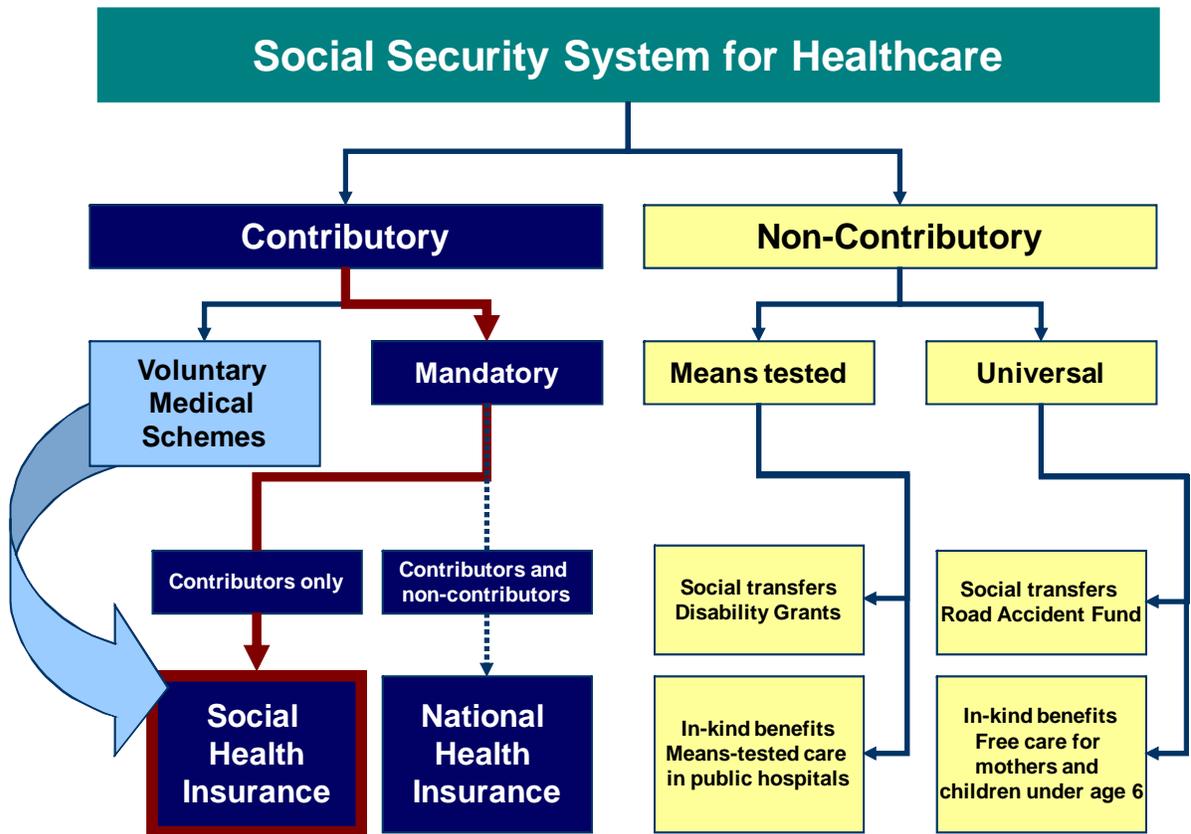


## ***National Health Insurance in South Africa***

### **1. Terminology: SHI or NHI?**

There is often confusion about the terminology: is it Social Health Insurance or National Health Insurance? The diagram below, adapted from the Taylor Committee process in 2002, illustrates where mandatory insurance fits in the scheme of social security for healthcare. The Taylor Committee argued that South Africa should move away from means-tested benefits to universal benefits wherever possible. Voluntary contributory healthcare and retirement should both become mandatory contributory systems. Taylor found that “of countries at comparable levels of development, South Africa is unusual in not mandating cover”.



Department of Social Development (2002). Transforming the Present - Protecting the Future. 2002. Pretoria: Report of the Committee of Inquiry into a Comprehensive System of Social Security for South Africa. URL: [http://www.dsd.gov.za/docs\\_guidelines/2002/2002.asp](http://www.dsd.gov.za/docs_guidelines/2002/2002.asp)

The usual distinction made between Social Health Insurance and National Health Insurance is as follows:

- **Social Health Insurance (SHI):** only those who contribute are entitled to benefits. Contributors may be all employed people, or defined groups in certain industries or all taxpayers.
- **National Health Insurance (NHI):** usually the same taxpayers would be the contributors but everyone would be entitled to benefits.

However this technical distinction is very blurred in practice. Some technically social systems are called "National Health" and vice versa:

- **Germany** has a system known by the abbreviation SHI which means Statutory Health Insurance and which covers the entire population.
- **Indonesia** is implementing a National Health Insurance scheme where only contributors are initially covered and gradual incorporation of other groups is envisaged.

The name adopted for mandatory insurance is a question of local preference and often reflects the values of the society.

In South Africa the proposals in the mid-1990s were called “National Health Insurance”. What was essentially the same system was called “Social Health Insurance” from about 2002 onwards. The terminology reverted to “National Health Insurance” in the ANC documents emerging in December 2007 from the Polokwane conference.

Prof Di McIntyre and Alex van den Heever argue that we should avoid NHI or SHI as politically-loaded terms and instead use the terminology “**mandatory health insurance**”. This recognises that there is in fact substantial common ground in the proposals.

McIntyre, D., & Van den Heever, A. (2007). Social or National Health Insurance. In S. Harrison, R. Bhana & A. Ntuli (Eds.), *South African Health Review 2007*. Durban: Health Systems Trust.

URL: [http://www.hst.org.za/uploads/files/chap5\\_07.pdf](http://www.hst.org.za/uploads/files/chap5_07.pdf)

URL for whole SAHR 2007: <http://www.hst.org.za/publications/711>

In slides presented to the Board of Healthcare Funders in November 2008, Prof Di McIntyre argues that National Health Insurance “Could be anything / take any form; (and) involves mandatory pre-payment. (The) key objective is to achieve universal coverage.”

Presentation: National health insurance in South Africa: Quo vadis medical schemes

URL: <http://www.bhfglobal.com/bhf-policy-conference-12-november-2008>