



# Contracting Units for Primary Health Care (CUPs)

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**IDEAL CLINIC REALISATION AND MAINTENANCE (ICRM)  
FRAMEWORKS PROGRAMME WORKSHOP**

**SOUTHERN SUN HOTEL, ARCADIA PRETORIA**

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# Outline



1. What the NHI Bill says...
2. Structures envisioned in the Bill
3. What is a CUP?
  - “Proof of Concept” sites
4. How these contribute to strategic purchasing
5. Conclude

# What the NHI Bill (Bill B) provides for...



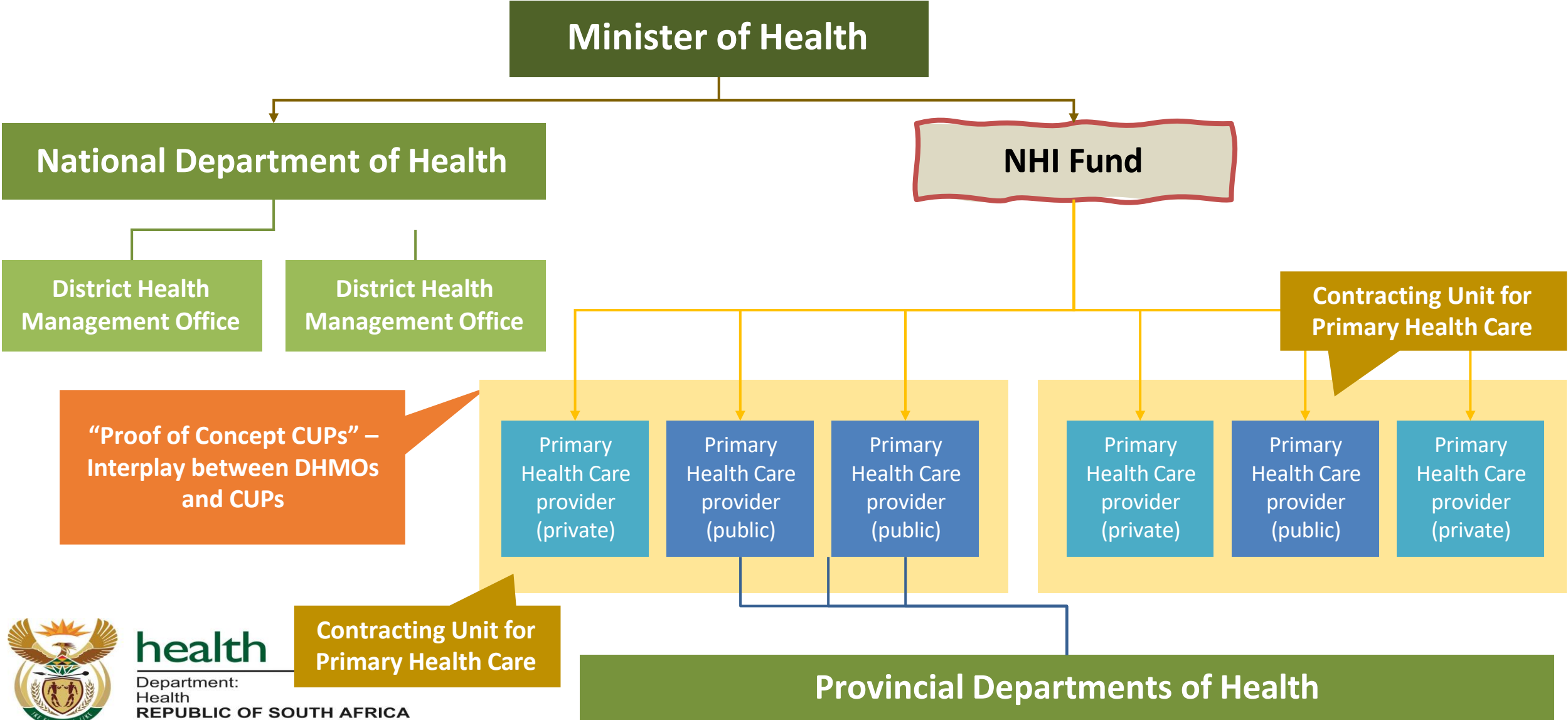
## DHMOs (Sec. 36)

A District Health Management Office established as a national government component in terms of Section 31A of the National Health Act **must manage, facilitate, support and coordinate the provision of primary health care services for personal health care services and non-personal health services at district level** in compliance with national policy guidelines and relevant law.

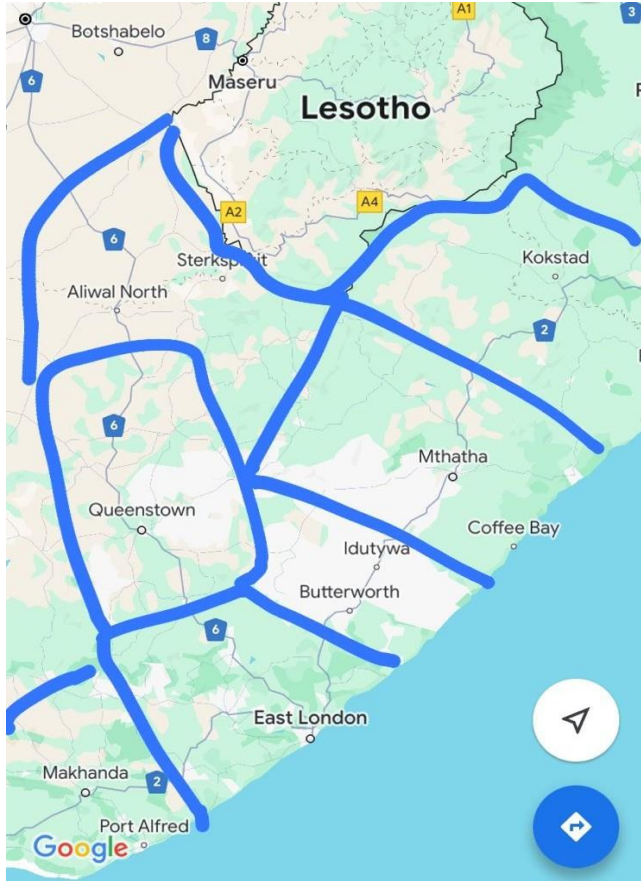
## Contracting Unit for Primary Health Care (Section 37)

- (2) A Contracting Unit for Primary Health Care must be comprised of a district hospital, clinics or community health centres and ward-based outreach teams and private providers organised in horizontal networks within a specified geographical sub-district area, and must, amongst others, assist the Fund to—
- a) **identify health care service needs** in terms of the demographic and epidemiological profile of a particular sub-district;
  - b) **identify accredited public and private health care service providers** at primary care facilities;
  - c) **manage contracts entered into with accredited health care service providers, health establishments and suppliers in the relevant sub-district** in the prescribed manner and subject to the prescribed conditions;
  - d) **monitor the disbursement of funds** to health care service providers, health establishments and suppliers within the sub-district;
  - e) access information on the disease profile in a particular sub-district that would inform the design of the health care service benefits for that sub-district;
  - f) improve access to health care services in a particular sub-district at appropriate levels of care at health care facilities and in the community;
  - g) **ensure that the user referral system is functional**, including the transportation of users between the different levels of care and between accredited public and private health care service providers and health establishments, if necessary;
  - h) **facilitate the integration of public and private health care services** within the sub-district; and
  - i) resolve complaints from users in the sub-district in relation to the delivery of health care services.

# Structures envisaged in the NHI Bill



# A CUP is principally a demarcated geographical area



- CUP is at the subdistrict level of PHC services for local population
- Proactive engagement with DHMOs regarding sufficient/appropriate services within the designated geographical area, and whether services are fairly distributed between different geographical areas.
- With NHI, budgets for PHC will be determined at the CUP level.
- However, this budgeting process will be administrative; **all funding will remain at the national level and be paid directly to accredited and contracted health care providers by the NHI Fund.**

## What a CUP IS NOT...

- A CUP is NOT the providers operating in the CUP area.
- A CUP is also NOT an institution with staff or physical premises. However, the NHI Fund may or may not choose to locate staff or suboffices of the Fund at the District or CUP level to facilitate the performance of the Fund's purchasing functions.
- A CUP is NOT a fundholder



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# “Proof of concept” CUP sites



Province	District	CUP site	Facilities
Gauteng	Johannesburg MM	Johannesburg D (Soweto)	
KwaZulu Natal	uMzinyathi	Nquthu	
Limpopo	Waterberg	Thabazimbi	
North West	Ngaka Modiri Molema	Mahikeng	
Mpumalanga	Nkangala	Steve Chwete	
Free State	Thabo Mofutsanyana	Dihlabeng	
Western Cape	Garden Route and Central Karoo Districts	Knysna & Bitou	
Eastern Cape	OR Tambo DM	Ingquza Hill LM	
Northern Cape	Francis Baard	Phokwane	



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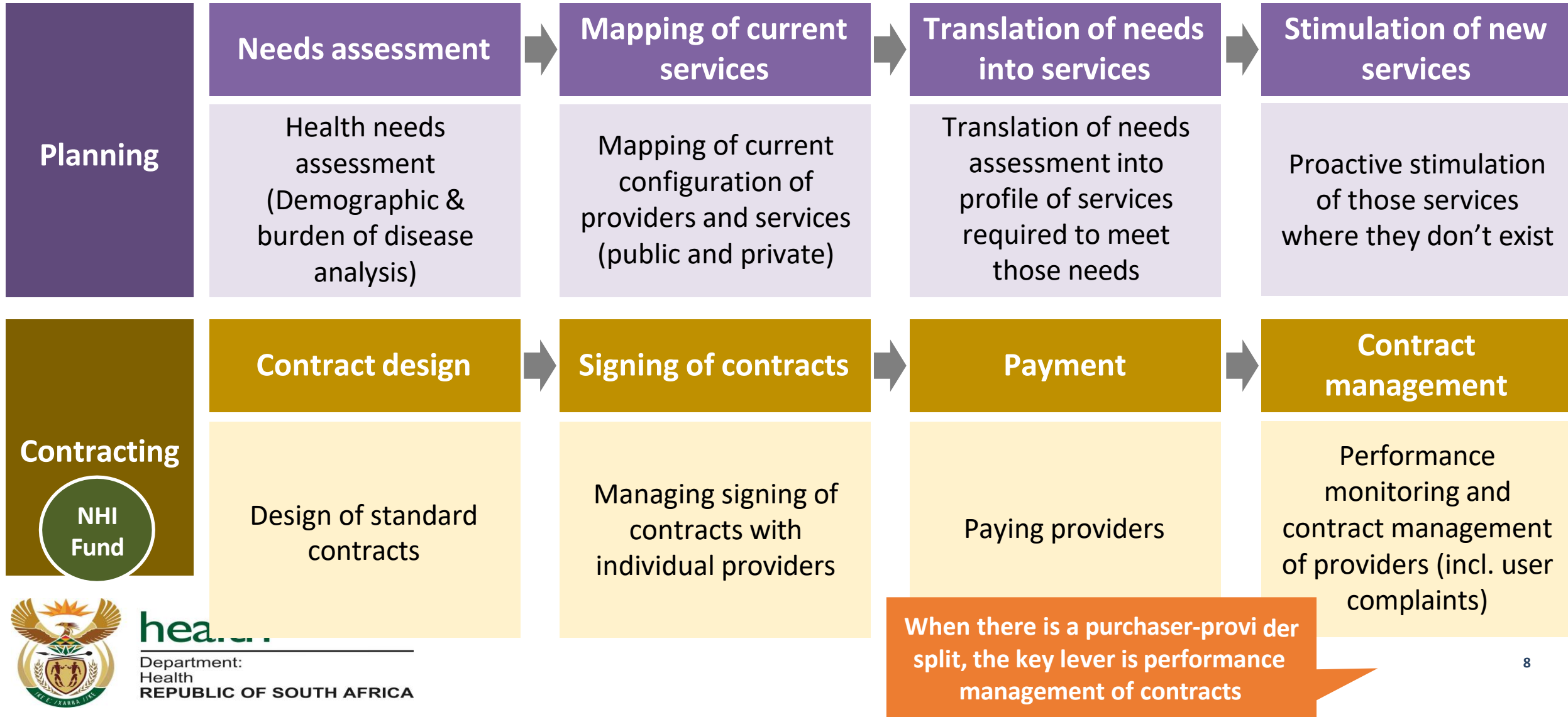
**“strategic purchasing”** means the active purchasing of health care services by the 35  
pooling of funds and the purchasing of comprehensive health care services from  
accredited and contracted providers on behalf of the population;



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# Implications for Strategic Purchasing





# What is a District Health Management Office?



## What a DHMO IS...

- A DHMO will be a substructure of the National Department of Health and will perform planning and coordinating functions at the District and Subdistrict level.
- A DHMO will be an institution with staff and physical premises.

## What a DHMO is NOT...

- A DHMO is neither a provider nor a purchaser of health care; it neither receives payments from the NHI Fund, nor reimburses health care providers for the services they perform.

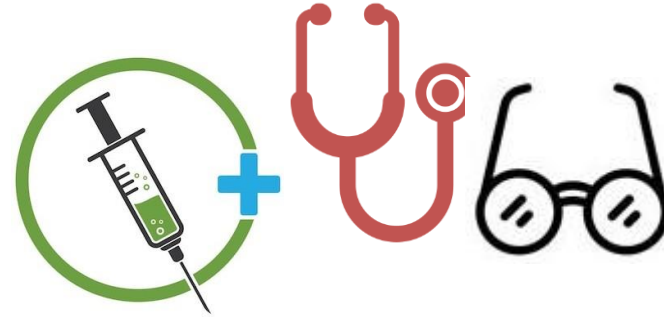
# Big picture – Purchaser/Provider split



## **Purchaser** of health care

NHI Fund Office

- Public Entity
- Administrative purchasing units (Medical Schemes – Clause 33)
- Medical Schemes – Clause 33)



## **Providers** of health care

PHC & Hospitals (public & private)

Accreditation

Contracting

ARMs, P4P



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**NGIYATHOKOZA!**      ro livhuwa!  
dankie!      ke a leboga!      **ENKOSI!**  
   thank you!      **udo livhuwa!**  
**inkomu!**  
   ke a leboha!      **ngiyabonga!**  
**siyabonqa!**



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