NEWSLETTER - NOVEMBER 2017

HMI PROPOSES MANDATORY REPORTING OF OUTCOMES

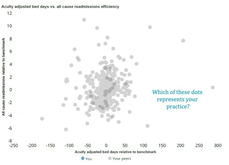
On 28 August 2017, the Health Market Inquiry called for comment regarding its recommendation that health outcomes be measured and published. It argues that, in order to empower consumers and allow providers to benchmark themselves, health outcomes should be measured, analysed, risk adjusted, fed back to the practitioner and published in the public domain.

Whereas Surgicom has reservations regarding the publication of outcomes in the public domain (as is now done in the NHS and by several patient advocacy groups in the USA), we support the need for careful analysis of outcomes and the reporting of these back to the doctor who must then benchmark himself against his peers. We do not believe that this is something that should be forced on us by regulatory authorities but is rather something that surgeons should have ownership of. We view this as best accomplished through a partnership between professional organisations and the funders.

The recent publication of the 2016 Surgeon Practice Quality Report reflects this commitment and is probably the best example of this in South Africa. The HMI has proposed the establishment of an Outcomes Reporting Organisation (ORRO) with mandatory reporting and publication of outcomes but way ahead of this, surgeons should be voluntarily participating in such a process, particularly if they can be paid for their participation.

This is precisely what the Surgicom/Discovery Health pilot and the discharge summary is all about. If you have not signed up for this yet please consider doing so at this time.

SURGEON PRACTICE QUALITY REPORT: HAVE YOU STUDIED YOUR 2016 PROFILE?



HOW TO ACCESS YOUR PROFILE

All surgeons can download a detailed analysis of their efficiencies in respect of the five procedures being studied in the Surgicom Pilot, based on data collected by Discovery Health in 2015. Go to the Discovery Health ID site https://www.discovery.co.za/portal/provider/health-id. Log in with your user name and password. The click on "Reports" in the first box on the left. Choose "Practice quality report" to download the PDF.

HMI & TARIFF DETERMINATION

On 13 October 2017, the HMI convened a meeting of stakeholders to debate strategies and structures for determining tariffs. The calls for price control, ethical tariffs, revised coding structures and reference price lists are becoming louder and louder.

One thing is clear: a fair price for surgical services cannot be determined without a careful study of the costs of running a private practice in 2017.

We are currently involved in probably the best structured cost study yet, but the HealthMan offices have reported that the response rate from specialists thus far has been disappointing. It is absolutely vital that every surgeon participate in this. If we find ourselves facing unreasonable tariffs in a price-control environment having failed to adequately make our case regarding practice costs, surgeons will only have themselves to blame.

The requests for information have already been sent to all surgeons in private practice and comprise a scope of practice questionnaire, a completely confidential request for financials, and a salary survey.

The CMS and NHI in 2018/9

We may think that the introduction of NHI (2025) is a long way off and doesn't affect us too much at present, but the Council for Medical Schemes has announced that it intends phasing in a number of changes well ahead of this date to align the medical funder and private practice industry with the NHI goals and protocols.

This includes the introduction of price control across the board by April 2018. This is intended to be price regulation for all services (not just PMBs which will largely fall away) and one standard price for all health services. This is being energetically driven by the minister. The proposed mechanism will be forcing schemes to reimburse at a standard tariff across the board (never attempted before) and to prohibit all co-payments from patients. CMS has announced its intention to prevent private sector providers from balance billing patients at all from 31 January 2019. They envisage all services being billed for at a unitary standard tariff with no co-payments or additional sources of remuneration at all. The intention is to provide an intensely regulated environment with fixed prices that the NHI will in due course agree to cover but in the interim, will be covered by medical schemes.

Surgicom's view is that these proposals are completely unworkable in the current legislative framework and cannot possibly be implemented within the advertised time frame, but it does reflect the intentions of both the minister and the CMS regarding price control within the private sector.

PRACTICE COST STUDIES

The requests for information have already been sent to all surgeons in private practice and comprise a scope of practice questionnaire, a completely confidential request for financials, and a salary survey. Please complete these without any further delay to meet the deadlines.

SURGICOM OVERHAULS ITS PEER REVIEW STRUCTURE

In 2017, we have completely revised the peer review structure to make this more supportive rather than punitive for Surgicom members. A revised Memorandum of Incorporation reflecting these changes was unanimously approved at the 2017 AGM in Port Elizabeth. We anticipate increasing requests for peer review arising from the Discovery Pilot and other interactions with funders.

Surgicom members may request a peer review themselves in order to assist with difficulties they may be experiencing with either funders, hospital groups or patients.

PROGRESS WITH THE SURGICOM/DISCOVERY PILOT

157 Surgicom members are currently participating in the pilot. 14 947 discharge summaries were completed during the first year with an additional R5.5m being paid by Discovery Health to participating surgeons (an average of R61 8267 per practice). The one-stop authorisation function for participating members should be live from early 2018. In November 2017, Surgicom will be meeting with Discovery Health to discuss the way forward following this very encouraging first year. We will be pushing for enhanced remuneration which is likely to be a share of savings model rather than a simple tariff rate increase as we participate in an overall move from a purely fee-for-service model to a more value-based remuneration model.

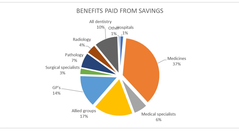
Five outlier practices were identified by Discovery Health in the 2016 Surgeon Practice Quality Report. Two of these are Surgicom members. Sats Pillay and Philip Matley are currently meeting with the surgeons in these two practices in order to better understand the observed variations and to suggest ways of altering outcomes for the 2017 evaluation. These meetings are supportive and exploratory rather than critical or punitive.

CMS COMPLAINTS

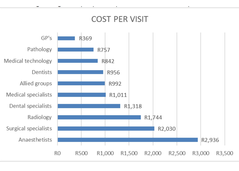
The Council for Medical Schemes received 4823 new complaints in 2016 and resolved 4526. The majority of these relate to short-paid or unpaid PMB claims or to benefits being paid incorrectly. The open schemes with highest number of complaints were Spectramed, Resolution Health, Commed, Genesis, Topmed and Medihelp. Lodging a complaint through the CMS website is easy. This is an important tool for surgeons experiencing difficulties with a medical scheme (particularly if it is PMB issue).

WHERE DO THE MEDICAL SCHEME PAYMENTS GO?

Of the R 152 Billion paid out by medical schemes in 2016, 5.3% was paid to surgical specialists. A breakdown is provided in Fig 2 and Fig 3:



The average cost of a visit to a surgical specialist was R 2030 (fig 4)



J&J THE NEW SPONSOR FOR THE SURGICOM WEBSITE

Johnson & Johnson are now sponsoring the Surgicom Website.

Please visit www.surgicom.co.za to update your membership details.

Philip Matley
Chairman: Surgicom