

**REPUBLIC OF SOUTH AFRICA  
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**GOVERNMENT NOTICE  
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**DEPARTMENT OF HEALTH  
DEPARTEMENT VAN GESONDHEID**

**No. 903**

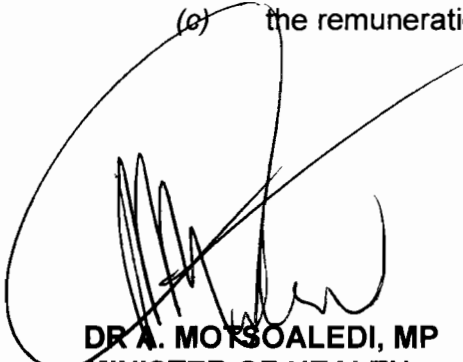
**11 September 2009**

**NATIONAL HEALTH ACT, 2003 (ACT NO. 61 OF 2003)**

**ESTABLISHMENT OF THE NATIONAL HEALTH INSURANCE ADVISORY  
COMMITTEE**

I, Aaron Pakishe Motsoaledi, Minister of Health, hereby, after consultation with the National Health Council, in terms of section 91(1) of National Health Act, 2003 (Act No. 61 of 2003) ("the Act), read with section 91(2) of the Act, establish the National Health Insurance Advisory Committee ("the Committee"). Attached to this notice, is the document containing the following:

- (a) terms of reference, of the Committee;
- (b) composition of the Committee; and
- (c) the remuneration of the Committee members.



**DR A. MOTSOALEDI, MP  
MINISTER OF HEALTH  
DATE: 8/9/2009**

**NATIONAL HEALTH INSURANCE ADVISORY COMMITTEE TO  
THE MINISTER OF HEALTH  
TERMS OF REFERENCE**

**1. Background Information**

- 1.1 The South African health care system is characterised as a fragmented and inequitable health care system due to the huge disparities that exist between the public and private health sectors with regards to the accessibility, funding and delivery of health services. Consequently, access to health care is unequal with the majority of the population relying on a public health care system that has a disproportionately lower amount of financial and human resources at its disposal relative to the private sector.
- 1.2 To address these imbalances in access and utilisation of health services as well as health outcomes amongst the different socio-economic groups, the health care system requires the creation of a National Health Insurance System that transforms the health system into an integrated, prepayment-based health financing system that effectively promotes the progressive realisation of the right to health care for all.
- 1.3 The introduction of a National Health Insurance (NHI) System is founded on three key principles: Firstly, that it is a Constitutional right that the public has access to affordable and acceptable quality health services; secondly, that it is the responsibility of the State to ensure the progressive realisation of the right to health for all South Africans that is premised on the objective of universal coverage; and thirdly, that it is important for health services to be funded in an equitable manner that promotes social solidarity.
- 1.4 It is important to note that it makes economic sense to invest in human resource development, reorganise the funding model for public purposes and ensure cost containment by reducing administrative and transaction costs in the health system, and most importantly achieve redistributive justice through the principle of social solidarity.

1.5 The Minister of Health has been given the policy mandate to pursue the development and implementation of a National Health Insurance System for South Africa.

## **2. Purpose**

2.1 The purpose of this initiative is to establish the National Health Insurance Committee ("the Committee") that will generally advise the Minister on the development of policy and legislation relating to the introduction of a National Health Insurance System. The Committee shall also specifically advise on:

- (a) the development of policy on the implementation of a National Health Insurance System after an extensive and transparent process of public consultation.
- (b) the drafting of legislation relating to the introduction of the National Health Insurance System.
- (c) the development of a detailed implementation plan for the introduction of a National Health Insurance System.

## **3. The Committee**

3.1 The mandate of the Committee is to advise the Minister on policy and legislation development and the implementation plan for the National Health Insurance system.

3.2 In advising the Minister, the Committee may also recommend the commissioning of research work on various aspects of the NHI.

3.3 The membership of the committee shall comprise the following:

- (a) At least one official from the Department of Health;
- (b) At least one representative from the Department of Finance;

- (c) At least one representative from the Government Communication and Information Services;
- (d) At least one representative from the Department of Labour;
- (e) At least one representative from the Department of Social Development;
- (f) At least one representative from South African Revenue Services;
- (g) At least one representative from South African Military Health Services;
- (h) At least one representative from the Council for Medical Schemes;
- (i) At least one person with expertise in health economics;
- (j) At least one person with expertise in actuarial sciences;
- (k) At least one person with expertise in public health and health systems research;
- (l) At least one person from the medical schemes industry;
- (m) At least one person from organised labour;
- (n) At least one person from the community;
- (o) At least one person from the nursing profession;
- (p) At least one person from emergency medical services profession;
- (q) At least one person with knowledge and understanding of the medical profession;
- (r) At least one person with knowledge and understanding of the healthcare products industry;
- (s) At least one person with knowledge and understanding of the private hospital industry;
- (t) At least one person with expertise in healthcare legislation;
- (u) At least one person with international expertise in health economics and health financing;
- (v) At least one person with international expertise in the administration of entities similar to the proposed NHI; and

- (w) Any other person or persons that the Minister may consider necessary in the development of the NHI.

3.4 A secretariat which will include Cluster Health Economics will be established within the Office of the Minister of Health. The Secretariat shall:

- (a) Provide support to the work of the Committee;
- (b) Use resources within the National Department of Health to support the work of the Committee; and
- (c) Assemble technical working groups on various aspects of the NHI policy development and implementation as directed by the Committee.

3.5 Work procedure

- (a) The chairperson of the Committee shall be appointed by the Minister and the chairperson shall convene the meetings of the Committee.
- (b) The Committee will meet at least fortnightly or more frequently if the need demands.
- (c) The Committee must invite interested parties to make submissions on various aspects of NHI policy. The committee must take account of all representations made to the committee.
- (d) The Committee may consult with any authority, entity or person necessary to assist the Committee with its mandate.
- (e) The Committee shall convene subcommittees on various aspects of NHI
- (f) The committee shall decide on the manner in which it shall conduct its business. All committee members must complete a financial declaration form as prescribed by the public service. All committee members must declare any potential conflicts of interest (as outlined by the Public Service Commission) to the chairperson.
- (g) The Minister must inform the National Department of Health (in writing) of the creation of the Committee.

*(h)* Consultative Forums:

The Committee shall arrange a series of consultative forums to workshop the proposed NHI policy.

**4. Expected Outcome and Deliverables**

- 4.1 Progress report on a regular basis to the Minister.
- 4.2 Finalisation of public consultation process on the draft NHI Policy within 3 months of publication.
- 4.3 Draft proposals on NHI legislation to be submitted to the Minister within 3 months of the Cabinet approval of the NHI Policy.
- 4.4 Finalisation of the NHI system implementation plan proposal, including transitional arrangements, by June 2010.
- 4.5 Provide regular reports to the Minister on the progress of the implementation of NHI over the five year period.

**5 Remuneration of members of the Committee**

Members of the Committee shall be remunerated in accordance with Treasury Regulations.



**DR A MOTSOALEDI**  
**MINISTER OF HEALTH**

**DATE: 8/9/2009**

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