Fund or users of the Fund;*

Section 20(3)(i) deals with the establishment of Risk and Fraud Prevention unit:

> *(3) Subject to the direction of the Board, the Chief Executive Officer must establish the following units in order to ensure the efficient and effective functioning of the Fund:*
>
> *(i) Risk and Fraud Prevention Investigation.*

As the public sector has been especially riddled with corruption over the recent past, more clarity is needed on how delegation of power will be handled to prevent abuse. A clear message from PPS's member research is that government must spend effort to fix the public sector first, before rolling out an initiative as large and ambitious as this.

From interactions that PPS already had with the Department of Health, it is heartening to note that corruption risk is indeed top of mind. Limitation of power in critical roles such as those of the Minister and the Chief Executive Officer of the Fund is an important consideration. However, the concern about corruption is not only about senior officials within the NHI Fund, but at all levels of the healthcare value chain. The reality is that corruption can be found amongst all healthcare professionals, from doctors charging for services not rendered, to pharmacists dispensing non healthcare products in place of medicines. While PPS welcomes the above clause on delegation of power, investigation of corruption and unethical business practices, risk and fraud prevention investigation, micro-controls will be critical in combating the scourge of corruption.

Healthcare fraud is one of the fastest growing crimes in South Africa today. Classified as a white-collar crime, healthcare fraud eats up huge amounts of money from the South African economy each year.

"Fraud affects every country and every sector. According to the PKF (UK) Financial Cost of Healthcare Fraud Report of 2011, the results collated over 12 years from across the globe show that 415 billion USD (over R4 trillion) is lost. This would be enough to provide clean, safe water around the globe, bring malaria under control in Africa; provide the Diphtheria, Tetanus and Pertussis vaccine to 23.5 million children under one year who are currently not immunised; quadruple the budget of the World Health Organisation (WHO); and the United Nations Children's Fund (UNICEF); with a surplus of over 320 billion USD (over R3 trillion). Jim Gee, Mark Button, Graham Brooks. The Financial cost of healthcare fraud, 2011 report."

*"Estimates of the prevalence of healthcare fraud in South Africa are anywhere between **5%–15%** of the total private healthcare expenditure in terms of fraudulent claims. CMS News Issue 1 2018."*

"It is estimated that the United Kingdom's publicly funded National Health Service1 loses £1.25bn (1% of the NHS budget) every year to fraud committed by patients, staff and healthcare providers. http://www.bbc.com/news/health-41824180"

The majority of healthcare professionals abide by the highest standards of integrity and patient care, with fraud conducted by a limited number of crooked individuals. However, the actions of a limited few can have significant consequences for patients, healthcare professionals and the NHI Fund.

Adequate governance, leadership and accountability will ensure a successful implementation and management of the NHI. PPS's recommendation is to **employ skilled professionals** in the operational implementation of NHI, to ensure that the best skills and knowledge are available for this process.

Government should not use valuable tax revenue to reinvent-the-wheel, so to speak, when successful controls have been achieved to a large extent in the private healthcare sector. Strong collaboration is needed with private healthcare administrators such as PPSHA, who have been in the administration business for years and manage central systems across the country.

PPSHA has invested in analytics capabilities to assist with the identification of fraud, waste and abuse. This includes the development of artificial intelligence models to assist with the early identification, and case management, of high cost outlier cases. PPSHA also uses a software tool which uses behavioural analytics to identify healthcare providers and members exhibiting suspicious behaviour, indicative of fraud, waste and/or abuse.

Government can achieve a more corruption-free and fraud-proof outcome for NHI if it works closely with private healthcare administrators.

7. Need for Clarity of Process

Since the release of the Bill there has been significant public interest in the NHI and its impact. Although there have been many pockets of support, the general sentiment has not been positive, and the Department of Health must be applauded for endeavouring to engage with stakeholders to address this. Most South Africans agree that better healthcare outcomes are good for the country, but the challenge lies in the route to get there, the trust in government's ability to deliver, funding mechanisms, and certainty around how NHI will be implemented.

We do understand that the Bill provides a framework and that the detail will be provided over time. This is a positive thing, because it provides role players with the opportunity to be part of the process, co-creating workable solutions. However, the gaps need to be filled very quickly, as it is the cause of unnecessary negative sentiment, specifically the questions around funding of NHI, given the low level of trust in public sector delivery.

Feedback from the PPS member research pointed to mostly negative sentiment, due to the lack of clarity and information. Those who believe NHI is a positive step pointed to the steps towards more equal and quality benefits to all, and that it is a serious attempt to improve the doctor-to-patient ratio. Those who were less enthusiastic about NHI were concerned about government's ability to implement, followed by funding concerns.

PPS believes that, in order to reduce unnecessary panic amongst professionals, government should be as transparent as possible about the route to implementation. In the many public engagements that the Minister of Health has attended, he has consistently advised that there will not be a hasty implementation of the NHI, nor will it be done unsustainably. However, professionals in general seek certainty and clarity, which the current Bill does not yet provide.

The Department of Health should be more deliberate in written documentation on the timeframe of the initial phase, measures of success, what is in scope and what is out of scope in the initial phases, and what is included in the benefit package, as this will provide medical schemes with some certainty about how their benefits should be structured in future. This will assist a great deal in giving comfort to the professional community, who is a critical part of the tax base in this country.

PPS is available to assist with driving the right messages to its member base, as well as via the special relationships it has with the many medical and other professional associations.

Conclusion

PPS supports efforts to improve healthcare delivery in South Africa. Due to our unique positioning amongst professionals in South Africa, we can be an important stakeholder and enabler of successful outcomes. The successful delivery of universal healthcare in South Africa is critically dependent on the professional community, and of healthcare professionals in particular. PPS's own future is tied to the success of this same community. In a sense, we are 'tied to the hip'. We can make a very positive contribution, to test assumptions, perceptions and risks that affects funding and labour supply, through our member base.

PPS especially welcomes the outsourcing of healthcare services to private service providers. In the same vein, PPS implores government to collaborate and outsource, where possible, other critical areas of implementing NHI, including the running of the NHI Fund (IT systems and administration). Government can certainly benefit from the experience of private healthcare administrators and the technological infrastructure that already exists, to deliver efficient administration, timely payment of claims, and good governance.

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