



PRIVATE PRACTICE REVIEW



New Year's Letter 2020

HealthMan staff and management wish our healthcare professional clients and their support staff all the best for 2020. We trust that practices will be able to weather the uncertainty that currently prevails in the industry with the knowledge that structures such as HealthMan and SAPPF will always be on the side of healthcare professionals to support you in times of difficulty.

2019 failed to bring about certainty in an industry that has a dire shortage thereof at present. The NHI Bill, which was published in August, provided more questions than answers for healthcare professionals, something which SAMA, SAPPF and HealthMan pointed out in their NHI responses. The Competition Commission Health Market Inquiry published their final report, after 5 years of work. This well researched publication has some practical recommendations on fixing competition issues in the private healthcare sector.

Many of these will lead to a more affordable and sustainable private healthcare system, if implemented. There are questions regarding the political will to implement these proposed changes, as many of them are contradictory to the proposals for NHI, in that they may cause a highly functioning private system, which could negate some of the expressed needs for NHI.

The PMB review process is ongoing, with a primary healthcare (PHC) service basket recently published by the CMS for comments. This basket remains very difficult to cost, as it is impossible to do so in the absence of diagnostic coding. Even if the diagnostic coding is included, past utilization of the codes would under-report the costs of the intervention. Once a service that was previously paid for by medical scheme members becomes free, it will radically increase utilization of these services, which will drive up costs. The long term savings of preventative primary care on more complex PMB related treatment will only become apparent at a much later stage. A more recent CMS circular on Low Cost Benefit Options have raised some questions that PMBs might be replaced by the PHC basket, instead of the PHC basket being added to current PMBs. We will keep an eye on the progression of the situation.

For the first time in many years, the majority of medical scheme tariff increases will be higher than CPI, due to quite a low CPI level at present (3.7% in October 2019). This is not necessarily reflective of the cost increase experienced by practices. You will find the 2020 designated payment arrangement updates outlined in this newsletter for your convenience, along with scheme rate increases for the current year, news of amalgamations, benefit option changes and general changes. Do take note of these changes, as especially the implementation of Hospital Networks by many schemes can have a large impact on admitting practitioners. It is important to remember that your patients remain responsible for their Healthcare Funding choices. If patients choose a network option, which comes at a monthly cost saving, they will have co-payments for using out-of-network hospital facilities. Patients should take some responsibility for their funding choices, which will impact on their available treatment options. The problem of a DSP hospital which does not have the necessary healthcare professionals admitting patients there, but still being used as a co-payment excuse, remains a stubborn problem with no apparent solution.

The HealthMan Team

14 January 2020

See the attached newsletter for News, Medical Scheme Increases, Designated Service Provider & Specialist Payment Arrangements for 2020.

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