



## COVID-19: NEWSLETTER

AUGUST 2020

### UPDATE ON FINANCIAL SOLUTIONS FOR CASH-STRAPPED PRIVATE PRACTICES

#### 1. The PHF Advanced Payment Proposal

This proposal is not dead but has to deal head on with some regulatory issues making the outcome uncertain at this time. A recent communication from the Health Funders Association was very negative but SAPPF believe that there is still a possibility of individual management groups negotiating this sort of deal with individual funders. Surgicom will continue to participate in these negotiations. A key issue is whether participating surgeons would be permitted to balance bill their patients. This is still not clear but would be a deal breaker for many surgical practices.

#### 2. Phase 2 of the COVID-19 Government Guaranteed Loan Offer

The COVID-19 business relief programme announced by the Government in March 2020 provided R 200 Billion for small to medium sized businesses with a turnover of less than R 300 million. Phase 2 of the COVID-19 loan was activated on 22 July 2020. Loans are based on 6 months of practice running costs (rent, salaries, leases, utilities) to a maximum of R100 million to SMEs regardless of size (including sole proprietors). The loan is initiated at prime and paid out over a 3-6 month period, with up to a six-month payment break after the last pay-out. Interest repayments are tax-deductible. The duration of the repayment period remains 5 years. The requirement that all other funding options must have been exhausted first no longer applies and it is no longer necessary to provide proof of operating expenses; a signed declaration of expenses is all that is required. It is necessary to negotiate this through your usual bank, but most major banks are involved with very similar conditions. The FNB notice is attached as an example.

[CLICK HERE for FNB COVID-19 Loan Scheme](#)

[CLICK HERE for Standard Bank COVID-19 Business Term Loan](#)

[CLICK HERE - National Treasury COVID-19 Loan Guarantee Scheme - FAQs](#)

#### 3. Personal Loans

Individuals can secure funding (through home loans and personal loans) at up to 2% less than prime. However, these loans lack flexibility in terms of repayment and must be secured by collateral put up by the borrower. Sanlam Finance is currently offering personal loans up to R500 000 at 4% and business loans up to R10m at 5%.

[CLICK HERE for SANLAM Finance](#)

#### 4. Creating Your Own Funding Entity

Some individuals will have the resources to lend money to their own practice with interest repayments that are tax-deductible in the hands of the practice.

#### 5. New RMB Proposal

Rand Merchant Bank is currently proposing a range of bank loans that would be guaranteed by the private hospitals at rates below prime. This corporate guarantee would be based on doctor loyalty but the terms that would be required by the private hospitals are uncertain at this time. This situation is likely to be clearer within the next few weeks.

### DISCOVERY HEALTH AND PPE CLAIMS



Surgicom members will be aware of the rather confusing communications regarding Billing for PPE that have been initiated by Discovery Health. A single code, PPE01 (value R59.60) is now active and may be billed every time a DH patient is seen for either a consultation or in-rooms procedure including endoscopy). The amount is more than the usual cost of PPE for consultations but less than the cost of PPE for aerosol-generating procedures. On the "swings and roundabouts" principle, there will be more consultations than procedures. Accounts generated before 31 August 2019 need to be presented on a separate invoice from the consultation or procedure (but must have the same date of service) but from 1 September 2020, both must be on the same invoice. This is certainly frustrating. Payments will only be made from the first payment run in September 2020. Please note that (with the exception of authorized rooms procedures where this will be paid from risk), PPE01 is paid from savings out of day-to-day-benefits and these may have already been exhausted. Surgicom members are best advised to collect this payment directly from the patient on the day that they are seen.

### FORENSIC INQUIRIES

Surgicom has recently defended a number of Forensic matters resulting in the schemes withdrawing the actions altogether with no negative findings against the surgeons involved. Together with SAPPF we have appealed to both Discovery Health and Medscheme to halt all inquiries into codes 0045 and 0047 until some consensus can be reached.

### SURGICOM CONFERENCE 2020

This has now been postponed to mid-2021. Although a virtual reality conference was considered, the board felt that the surgeon to surgeon engagement and networking that has been such an important feature of our meetings could not be reproduced by zoom.

### SURGICOM AGM 2020

This will be held by Zoom conference on Tuesday, 18 October 2020 at 18h00 and will include an address by the Chairman outlining the progress Surgicom has made with various COVID-19 related issues. We will also be discussing recent trends in forensic investigations. Please diarise this now.

STAY SAFE!

**Philip Matley**  
Chairman: Surgicom