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According to Margaret Hulme, Head: Healthcare Consulting for OMAC Actuaries & Consultants, the healthcare focus in the budget has been on laying the foundations for the introduction of National Health Insurance (NHI). The budget includes several further steps in implementing the Minister of Health's ten-point plan for the reform of health services.

"The budget provides for the introduction of a new community-based family health-care programme. This is in line with the primary care focus of the NHI. It also alludes to the improvement of public facilities (e.g. hospitals, medical equipment, etc.), starting the process of dealing with the quality issue of public healthcare," she says.

Hulme also notes that the budget will allow for the introduction of a new Office of Standards Compliance to inspect and certify hospitals.

Furthermore, Hulme says the shortage of doctors and nurses is being addressed by an allowance for higher personnel costs, as well as an allowance to expand the capacity to train doctors and nurses.

"However, the challenge to keep doctors and nurses in the country once trained still needs to be addressed," she says.

The budget also allows for improvements in district-based maternal and child health services, in an attempt to improve the quality indicators (maternal and child mortality) of the SA health system.

"On the revenue side, not much changed, with an inflationary increase to the monthly threshold for tax-deductible contributions to medical schemes. This will, however, change with effect from March 2012 to a tax credit system, which is more equitable as it provides an equal benefit to all taxpayers, regardless of income. Currently, only the taxpayers in the higher tax brackets receive any real benefit," she says.

However, Hulme notes that, in terms of funding the substantial cost implications of the NHI, nothing has been decided yet. Options to fund the NHI (including a payroll tax, increase in VAT and a surcharge on individual's taxable income) will be considered and consulted on during the year ahead.