

Business Day

Finance commission seeks clarity on NHI fiscal effects across government levels

by [Tamar Kahn](#), 06 April 2016, 18:07

THE Finance and Fiscal Commission (FFC) told Parliament on Wednesday that it expects to meet Health Minister Aaron Motsoaledi shortly to discuss the effect of the National Health Insurance (NHI) white paper on intergovernmental fiscal relations.

The FFC is a constitutional body charged with overseeing the financial arrangements between different spheres of government. In terms of the constitution, the responsibility for delivering health services is shared between the different spheres of government.

Provinces currently provide the majority of health services and consequently get the lion's share of the health budget. Any change to this — such as the white paper's proposal to devolve services to district level — would require a shift in funding. The white paper does not spell out how to tackle this complex matter.

"There are a number of issues that require further elaboration as to the practical mechanics of the implementation of NHI and its impact on SA's intergovernmental system," the FFC's chairman Bongani Khumalo said.

The FFC told MPs that it was concerned about the "endless changes" to the health grants overseen by the national Department of Health, as it created policy uncertainty regarding the roll-out of NHI.

The NHI grant is to be phased out, and incorporated into the National Health Grant instead. The NHI grant was repeatedly underspent due to the Department of Health's difficulties in recruiting private-sector doctors to work in state health facilities, said the FFC.

The department's latest annual performance plan indicated that it intended to recruit 300 GPs in the current financial year, but it did not indicate how it would resolve the problems that led to the delays in appointing practitioners or if the problems had been fixed, said FFC researcher Ghalieb Dawood.

Mr Dawood also questioned the department's annual performance plan's target to increase the number of provincial health departments that received clean audits, as the document provided no details of how the department intended to achieve this ambition, he said.

He said only two provinces — the North West and Western Cape — got a clean audit in 2012-13, and the department aimed to improve this number to seven by 2018-19.