

NHI proposals still not ready

The Treasury's delayed discussion document on financing options for National Health Insurance (NHI) will probably not be released with the 2013 Budget, it emerged in parliament last week.

By [Tamar Kahn](#) 25 Feb 2013

The proposals are of keen interest to taxpayers and health economists alike, as employees may find themselves handing a greater proportion of their earnings over to the government to finance the scheme.

Treasury's chief director for health and social development Mark Blecher told delegates to a conference at Wits last month that the NHI proposals in the government's Green Paper would require an extra R80bn to be raised over and above the health budget. Payroll taxes, increased VAT or a surcharge on taxable income were possible mechanisms to raise the needed revenue.

During last year's budget, Finance Minister Pravin Gordhan said a discussion document on financing the NHI would be released by April last year but officials were given more time to broaden the scope of their analysis.

Then during the October adjustment budget Treasury's head of public finance Andrew Donaldson said it would be released by February this year.

Today (25 February) Dr Blecher told parliament's standing committee on appropriations that a 100-page document had been prepared, and discussed by the Ministers of Finance and Health. It was now being discussed by their directors-general, and would likely be released "around the same time" as the White Paper on NHI, which follows on from the Green Paper on NHI released in August 2011.

The health department's deputy director general for regulation and compliance Anban Pillay said Health Minister Aaron Motsoaledi was still consulting stakeholders on the NHI White Paper. This implies it will still be some time yet before South Africans have the details of how the government believes the financing mechanisms could be fashioned.