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Complaint against National Health Insurance scheme for investigation by the Public Service Commission

Dear Commissioners,

1. I hereby lodge a complaint against the National Health Insurance (NHI) scheme for urgent investigation by the Public Service Commission (PSC).
2. The complaint is lodged in terms of the Commission's constitutional mandate, as outlined in section 196 (4)(a-c), "to investigate, monitor and evaluate the organisation and administration, and the personnel practices, of the public service," to "propose measures to ensure effective and efficient performance within the public service," as well as "to promote the values and principles set out in section 195, throughout the public service." The applicable values and principles outlined in section 195 include:
 - Section 195 (1)(b): that the "efficient, economic and effective use of resources must be promoted;"
 - Section 195 (1)(h): that "good human-resource management and career-development practices, to maximise human potential, must be cultivated;" and
 - Section 195 (2): that these principles "apply to every sphere of government, organs of state, and public enterprises."

3. The NHI scheme, which came into effect upon the President assenting to the Act on Wednesday, 15 May 2024, violates the constitutional principles governing public administration. It results in the inefficient, uneconomic and ineffective use of resources. It undermines good human-resource management and career-development practices. As a result, the NHI poses an existential threat to the health and wellbeing of public servants, the capacity of the public service to deliver on its mandate, as well as to labour relations within the sector.
4. It is for the Commission to undertake a full-scale investigation of the threat posed by the NHI to public administration in the Republic. I do however wish to specifically highlight how section 33 of the NHI Act, which provides for the abolition of private medical scheme cover, has already damaged public administration and labour relations within the sector.
5. Section 33 applies to all medical aid schemes, including the Government Employees Medical Scheme (GEMS). GEMS is the single largest medical aid scheme in South Africa, with over 2.8 million principal members and beneficiaries. As a result of the NHI, these 2.8 million public servants and their families – like all South Africans with medical aid – will lose the cover they diligently paid for over the years. The monthly contributions that millions of public servants have made to GEMS over three decades of democracy, will effectively be expropriated without compensation by the NHI in one fell swoop.
6. Tellingly, the administrators of GEMS are themselves deeply concerned about the impact of NHI upon its members, to the extent that they felt compelled to release urgent communication to its members on 17 May 2024. The first sentence of the communique, which is attached to this complaint and written in bold lettering, pleads with public servants: **“Please do not cancel your medical aid.”**
7. The irresponsible manner in which the President of the Republic chose to sign the ill-advised NHI Act into law has led to such profound concern among public servants, and the general public, that GEMS had to resort to bold-lettered warnings seeking to calm its members. It is easy to foresee how this reckless act by the President has sown the seeds of labour unrest and a complete breakdown in “good human-resource management and career-development practices” in the

- public sector. Like millions of South Africans who see the NHI for what it is – a cheap political ploy that will do nothing to address the dire state of public healthcare in all provinces except the Western Cape, while creating a centralised R200 billion fund vulnerable to corruption under the direct control of the Minister of Health – public servants will not accept the NHI’s infringement upon their constitutional rights.
8. Like all South Africans who pay tax, whether through Value-Added Tax, income tax, corporate tax, levies or another revenue streams, public servants already contribute monthly to the fiscus in order to fund public healthcare services. By paying their taxes every month, they do their patriotic duty to provide funding for healthcare. It is an unpatriotic government, through its corruption and mismanagement, that has failed to use the taxes paid by hardworking South Africans to deliver a functioning public health sector. Punishing the people of South Africa, including public servants, through unbearable further tax increases to fund NHI will only create more opportunities for corruption while failing to deliver quality universal healthcare to all South Africans, especially the poorest and most vulnerable in our society.
 9. The foreseeable breakdown in labour relations, and possible labour unrest, that will follow the President’s signing of the NHI into law will cripple the ability of the public sector to deliver critical services to the people of South Africa. Under the weight of decades of cadre deployment, mismanagement and corruption, service delivery is already teetering on the brink of collapse. The breakdown in relations between workers and the employer precipitated by the expropriation without compensation of public servants’ GEMS contributions, coupled with unbearable tax increases, will push the situation beyond breaking point.
 10. As the custodian of the public service, it is therefore incumbent upon the Commission to take urgent steps to avert possible labour unrest and the outright collapse of the public sector. The Commission must, as a matter of priority, investigate the devastating effect that the NHI will have on public servants and the functioning of the public sector.

11. In terms of the Commission's constitutional mandate, I therefore request that the Commission:

- Investigate the impact that NHI will have on the organisation and administration, and the personnel practices, of the public service;
- Propose measures, including the possible repeal or revision of the NHI Act, to ensure effective and efficient performance within the public service; and
- Direct the government to take appropriate steps, including the possible repeal or revision of the NHI Act, to promote the values and principles set out in section 195 of the Constitution to promote the efficient, economic and effective use of resources and to cultivate good human-resource management and career-development practices that maximise human potential.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'LS', written over a horizontal line.

Dr Leon Schreiber MP

18 May 2024