August 2011, Government published its Green Paper on National Health Insurance. The paper started a round of detailed consultations and discussions across the country with a variety of groups including academia, the private sector, civil society, national and international health experts. This included 150 written submissions and 166 consultative meetings with over 90 000 attendees.

Progress with Phase I activities

The key milestones in the first phase are summarised below and are followed by a summary of progress of the key activities as outlined in the 2011 Green Paper:

**INHS White Paper and Legislative Process**

The INHS White Paper was prepared by the Department of Health for public consultation and draft legislation. The Departments of Health and Treasury have been in close consultation on the final policy, including how to take forward the next phase to prepare for NHM implementation.

**Management Reforms and Designation of Hospitals**

Regulations on designations of hospitals and their management were published in 2012. This was important for clarifying what size and type of hospital are required across the country, and what priority of manager is required in order to manage the current level of hospital care in the public health sector. From February 2013, the Department of Health has been managing the process of recruiting and training the Chief Executive Officers (CEO). Since 2013 a total of 367 hospital CEOs have been appointed, including nursing directors to lead the Provincial Nursing Directorates.

**Hospital Reimbursement Reform**

Regulations have been published on Hospital Revenue Retention, and efforts made to improve the ability of public sector hospitals to receive payments from patients with medical scheme cover. As a result of these efforts, hospitals for the last three financial years have retained R1.6 billion of which R1.3 billion was in the NHM pilot. This is now being taken forward through a process called “Diagnosis-related Groups” (DRGs) and related Coding Systems. DRGs is an internationally-recognised system for classifying hospital cases into one of a set of diagnostic groups for reimbursement purposes and ensures cost containment initiatives. It will also be used to improve the quality of care, provide statistics for national monitoring, and provide a management tool for resource allocation and monitoring quality of services, outcomes and value for money. As part of the implementation process, more than 25 000 patient files from eight central hospitals have been analysed to review current weaknesses in case classification and to map out how to proceed with DRG introduction. The Department is also currently undertaking Phase Two of the implementation of the International Classification of Diseases version 10 (ICD10) Coding system, in line with best practice as recommended by WHO.

**Establishment of the Office of Health Standards Compliance (OHSC)**

The OHSC was established as an independent statutory body in 2013. The Board of the OHSC is appointed by the Minister of Health and consists of representatives of users of health services by (i) monitoring and overseeing compliance by health establishments with norms and standards set by the Department of Health; and (ii) responding to complaints relating to non-compliance. The OHSC will cover both public and private health care establishments including hospitals and primary healthcare clinics and extends to emergency medical services, hospices, private medical practices and institutions offering frail care. More than forty inspectors have been trained and appointed. 1 229 public sector facilities have been inspected by the OHSC since 2013.

**Public Health Facility staff, Quality Improvement and Criterionisation**

The Department undertook facility audits of 3 800 public sector facilities and these were completed in 2012 with the results available on the Department of Health website. This helped prioritise efforts and led to Facility Improvement Teams being deployed in all nine provinces with an emphasis on the pilot districts. This coincided with the completion of the national core standards for health facilities. To provide a systematic response to achieving the standards and responding to the results of the OHSC inspections, the Department of Health started work on an Ideal Clinic for delivering Primary Health Care services. The purpose of this was to ensure that every support of strengthening a PHC service was covered including maintaining standards once it had achieved accreditation by the OHSC. Prioritise actions under the initiative focus on infrastructure maintenance, decreasing of waiting times, appointment of clinic committees, and training of PHC facility managers. The initiative has also tested online an monitoring and evaluation system. This is being rolled out to 52 districts.

**Appointment of District Clinical Specialist Support Teams**

Following the recommendations of a Ministerial Task Team on Mismanagement and Child Mortality, District Clinical Specialist Teams (DCSTs) were established from the end of 2011. Their tasks are to improve referral and treatment of children with a nurse-doctor dual role in three key disciplines: Family Medicine (Family Physician and PHC Nurse), Obstetrics and Gynaecology (Obstetrician and/or Gynaecologist and Advanced Midwife) and Paediatrics (Paediatrician and/or Paediatric Nurse), and Anaesthesiology. Their role is to principally support district facilities and health staff to improve the quality of maternal and child health services. However, their activities have expanded to cover a range of other services, to a total of 214 district clinical specialists have been appointed throughout the country, which is 65% of the specialists needed. The teams are now present in 45 of 52 districts in the country.

**INHS Hospital Infrastructure and Equipment**

This was important for clarifying what size and type of hospitals are required across the country, and what priority of manager is required in order to manage the current level of hospital care in the public health sector. From February 2013, the Department of Health has been managing the process of recruiting and training the Chief Executive Officers (CEO). Since 2013 a total of 367 hospital CEOs have been appointed, including nursing directors to lead the Provincial Nursing Directorates.

**INHS Public Hospital Infrastructure and Equipment**

The Health Infrastructure Grant and the Nursing Infrastructure Grant were established in November 2011. These aim to refurbish 122 nursing colleges as well as other public facilities, such as adding 102 GP consulting rooms and refurbishing PHC clinics to attract General Practitioners (GPs) to the public sector. In addition FET colleges have been contracted to repair and maintain Clinics in various NHM Pilot Districts. A total of 6 flagging programmes are underway focusing on:

- King Edward VIII Academic (KZNS)
- Dr George Mukhari Academic (Easteng)
- Nelson Mandela Academic (EM Cape)
- Chris Hani Baragwanath Academic (Easteng)
- Polokwane Academic (Limpopo)
- Nelspruit Tertiary (Maruleng)

**INHS Human Resource for Health (HRH)**

The Health Infrastructure Grant and the Nursing Infrastructure Grant were established in November 2011. These aim to refurbish 122 nursing colleges as well as other public facilities, such as adding 102 GP consulting rooms and refurbishing PHC clinics to attract General Practitioners (GPs) to the public sector. In addition FET colleges have been contracted to repair and maintain Clinics in various NHM Pilot Districts. A total of 6 flagging programmes are underway focusing on:

- King Edward VIII Academic (KZNS)
- Dr George Mukhari Academic (Easteng)
- Nelson Mandela Academic (EM Cape)
- Chris Hani Baragwanath Academic (Easteng)
- Polokwane Academic (Limpopo)
- Nelspruit Tertiary (Maruleng)

**INHS Information Management and Systems Support**

The National Health Information Repository and Data-Warehouse (NHIRD) is one of the key components of the National Health Information System, with a data warehouse and repository that allows for the display of data and information in the form of reports and dashboards, in order to monitor the current status of the NHM population’s health - including social determinants of health - as well as the status of health services and health-related initiatives.

**A long and healthy life for all South Africans**