



## **SURGICOM NEWSLETTER AUGUST 2010**

Dear Members

We have waited for the judgment on the SAPPF had been finalised before sending out this newsletter. The judgment made by Judge Piet Ebersohn recently was in favor of the SAPPF. The headlines said "Court throws out guideline medical scheme rates"

The judge found that the NRPL to be unfair, unlawful, unreasonable and irrational. He also mentioned the rates to be unreasonable low. He ordered the department to pay not only the legal costs of the providers who took the matter to court but also the costs, including professional fees and meeting costs incurred in preparing this submission. The costs order is likely to run in to many millions of Rands.

The court challenge was brought by the South African Private Practice Forum (SAPPF), and twenty medical professional associations. Dr. Chris Archer, the Chief Executive Officer of SAPPF, said that his organization's key message now was one of reconciliation with the Department of Health. Archer said a new methodology for determining guideline tariffs, which would allow practitioners to earn a reasonable salary and make a reasonable return of the investments they had made into their practices, needed to be developed to stop doctors leaving the country.

He said practitioners would be unable to implement the required much higher charges immediately, because this would bankrupt the funding industry, but a process that acknowledged the problems needed to be found.

The first coding meeting, of which Surgicom will part, will be on 21s August. What is important is that in his judgment, Judge Ebersohn said "the fact that the 2009 RPL reflected rates that were unreasonably low meant that private healthcare providers would continue to struggle to cover their costs (let alone make a reasonable return on investment). Ultimately, there was the real risk that the effect of the RPL decision would play out on patients, who might face the burden of a declining number of doctors within the country and who might be confronted with general and specialist practitioners who, in an attempt to make ends meet, would be forced to focus on a high-volume turnover of patients at the expense of the quality provision of medical services".

Judge Ebersohn also said that the process used to determine doctor's costs was flawed. He said that it was incumbent on the Department of Health to produce "an effective RPL which set rates at an appropriate, reasonable level that was grounded in the reality of the costs of operating private medical practices. He said that regrettably, this did not occur, and the 2009 RPL fell well short of the statutory requirement.

Where does this leave Surgicom?

Surgicom is actively involved now in the second chapter that follows the court case which will determine a coding system and fair rates to all practicing surgeons. Cost

studies have been done and cost studies showed that we should earn in the vicinity of R25 to R26 per unit at this point in time.

It is important that the new coding system will be used and it looks like the favor at this point in time falls on ICD 10 PCS, a coding system which is numerical as well as alphabetical and can be analyzed to the exact anatomical as well as pathological condition. This is quite an intensive study that falls upon Surgicom Board Members to undertake, but with our experience of CPT4 as well as our knowledge off the previous American system CCMA ICD9 we are fully confident that we can contribute to the needs of surgeons in South Africa.

We really need all the help that we can get, specifically financially, to make this a viable investigation as well as the research necessary. A sub committee from Surgicom (Drs Mook, Wellsted and Grobler) will be using a lot of their time to investigate, research and put forward what we believe will be decent remuneration.

We will also be guided by SAPPF as well as the other specialist associations. We need your support and we need Surgicom members to try to actively involve non-active members to become members as this window of opportunity must be taken by all.

At our last board meeting held in July 2010 it was agreed that our membership fee should increase. This was also approved at the Annual General Meeting in May. As from 1<sup>st</sup> October 2010, subscriptions will be increased to R500.00 per month and your agreement to this increase is required in writing so that your debit orders can be adjusted. PLEASE COMPLETE AND RETURN THE ATTACHED FORM. If we do not receive this by 15<sup>th</sup> September we will presume that you are in agreement with this increase.

As you know membership fees have never been escalated since Surgicom started in 1997. Remember that in your membership automatically a membership number 3 level of Spesnet is included through a special agreement with Spesnet. Surgeons who belong to Spesnet and not to Surgicom - for a few rand extra you can belong to both these organizations. We also will heavily rely on the knowledge of Spesnet in our coding research and investigations.

We have also formed an alliance with Spesnet in specific in various departments, from practice management to the use of their Vericclaim program as well as the full bureau system that they have available now.

The Board also discussed the following :

1. Prepayment. In the light of legal advice and from the Ombudsman for Plastic Surgery, prepayment for disease related procedures is not ethical but for plastic or aesthetic surgery prepayment can be requested on the day of the procedure and not before.
2. Assistants fees : Where a second surgeon assists the first (or primary) surgeon, the code 0008 applies only in cases above 225 units. If a second surgeon assists for smaller cases, the code 0009 applies, which is the normal assistant's fee of 20%. If a surgeon charges more than NRPL the assistant should get proportionally the same amount as the primary surgeon.

Kind regards

Dr Jan Mook  
**Chairman**



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**PLEASE COMPLETE AND FAX TO (011) 463 1041**

I, \_\_\_\_\_  
(please print name)

Hereby give permission to Surgicom Limited to increase my debit order from R400.00 per month to R500.00 per month as from 1<sup>st</sup> October 2010.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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COMPANY SECRETARY : YVONNE PYNE-JAMES

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