HPCSA decides to retain 'upper ethical tariffs'

In the absence of a National Health Reference Price List (NHRPL) for 2007, the Health Professions Council of SA (HPCSA) announced in a year-end media statement that the upper ethical tariffs should remain as they are for 2007.

The upper ethical tariffs, the Council explained, are the ceiling at which rates can be charged, based on valid reasons such as experience, skill, competencies, level of service, and qualifications.

It further explained that these tariffs are the threshold for evaluating whether patients are being overcharged or not: This is not the rate at which practitioners should pitch their fees, but rather a ceiling to guide both practitioners and patients as an upper ethical tariff."

The Council went on to stress that should a practitioner decide to charge the upper level rate, the consent would have to be obtained from the patient before delivering the service.

Failure to do so, it warned, would be deemed as overcharging the patient.

Legality of CMS Circular 56 questioned

The South African Medical Association (SAMA) has questioned the legality of the Council for Medical Schemes' (CMS) Circular No. 56 of 2006, claiming that the CMS is not duly authorised to publish a "common baseline of inflation-adjusted values" on a defunct 2006 National Health Reference Price List (NHRPL).

In a pre-Xmas media statement, it was noted that the legal status of the 2006 NHRPL had been confirmed through legal opinion obtained by SAMA and conveyed to both the CMS and the Department of Health (DOH).

"The CMS circular," the statement continues, "is of concern, especially in light of the DOH's request for comment on draft regulations to guide the future development of reference price lists. In this regard, the Medical Schemes Act is also void in terms of tariff determination for benefits.

"SAMA asserts that the 4.9% inflator by the CMS does not represent a realistic adjustment as manifested in the practice costs studies provided by doctors, at the request of the CMS through Circular 69 of 2005."

Adding his comments, Dr Kgosi Letlape, SAMA chairperson, said that these studies have proven that the NHRPL prices fall far below even cost recovery on certain codes: "If the CMS recommends an inflator of 4.9%, they should also indicate what is their recommendation on the shortfall/delta as per the actual expenses presented in the practice costs studies."

Schemes council recommends NHRPL 2006 + 4,9%

As an interim measure in the absence of a reference price list for 2007, the Council for Medical Schemes noted in a year-end notice, Circular 56 of 2006, that it would retain the existing 2006 NHRPL "as published at constant values year-on-year (by applying a 4,9% inflator to 2006 prices".

In the notice CMS registrar, Patrick Masobe, informed schemes that the Department of Health had published draft regulations for the development of the National Health Reference Price List (NHRPL) in the December 1 Government Gazette for a two-month comment period.

"We reiterate our understanding that the Department will not publish any changes to the NHRPL until such time as those regulations are finalised, and that all further developments of the NHRPL (beyond the current 2006 version on our website)," Masobe added, "will be undertaken by the Department in terms of the process described in the draft regulations."

He advised providers and members to consult with the relevant medical scheme to ascertain levels of reimbursement for services of that scheme."

Excessive private sector regulation threatening delivery

By lavishing a huge amount of time and resources on the private sector instead of focussing its attention on the struggling government sector, the Department of Health (DoH) is posing a threat to healthcare delivery in South Africa.

This was one of the conclusions drawn in a report, "South African Health Care Under Threat", published by the Free Market Foundation's Health Policy Unit and the International policy network.

The report describes the policies government has adoped in efforts to improve healthcare in South Africa as encapsulated in the National Health Act of 2003.

Report author, Johan Biermann, told guests at a reception in Sandton that most governments of developing countries would welcome a private healthcare sector of the high quality that exists in SA: "They would also like to see such substantial investments in healthcare in their own countries since a relatively large private health-care sector allows a government to utilise its scarce tax resources to provide better health care for the poor."

He added that, counter-intuitively, the South African National Health Department does not seem to recognise either the value of the private healthcare sector to the people and the economy of South Africa, nor the benefit to poor South Africans.

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Risk Equalisation Fund finally 'gazetted'

The proposed establishment of a fund to cover as well as the mechanism to facilitate risk equalization among medical schemes, was finally published in a late 2006 issue of the Government Gazette as an amendment to the Medical Schemes Act.
Council for Medical Schemes (CMS), it noted, have been changed to take on responsibility for the control and administration of the Risk Equalisation Fund (REF). fund.
It has also been noted that the amendment Bill provides for the creation of a framework that may allow for changes to benefit structures within medical schemes aimed at reducing the complexity of schemes and promoting more cross-subsidisation among members.
Additionally, new and tighter governance measures are proposed in the Bill aimed at avoiding some potential for abuse within the current medical scheme environment. These seek to give greater power to the Registrar of Medical Schemes to intervene when necessary.
Measures which will allow for the establishment of schemes for lower income beneficiaries have also been included.

Professions Council waivers registration fee penalties

The Health Professions Council of South Africa (HPCSA) has agreed to a once-off waiver of penalties for those practitioners, located both locally and abroad, who failed to pay their annual registration fees on time - or who allowed their registration to lapse without informing Council.
The amnesty period, the HPCSA has noted in a press statement, began on February 1 and expires on April: "It applies to those practitioners living locally and abroad - whose registrations have lapsed and who have not practiced for up to two years, as well as those practitioners who have been resident and practicing in other countries irrespective of time period.
"We are offering this blanket waiver of penalties to encourage health professionals to be restored back onto the register, particularly those working abroad who have expressed a desire to come back to South Africa, but who have found the restoration penalties very high," said HPCSA registrar, Adv. Boyce Mkhize, when announcing the amnesty.
He made the point that some professionals who left South Africa during the apartheid era had been unable to regularize their registration issues before leaving.
."We do, however, expect all health care practitioners who take advantage of this amnesty period to render professional services to any public sector institution of their choice. We expect them to work for 100 hours in service to public health within six months of their restoration. This may include working in the public service or with health non-governmental organizations. They will be required to submit evidence of their public health service within six months, failing which they will need to pay full restoration fees applicable at that time," he added.

SAMA manual under scrutiny

The Board of Healthcare Funders (BHF) gave notice on its website during December that the SA Medical Association Billing Manual 2007 was being investigated by the Competition Commission.
This, the notice explained, followed a complaint to the Commission by the BHF that the manual, which is intended to help doctors decide what to charge, amounted to price fixing.
"The BHF," it continued, "is of the view that the 2007 Doctors Billing Manual that SAMA is in the process of publishing will be inflationary for healthcare funding. It says the rates advocated by SAMA are on average three times as much as those in the tariff guidelines used by medical schemes and sometimes up to six times as much."
The last time the Competition Commission was involved in a fees guideline issue was in 2004 when the BHF, SAMA and the Hospital Association of South Africa paid fines to the Competition Commission to avoid prosecution for price fixing in their annual negotiations for medical scheme tariffs in 2003 and 2004. All parties agreed at the time that they would not publish tariffs again.

Further dispensing fee delays expected

While pharmacists have welcomed the Department of Health's (DoH's) decision to suspend the January 1 implementation of the revised dispensing fees, the dispensing doctors fear that this is going delay their revised fees settlement yet further.
The DoH made its decision in December following a High Court application by the Pharmacy Stakeholders Forum (PSF) to prevent implementation of the fees. The revised fees, the pharmacists claimed, would severely compromise both the quality and delivery of pharmaceutical services and put some pharmacies at risk of going out of business.
Approached to comment on these developments, National Convention of Dispensing (NCD) chair, Dr Norman Mabasa, said the fact that the department had still not acted on dispensing doctors' counter proposals to the pricing committees suggested R16/16% fee structure, was already unacceptable.
"No doubt this is going to cause a further delay," he lamented.