

ANC ‘lost the plot’ on healthcare policy – union leader

Unless there is speedy and decisive political leadership regulating the current ‘tide of profiteering’ in private healthcare, the much-acclaimed National Health Insurance (NHI) will merely entrench current private sector turmoil and prolong court battles over aberrant laws.



Neil Nair, principal officer of SAMWUMED.

This is the blunt view of Neil Nair, Principal Officer of the South African Municipal Workers National Medical Scheme (SAMWUMED), who spoke at this year’s Board of Healthcare Funders (BHF) conference. Nair said the ANC had betrayed its original policy commitment to the provision of free healthcare at point of service in order to appease a market-oriented agenda that included the enrichment of a new black elite, leaving the patient at the mercy of greed and ‘unfettered marketism’. Attacking national health minister Dr Aaron Motsoaledi’s promise to delegates of a pricing commission and a revision of laws governing the contentious prescribed minimum benefits (PMBs), Nair said the minister failed to address critical ‘when and how issues’ around unregulated costs.

Clarity sought on health minister’s promise

‘Is the minister suggesting price regulation or tariff negotiation? If healthcare is to be de-commercialised then the answer surely must be price regulation?’ Price negotiation, even through a bargaining chamber, would result in the market dictating cost, based on supply and demand, and might perpetuate the current imbalance in the provision of care, he added. Musing on what private sector service providers would charge the NHI, Nair said

that unless the current legal uncertainties and rulings were dealt with, the risk of court battles similar to those currently going on would continue under a new healthcare dispensation. He argued that the present healthcare delivery problems were directly attributable to the government’s macro-economic policies being inconsistent with the Constitution – and its own policies. The building blocks for and principles of an equitable healthcare dispensation and universal access to care needed to be sorted out upfront. ‘It is indeed an either/or situation: healthcare for good or healthcare for profit.’ The ‘pious rhetoric and feigned concern’ by the business sector against much-needed reform and the workability of the NHI underlay a fear that if healthcare was placed in its rightful place (under the mantle of social good), their soaring profits would drop.

Nair described current laws (e.g. Regulation 8 of the PMBs), plus the eight-year-old Competition Commission ruling barring medical schemes from bargaining with service providers as ‘incongruous’ and ‘market favouring’. High demand side regulation and a ‘fairly open book’ on the supply side led to serious distortions in funding, cost and access and meant the government was effectively ‘promising people the world and not caring about who or how much is to be paid’. Quoting from Greg Ruiters’ 2011 book *Challenging Commercialised Health Care in South Africa*, Nair said the country was one of extreme inequality yet had one of the world’s most commercialised health systems.

Privatisation – ‘collective memory refreshing’ needed

Citing 2010 research, he said seven million of South Africa’s (then) 49 million people derived R74 billion of private health benefits compared with 42 million who were excluded and ‘made do’ with R71 billion spent in the public sector. Declaring a need for ‘collective memory refreshing’, Nair said privatisation of the health sector in the 1980s was driven by the state and corporate capital, particularly the Rembrandt Group and mining houses which were today defended by the new black elite such as former World Bank director and former University of Cape Town Vice Chancellor, Dr Mamphela Ramphele and other ‘big ANC political families with investments in private health’. He juxtaposed a 2008 *Sunday Times* report in which

MediClinic director Dr Ramphele warned against destroying the private healthcare sector (saying she wanted it to rather be ‘leveraged’), with the 4.1% shareholding in MediClinic by an investment holding company that Ramphele part-owned. He said a ‘fundamental betrayal’ was the ruling party’s neglect of its own policy mandate in order to appease a market-oriented agenda in favour of monetarist policies which included the enrichment of the new black elite, close to and part of the ANC hierarchy.

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‘Against a backdrop of what is regarded as one of the most successful and peaceful transitions to democracy in the 20th century it is inconceivable that life expectancy has dropped by some 13 years, infant mortality is embarrassingly high, joblessness has more than doubled from 23% to 48% (mostly among black people and between 1991 and 2002) while other African countries like Uganda and Lesotho are curbing HIV/AIDS incidence far quicker than us’, he said.

Compounding this were dramatic increases in non-healthcare costs despite clumsy attempts at regulation and control, soaring specialist and private hospital costs, an unsustainable fee-for-service model, no direct relationship between quality of care and cost increases, failed managed care interventions and public sector ‘dumping’. ‘There are just too many layers with profit motives’, Nair observed, adding that being forced to pay for healthcare on invoice was ‘legalised corruption’ and indicative of a morally bankrupt dispensation. Healthcare should be set aside from the market with immediate reform as interim relief ‘until the light of the NHI shines’.

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