

Medical scheme members likely to lose their tax credits under NHI

By [Tamar Kahn](#)

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Medical scheme members are likely to lose their tax credits to help pay for the first set of benefits to be rolled out under National Health Insurance (NHI), Health Minister Aaron Motsolaedi said.



[123rf.com](#)

Briefing reporters on the government's latest policy position on NHI, which will be published as a revised White Paper in the government gazette, Motsolaedi said the first package of benefits would target women, children and the elderly: "The central philosophy is that we are going to start pooling funds for people who are not on medical aid, starting from the bottom."

The government provided R20bn in tax credits to members of medical schemes in 2015, many of who were among the nation's most wealthy citizens and least in need of government support, he said. Only 8.8-million people currently belong to medical schemes, out of a population of about 55.5-million, he said.

Former finance minister Pravin Gordhan announced in his February budget that an NHI Fund was to be established, which would progressively expand the services it provided. At the time, he indicated that Treasury was looking at various financing options for the fund, including possible adjustments to the tax credits on medical scheme contributions, with more details expected in the October adjustment budget, and during the course of the legislative process for NHI.

Motsoaledi said the priority programmes that would initially be covered by the NHI Fund include healthcare at schools, childhood cancer, women's health (including pregnancy, cervical cancer and breast cancer), mental health services, disability and rehabilitation services, and hip, knee and cataract surgery for the elderly.

The total cost of implementing these priority programmes will come to R69bn over four years, he said, less than the total cost of the tax credits provided to medical scheme members over the same period.

Source: *BDpro*

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