



FROM THE DESK OF
CEO TEDDY MOSOMOTHANE

Dear Mr Mosomothane

Our last formal communication to you about the National Health Insurance (NHI) matter was on 13 June 2023. This followed the adoption of the NHI Bill (the Bill) by the National Assembly Portfolio Committee on Health (NAPCH), in May 2023. We reminded you of our position on this matter, and that we continue to engage with this through our industry association, the Health Funders Association (HFA), and Business Unity South Africa (BUSA). It serves us better to deal with this matter through these industry bodies as a collective.

Since our last communication, amongst other subsequent developments, the Bill was adopted by the National Assembly in June 2023, and then also adopted by the National Council of Provinces in December 2023. The Bill is currently with President Cyril Ramaphosa for signature, and if his remarks during his State of the Nation Address (SONA) on 8 February 2024 are anything to go by, he is likely to sign the Bill.

The primary purpose of this communication is to summarise where we are on this matter and give you a sense of what Bankmed has been doing, and perhaps also answer the question, what now?

We have continued to be engaged with the matter, mainly via the HFA, and the efforts have included (but not limited to) the following:

- In addition to the submission that the HFA made to the NAPCH on the NHI Bill, the HFA also responded to the call for submissions to the National Council of Provinces in September 2023;
- The HFA made representation to the Gauteng Legislature in October 2023;
- The HFA, in December 2023, submitted a petition to the President, appealing to him to withhold his assent of the NHI Bill in its current form, and refer the Bill back to the National Assembly for reconsideration;
- The HFA continues to make written and oral public comments on the Bill.

Beyond the above efforts, should the President proceed and sign the Bill, the next available avenue is to challenge the Bill on constitutional grounds, and Bankmed intends to participate in such efforts. **It is, however, absolutely critical to remember, as**

expressed very well by the HFA, “we are in support of Universal Health Coverage (UHC) and believe that collaboration with government could achieve this. We feel strongly that the NHI Bill in its current form undermines UHC and will be to the detriment of the population of South Africa.”

So, what now? We have diligently stayed close to this matter, and made sensible input to achieve the objectives of UHC. As stated above, challenging the Bill on constitutional grounds (only once the President has signed it into law) is one of the remaining avenues that Bankmed will participate in.

The NHI Bill currently states that, **when NHI is fully implemented**, medical schemes will not be able to provide cover for services that are paid for by NHI. This is part of the challenge that we have with the Bill because we strongly believe that Universal Health Coverage can best be achieved in collaboration with medical schemes. In any event, the reality is that, at this stage, nobody can say, with any reasonable degree of certainty, when NHI will be “fully implemented”. Even Dr Nicholas Crisp, Deputy Director-General in the health department responsible for NHI, is quoted saying “the NHI could take decades to be implemented at full scale”. Many stakeholders and experts also suggest that it can take up to 15 years to achieve, if not more. Purely from a legislative point of view, there are many pieces of legislation that will need to be amended to align with NHI objectives, and this will be an onerous process. We therefore believe that the signing of the Bill by the President will have no impact on medical schemes for many years, but we will certainly not be complacent in this regard.

We also noted with interest, from the National Budget speech on 21 February 2024, that, although not adjusted for inflation, medical tax credits remain in place.

Against the above background, we would encourage you not to panic about NHI, and rest assured that we are doing everything possible to influence the ultimate outcome. We reiterate our assurance that staying close to this matter is important to us, and that our efforts are strongly informed by your interests specifically, and the interests of South Africans in general.

Yours in good health

Bankmed



Bankmed Medical Scheme. Registration number: 1279.