

## Price of NHI goes up by R33bn

The National Health Insurance (NHI) rollout will require an extra R33bn annually from the 2025/26 financial year. This would be in addition to the previous estimations contained in the Green and White Papers of 2011 and 2017 respectively, of R74bn a year.



This was revealed in the National Treasury's adjusted estimates of the national expenditure document released at the tabling of the 2019 Medium Term Budget Policy Statement (MTBPS) by Finance Minister Tito Mboweni.

"Following the introduction of the National Health Insurance Bill in Parliament earlier this year, the Department of Health reprioritised funds within its 2019/20 budget to establish an NHI office. Over the medium term, this office will receive increasing allocations for its operational costs," it said.

Initially NHI costs were projected to increase public health spending from about 4% to 6% of gross domestic product (GDP) over 15 years. "However, given the macroeconomic and fiscal outlook, the estimates to roll out NHI that were published in the NHI Green Paper in 2011 and White Paper in 2017 are no longer affordable," the document says.

The National Treasury assisted the Department of Health with an actuarial model with updated fiscal costs and limited policy reforms to strengthen the current healthcare system.

Provinces will receive a direct grant to contract health professionals in pilot NHI districts. This is currently funded through

the NHI indirect grant. In addition, the National Treasury and the Department of Health will develop a strategy to reform health grants prior to implementing NHI.

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