

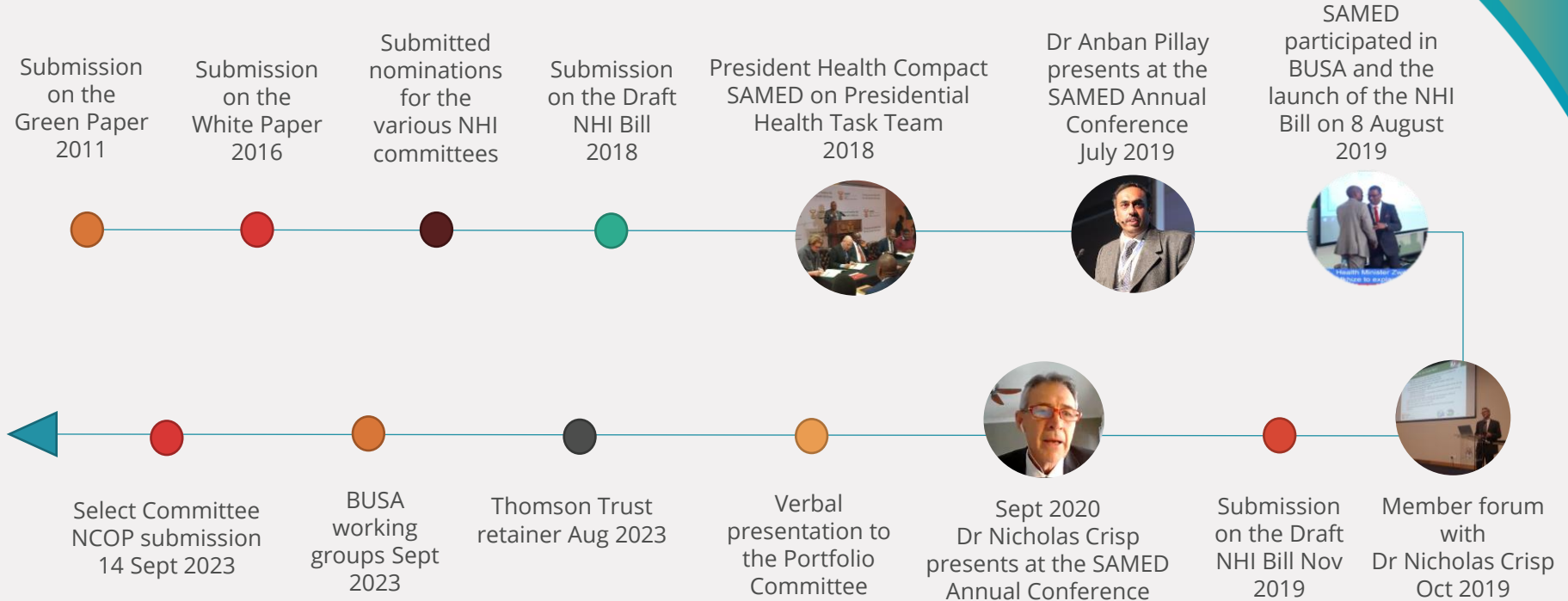


SAMED position

National Health Insurance Bill

27 September 2023

SAMED journey with NHI



Universal health coverage



SAMED supports the principles and objectives of NHI, recognising:

- Inequities of current healthcare system
- Well-formulated NHI is crucial to greater equity
- Both private and public healthcare face challenges
- Milestone approach is required
- Adequate implementation will affect patient care and outcomes

SAMED is a vital stakeholder and committed to public-private collaboration



SAMED recommendations on the Bill



Key focus areas of submission

- Legal framework
- Procurement
- HTA
- Financing mechanism



Legal framework

Mis-alignment challenge

- Absence of alignment of the NHI Bill with other legislation e.g *Procurement Bill*
- Outstanding details:
 - Finance model
 - Benefits package
 - Procurement process: how provinces and contracted service providers will procure
 - Transitional arrangements

SAMED recommendations

Portfolio Committee to undertake:

- A review of entire legal framework of proposed NHI system
- Amendment of 11 laws in the Bill Schedule
- Present draft regulation for comment
- Facilitate inter-ministerial collaboration, policy integration and alignment of legislation to provide certainty and for NHI to succeed

Procurement

Constitution—NHI Bill & Procurement Bill

Constitution: Procurement and Funding Considerations

Financial allocation from fiscus, must ensure that provinces and municipalities can provide basic services and perform their functions

Section 10 & 38 - NHI Bill	Procurement Bill
Clause 38(2) centralised facilitation and coordination of functions related to public procurement	Part 2 & 3: Provincial treasuries and procuring institutions can procure (de-centralised).
Chapter 3 NHI Fund	Section 69: Institutions have procurement budgets and procurement plans
Clause 10(1)(b): <i>actively purchase and procure health care services, medicines, health goods and health related products from health care service providers, health establishments and suppliers that are certified and accredited in accordance with the provisions of this Act, the National Health Act and the Public Finance Management Act;</i>	

Absence of clarification sets the basis for protracted litigation

Procurement pilot

Constitution—NHI Bill & Procurement Bill

SAMED recommends that the National Dept. of Health runs a pilot alongside National Treasury & other stakeholders to test the feasibility (legal & operational) of a central procurement office as proposed in the NHI Bill.

Adopt Open contracting data standard

[<https://www.open-contracting.org/data-standard/>]



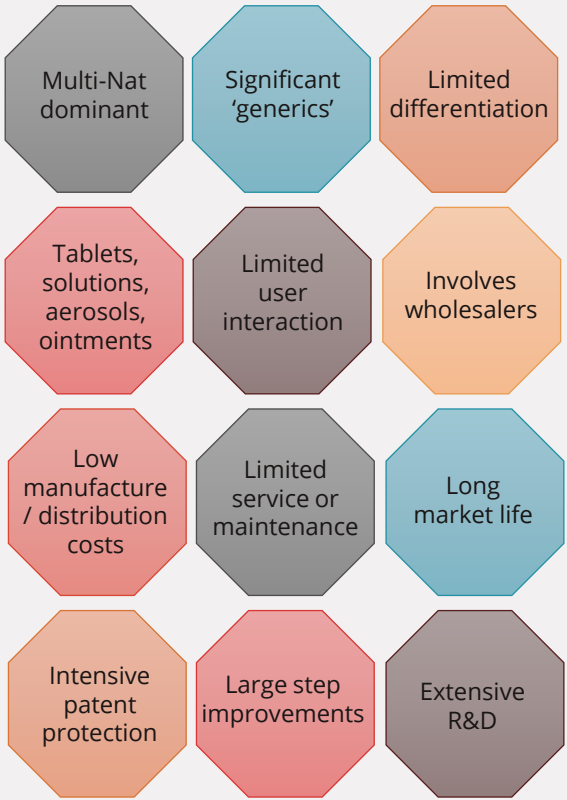
Medtech differentiation from medicines

impact on procurement processes and practices

Medical Technology



Pharmaceuticals



Medtech procurement considerations

Disadvantages of central procurement of Medtech

- Medtech items are not simple “commodities”
- Purchase involves, maintenance, servicing, spares
- Training and ongoing support to healthcare providers
- Cater for customised delivery –patients and specialist doctors
- Majority SMME medical technology suppliers, some lack national footprint
- Diversified supply : Multiple and non-exclusive contracts

Medtech procurement considerations cont.

Best practice in MedTech procurement centres on holistic definition of “value”.

This takes account of:

- Life-time benefit to patient (not merely short-term)
- Benefit to healthcare professional
- Broader efficiencies in health system (better diagnosis, shorter admissions, fewer complications etc)

Medtech procurement needs to accommodate rapid innovation cycles

- Innovation in MedTech is more rapid than in pharmaceuticals (e.g. ventilator options in COVID period) and often contributes to better health outcomes and efficiency
- Flexibility in procurement is necessary for health systems to benefit from innovation

Key considerations Office of Health Products Procurement



- Transparency and accountability for procurement are vital to checking corruption
- Specific knowledge of Medtech is required to procure effectively and employ best practice

Thus, SAMED recommends

- Clause 25(2) The membership of the Benefits Advisory Committee, appointed by the Minister, **must consist of persons with specialist knowledge of medical devices and IVDs in addition to the stipulated technical expertise**





Health Technology Assessment

section 10 & 38

SAMED acknowledges relevance of HTAs for MedTech

- HTA is a tool supporting decision making at different levels in the healthcare system
- SAMED acknowledges that HTAs are an essential component to evaluation and procurement under NHI

Recommendations

An HTA process for MedTech should:

- **Enable access/not restrict access**
- **Be appropriate based on the complexity of the product**
- **Be transparent**
- **Be an Independent agency**
- **Not be costly or lengthy**
- **Be a multi-stakeholder forum**
- **Aligned with other related legislation**
- **Have Gazetted Terms of Reference**
- **Be resourced sufficiently to prevent market delays**

Consider the proposals on HTA as found in the HMI Report

Financing the Bill through taxes

- South Africa has a small tax base which is already under significant strain due to the current challenging economic environment.
- Raising additional taxes, either via VAT, income tax or an employer tax may further stress the impoverished and negatively impact foreign direct investment.
- SAMED proposed other financing models be researched and considered together with the private sector, including alternative models than that of a sole funder and procurer.
- Many countries that have a NHI system in place have multi funder and procurer models in place that are successful.
- Without a money bill / funding legislation it is unclear as to whether the NHI fund will be sufficiently and sustainably funded.



Thank you
Questions?