

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 2937

DATE OF PUBLICATION: 22 OCTOBER 2010

Dr D T George (DA) to ask the Minister of Finance:

- (1) Whether any financial modelling has been undertaken by his department (a) in the (i) 2007-08, (ii) 2008-09 and (iii) 2009-10 financial years and (b) during the period 1 April 2010 up to the latest specified date for which information is available to calculate the cost of the (i) implementation and (ii) administration of the proposed National Health Insurance scheme (NHI); if not, why not; if so, what are the relevant details;
- (2) whether tax increases will be implemented to finance this scheme; if not, why not; if so, what are the relevant details?

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REPLY

- (1) As indicated in the 2010 *Medium Term Budget Policy Statement*, a joint ministerial committee, supported by research and advisory teams, is examining fiscal and financial aspects of national health insurance (NHI) proposals. It is recognized that the implementation of NHI will proceed in several phases over the years ahead, and the cost implications will depend on the details of these reforms. The Treasury's work on health financing in recent years has focused on public health service reforms, including the rollout of HIV and AIDS prevention and treatment programmes and improved remuneration of health sector personnel. A review of health financing issues was published by the National Treasury in the September 2009 *Provincial Budgets and Expenditure Review*. This work is currently being extended to include actuarial and financial modeling of the implications of alternative NHI administration and implementation arrangements, taking into account service delivery and health benefit options and health facility and medical personnel supply considerations.

- (2) No specific tax increases to finance national health insurance are proposed at this stage. Detailed examination needs to be undertaken of the cost implications and alternative financing arrangements for the phased implementation of NHI, before specific tax measures can be proposed.