

NHI IN SOUTH AFRICA - THE UHAC POSITION



SAGES has aligned itself with the UHAC process and position on the current state of the NHI policy in South Africa. The recent policy position from UHAC, to which SAGES is a signatory, is explained below in both their media release and careful analyses of the issues we have with the policy as well as proposals to course correct before healthcare is permanently destroyed by the present poorly formulated and destructive NHI Act.

UHAC proposal offers implementable solutions to reform SA healthcare

A pragmatic route to achieving universal access to equitable, quality and affordable healthcare in South Africa is gaining support amongst healthcare professionals, workers and patient advocacy organisations, as government sticks to its guns on continuing with the “unimplementable” and “unfixable” National Health Insurance (NHI) Act.

The Universal Healthcare Access Coalition (UHAC) says its proposed framework for healthcare reform is practical, evidence-based, capable of more immediate implementation and critically, is designed to work within the country’s fiscal constraints rather than raising the tax burden on citizens.

In response to President Cyril Ramaphosa’s State of the Nation address (Thurs, 6 Feb 2025) where he said government would proceed this year with “the preparatory work for the establishment of the NHI”, UHAC steering committee member Dr Aslam Dasoo said this signalled that the crumbling state of healthcare would continue “while government tries to figure out how to fund and implement an unworkable NHI”.

“Effectively, the SONA promised little more than policy stagnation and an untenable status quo. The UHAC has developed a concrete, workable reform pathway to address the very evident failures in the public and private healthcare systems and achieve a high-performing system of universal access and coverage in South Africa,” said Dr Dasoo, who is the convenor of the Progressive Health Forum (PHF).

The UHAC represents the majority of South Africa’s healthcare and related professionals and industry organisations, with more than 25 representative organisations as signatories to the proposed healthcare reform framework, and support growing. The group was formed following the President’s invitation in September 2024 for specific proposals of workable solutions to advance quality, affordable healthcare for all in South Africa.

The NHI Act is “deeply flawed”, said UHAC steering committee member Dr Mvuyisi Mzukwa, chair of the SA Medical Association (SAMA).

“The NHI does not materially depart from the weaknesses of the current system but instead centralises control without resolving fundamental problems.

“The Act as it stands is unworkable, lacking a clear implementation pathway and timeframes. Crucially, the NHI model of a single tax-financed fund to provide healthcare access and cover for the entire population is unfeasible and unattainable in the country’s current and foreseeable economic future.

“UHAC proposes a mixed funding model of medical scheme contributions and general taxes, with some re-alignment of existing taxes, which better aligns with the country’s fiscal constraints and will ensure long-term sustainability,” Dr Mzukwa said.

UHAC steering committee member Dr Simon Strachan, CEO of the SA Private Practitioners Forum (SAPPF), said the coalition’s proposal draws on research and the recommendations of various commissions and related enquiries over the last three decades, updated and designed to account for the absence of healthcare reform over the last 20 years.

“The public system is failing due to institutionalised corruption enabled by flawed governance structures. Needed reforms to the private system, most recently outlined by the Health Market Inquiry in 2019, have inexplicably been put on indefinite hold – an apparent consequence of the irrational and counterproductive perspective that medical schemes would no longer exist.

“There have been contradictory statements recently on whether or not changes will be made to the Act to continue allowing private medical schemes to operate fully, but this is in any case insufficient to ‘fix’ the NHI,” Dr Strachan said.

He said UHAC aimed to build broad consensus across the healthcare and related sectors, civil society advocacy organisations, academia and the public, on a viable means to achieve healthcare reform and the Constitutional right of access to healthcare.

While the NHI would overhaul the entire healthcare system and its funding, the coalition’s proposals aim to build on the strengths of the existing system, while resolving weaknesses, and would

deliver both immediate and incremental improvements over time.

“The UHAC proposed framework is adaptable and scalable, leading to sustainability and a path of progressive improvement over time, avoiding the systemic disruption of a complete one-time overhaul,” Dr Mzukwa said.

Dr Dasoo said the proposed strategic reform actions were within the capabilities of government to implement and not dependent on additional fiscal support.

“Implementing the proposed reforms could begin almost immediately and make a real and sustainable difference to improving access to healthcare,” he said.

He said UHAC was continuing to gather input and support for the proposal, “developed by highly capable minds drawn from across the diversity of health professionals and stakeholders”.

“As healthcare professionals, we serve and are accountable to the people, not the government.

We want to put healthcare back in the hands of the people. We are your healthcare workers with your best interests at heart in optimising healthcare for all,” Dr Dasoo said.

The UHAC proposed healthcare framework has several key distinctions from the NHI.

“This is not an ‘NHI alternative’ as such, as the NHI is focused on the funding of healthcare. Our proposals go broader than funding: into the governance, regulation and delivery of both public and private healthcare, and integrate the two systems rather than alienating private care as under the NHI,” Dr Strachan said.

The coalition believes that improving governance in the public system and better regulating the private system for cost efficiency and equity, will address the currently polarised system of “an underperforming public sector and an expensive private sector.”

Governance reform is a key element of the framework, which proposes retaining health as a provincial competency to keep management and decision-making closest to service delivery points.

“We propose addressing current governance failures by depoliticising healthcare management through independent supervisory boards to oversee operational decision-making for each public health facility. “This would improve accountability, reduce corruption, and enhance service delivery efficiency,” Dr Dasoo said.

Healthcare funding (taxes and medical scheme contributions) and risk management will be pooled at national level to ensure equitable distribution of resources, while it is proposed that purchasing of healthcare services be decentralised for more efficient, localised decision-making.

“The UHAC approach introduces multilateral tariff negotiations, independent regulation, and competitive alternatives to address

rising costs in the private sector, which are more targeted and nuanced than the NHI’s reliance on centralised purchasing,” Dr Strachan said.

The UHAC proposes mandatory medical scheme coverage for higher-income groups, in order to leverage the strengths of the private sector. Unlike the NHI which bars the private sector from covering services offered under the NHI, the coalition’s proposal would see medical schemes continuing to offer the full spectrum of cover and services, albeit more tightly regulated for competitiveness and efficiency.

A publicly-sponsored medical scheme, to which individuals can choose to contribute instead of a private scheme, is also proposed, to increase competitiveness and affordability in the sector.

The UHAC has secured the support of most of the major formations of health workers and professionals, along with patient advocacy organisations, and is continuing consultations across the spectrum of business, academia and civil society, as well as organs of state.

“The purpose is to achieve a broad, public consensus on the critical reforms needed to take healthcare from a state of endemic crisis to one of coherence, stability and progressive improvement,” Dr Mzukwa said.

“These proposals, from a broad-based and consensus-driven coalition of healthcare professionals, hospital and medical scheme representative bodies, worker formations and patient advocacy organisations, would enable government to implement practical solutions that are supported by the South African public to meet their needs for affordable, accessible healthcare,” Dr Dasoo said.

Interested parties can find more information on UHAC, the proposals and a sign-up form at <https://progressivehealthforum.net/uhac/>

About the Universal Healthcare Access Coalition (UHAC)

The Universal Healthcare Access Coalition (UHAC) is a collaboration of the majority of SA’s healthcare professional and business organisations and related institutions of patient advocacy, academia and society. Currently, 28 representative organisations have joined UHAC and are signatories to its proposal with more expressing interest to join.

The reform proposal was jointly developed by the South African Medical Association (SAMA), the Progressive Health Forum (PHF) and the SA Private Practitioners Forum (SAPPF), which then formed UHAC and gathered further input and signatories.

The coalition is committed to building a broad consensus by fostering open dialogue and inviting inputs to strengthen the proposals for healthcare reform in SA, pursuant to the constitutional entitlement to unimpeded access to healthcare for all who live in South Africa.

FACT SHEET

UNIVERSAL HEALTHCARE ACCESS COALITION (UHAC) – Proposed framework for healthcare reform in SA

About the Universal Healthcare Access Coalition

The Universal Healthcare Access Coalition (UHAC) represents the majority of SA's healthcare professional organisations, joined by hospital and medical scheme representative bodies, patient advocacy organisations and related academic and civil society bodies. Currently, 28 representative organisations are signatories to the UHAC proposal. (Full list of signatory organisations at the end of this document.)

The purpose of the coalition is to enable strategic conversations on health system reform in the public space in order to build broad consensus on achieving the Constitutional right to unimpeded access to healthcare for all who live in South Africa.

About the proposal

The UHAC believes that maintaining the status quo of a healthcare system in crisis is unacceptable. Waiting for the implementation of the NHI – which is fiscally and institutionally unimplementable in its present form – is equally unacceptable.

The proposal addresses the current crisis in accessibility, quality and affordability of healthcare with pragmatic and evidence-based solutions that are within the capability of government to implement without delay, i.e. without needing extensive legislative or taxation amendments, and within current budgetary constraints.

The UHAC proposals provide a balanced, feasible, and sustainable pathway to achieving universal health coverage in South Africa. They align equity and efficiency objectives, improve governance, and integrate public and private systems. While the NHI aims for universal healthcare, its design and implementation challenges make it less likely to succeed without significant revisions.

Comparison of the UHAC proposals with the current healthcare system

The current system is polarised, with an underperforming public sector and an expensive private sector. UHAC addresses these issues by improving governance in the public system and regulating the private system for cost efficiency and equity.

The NHI does not materially depart from the weaknesses of the current system but instead centralises control without resolving fundamental problems.

Central strengths of UHAC proposals

Governance Reforms:

- UHAC addresses governance failures by separating political influence from healthcare management through independent supervisory boards. This would improve accountability, reduce corruption, and enhance service delivery efficiency.

Equity and Pooling:

- By separating income and risk pooling at the national level and localising purchasing functions, the UHAC framework ensures equitable distribution of resources.
- Targeted subsidies for low-income groups prioritise those most in need while allowing higher-income groups to contribute through regulated contributory schemes.

Integration of Public and Private Systems:

- The UHAC framework leverages the private sector's capacity through mechanisms like risk equalisation, social reinsurance, and standardised benefits. This integration reduces the burden on public resources and improves overall system efficiency.

Scalable and Sustainable:

- UHAC builds on existing systems incrementally, avoiding the systemic disruptions that a complete overhaul (as proposed by the NHI) might cause.
- Its mixed funding model (general taxes and contributory systems) aligns with South Africa's fiscal constraints, ensuring long-term sustainability.

Cost Control:

- The UHAC approach introduces multilateral tariff negotiations, independent regulation, and competitive alternatives to address rising costs in the private sector. These measures are more nuanced and targeted than the NHI's reliance on centralised purchasing.

Summary of key features of the UHAC proposals vs the current system and NHI proposals

Aspect	Current South African Health System (status quo)	UHAC Proposals	NHI Proposals
Governance	Politically influenced, with resulting weak leadership structures.	Decentralised governance with independent supervisory boards for hospitals and district health authorities.	Centralised governance under the NHI Fund with political appointments into all key leadership positions.
Primary Care	Fragmented and inefficient, with long wait times and stockouts.	Autonomous district health authorities to ensure localised accountability and improve primary care services.	Remains fragmented, with reliance on a centralised structure with no localised accountability.

Aspect	Current South African Health System (status quo)	UHAC Proposals	NHI Proposals
Hospital Services	Overcrowded, poorly equipped, and plagued by poor leadership.	Autonomous hospitals with revenue retention and better governance frameworks that allow for public/private integration.	Centralised control without clear plans for addressing existing inefficiencies. Implies that centralised purchasing approaches will resolve governance failures.
Healthcare Workforce	Lack of strategic planning and execution, with training challenges.	Governance reforms for workforce planning, training, and financing.	Unclear focus on workforce development.
Critical Care Services	Inadequate framework for universal access to emergency and critical care services.	National framework for universal critical care access integrating the public and private systems of financing and provision.	No clear framework provided for critical care services.
Equity and Access	Polarised between public (free but underfunded) and private (costly).	Focus on equity through targeted subsidies and improved governance to prioritise low-income groups.	Aims for universal access but fails to provide a feasible pathway to achieve equity.
Funding Mechanism	Mix of general taxes and private medical schemes.	Tax-funded free services for the poor and contributory insurance for higher-income households.	Places the entire UHC burden on tax-finances by excluding the private contributory system.
Private Sector Role	Operates largely independently with no strategic integration into a system of UHC.	Strategic integration into UHC through regulation of the private sector achieved through strategic subsidies, mandatory minimum benefits, open enrolment, community rating, mandatory participation, risk equalisation and social reinsurance.	Marginalised under the centralised NHI structure.
Role of Provincial Government	Responsible for health services but hindered by corruption, inefficiency, and weak capacity.	Provinces retain authority but with improved governance frameworks and autonomy for facilities increasing responsiveness to local communities.	Provincial role diminished/eliminated, with most authority centralised under the NHI Fund.
Equity and Pooling	Constrained and inefficient income and risk pooling, with inequities between public and private systems.	Separates pooling (national) from purchasing (local), ensuring equity and efficiency through targeted income and risk-adjusted cross-subsidies.	Centralised pooling exclusively through the tax system under the NHI Fund but with limited mechanisms to address inequities effectively.
Essential Benefit Regimes	Public sector provides basic care, private schemes offer prescribed minimum benefits (PMBs) with no formal and independent process to determine either.	Unified essential benefit packages for public and private systems, aligned with financial sustainability determined through a well-governed independent inclusive process.	Unclear centralised and politicised benefit determination, risking misalignment with fiscal and operational realities, conflicted determinations and equity failures.
Free Services at Point of Service	Available in public sector but undermined by poor service quality and accessibility issues, with the private sector accessing PMBs.	Free services for income-compromised households with improved governance and service quality, with mandatory medical scheme benefits covered without co-payment.	Universal free services at the point of care, financed through general taxation and state-determined service provision.
Cost Control in the Private Sector	Minimal government oversight, leading to rising costs and inefficiencies.	Risk equalisation, social reinsurance, multilateral tariff negotiations, and standard benefit packages control costs and perverse incentives to over-service.	Focus on centralised purchasing without addressing systemic inefficiencies in cost structures or the feasibility of a universal scheme.
Implementation Feasibility	Incremental changes and limited strategic vision.	Scalable and pragmatic reforms aligned with fiscal constraints and the capabilities of the state and the health system.	Ambitious but lacks feasibility and alignment with the existing system or the capabilities of the state.
Accountability	Weak, with high corruption levels in public sector governance.	Independent supervisory structures to depoliticise healthcare management.	Weak, with centralised accountability (i.e. far from the served communities) under the NHI Fund with the existing politicised approach retained.

Signatories to the UHAC proposal

South African Medical Association Progressive Health Forum
South African Private Practitioners Forum Radiological Society
of South Africa Association of Palliative Care Centres
Association of Plastic Reconstructive and Aesthetic Surgeons of
South Africa Board of Healthcare Funders
Clinical Psychology Forum
Day Hospital Association of South Africa ENT Society of South
Africa
Faculty of Consulting Physicians of South Africa Iso Leso Optics
Izandla Consulting Physiotherapists National Pathology Group
Ophthalmological Society of South Africa Paediatrician
Management Group Psychiatry Management Group

Society of Radiographers of South Africa South African
Association of Audiologists South African Dental Association
South African Gastroenterology Society South African
Optometric Association South African Orthopaedic Association
South African Society of Anaesthesiologists
South African Society of Obstetricians and Gynaecologists
South African Urological Association
Surgicom
The South African-Speech-Language-Hearing Association

UHAC information website: <https://progressivehealthforum.net/uhac/>