21 August 2012

Dear Doctor

PMG MEMBERSHIP

1. **Background**

Paediatric Management Group (PMG) is a public company 100% owned and managed by Paediatricians for the benefit of Paediatricians especially over private practice issues. The website address is the same as for SAPA, i.e. www.paediatrician.co.za.

PMG needs to be strengthened by increased membership support to deal with the ever increasing demand placed on paediatricians by government regarding the role of private practice in South Africa, the role of private practice in the proposed National Health Insurance (NHI) System, the shortage of doctors, the salaries of specialists in the public sector, the income of specialists in the private sector, the role of medical schemes, and other important matters such as regulatory reforms.

The cost to the individual Paediatricians in private practice who manage PMG and have to represent Paediatricians in private practice on these issues is also too high to absorb within their own practice costs. Other organisations like Health Management & Networking Services (Pty) Ltd (HealthMan) has therefore been contracted for many years to do a large portion of the work as professionals are needed to represent our interests at a high level.

There have been huge successes in the joint effort between SAPA and PMG including several increases in the fees of Paediatricians in private practice as well as the establishment of new codes that have enhanced private practice revenue. There are currently approximately 20 new codes awaiting approval by Medical Schemes.

2. **The immediate projects that PMG focus on:**

1. Strengthening the organisation, representative of Paediatricians in private practice and also representing Paediatricians in the Public Sector with limited private practice.
2. PMG together with the South African Private Practitioners Forum (SAPPF) and other specialist management companies will continue the RPL battle and establishment of a cost based RPL. They will also engage with the HPCSA to publish a scientifically researched “ethical” or “guideline” tariff.
3. PMG together with SAPPF and other management companies will oppose the Board of Healthcare Funders’ attempt to reduce the value of PMB’s to a scheme rate and not the doctor’s invoice value.
4. PMG will continue to work closely with medical schemes on all matters pertaining to Paediatricians.
5. Improving communications and website offerings dealing with private practice issues through the PMG website.
6. Establishing a range of practice advisory services through the offices of HealthMan.
7. Commercial offerings such as credit card terminals, asset finance, PPS reviews and CPD points logging through the assistance of HealthMan and the PMG website.

Directors: Dr. Gerrit de Villiers, Dr. Andrew Halkas, Dr. Yatish Kara (Chairman), Dr. Omolemo Kitchin, Dr. Allan Puterman, Dr. Thessi Reddy, Dr. Simon Strachan, Dr. Ashley Wewege
8. The consolidation of paediatric claims data to negotiate paediatric coding and tariffs with Medical Schemes and the Department of Health.
9. Discussing and negotiating Paediatric Benefit Design with the various medical schemes and managed care organisations.
10. Review and update of paediatric coding system for incorporation into a new coding system for South Africa. This project will be done in conjunction with SACHI (South African Classification of Healthcare Interventions).
11. PMG together with SAPPF and other specialist management companies will continue to engage with Government on all healthcare matters relating to NHI and envisaged by the National Health Act and the Medical Schemes Act.
12. PMG will continue to update procedural coding reforms relevant to Paediatrics and to meet with Funders in this regard.

3. In addition to the projects listed above, the following value add services are available at no additional costs, except if stated so and are part of the monthly membership fee:

- Free online SMS service for patient communications – PMG website.
- Healthman has an agreement with ABSA bank thus entitling you to a better rate on credit card transactions. The Merchant rate is 2.40% on credit cards and 1.15% on debit cards. Monthly rental is R120 per month (VAT Excl).
- HealthMan has contracted a reduced tariff with HealthFocus and MedEDI on their practice management software.
- Prosper Financial Services, part of the HealthMan Group, will review and advise on employee benefits, personal investments, life and key man policies.
- PPS reviews and analysis by a Prosper consultant. Note that changes to PPS structures, requires that your portfolios be reviewed.
- Wealth preservation programme with Citadel as a joint venture with HealthMan for individuals with investment portfolios in excess of R2 million.
- Practice advisory services to assist with medical schemes problems, i.e., non-payment, reversals, PMB's etc., through the HealthMan office.
- Helpdesk to assist with general medical schemes queries – queries@healthman.co.za
- Helpdesk to assist with Consumer Protection Act complaints and queries – cpa@healthman.co.za
- Online access to various medical journals through the PMG website
- Various consulting services through HealthMan offices.
- Receipt of regular communications relevant to the healthcare industry.
- Annual Salary Review and Update conducted by HealthMan.

4. The PMG business model:

- PMG employs the services of two existing organisations HealthMan (Pty) Ltd and E2 Solutions (Pty) Ltd on a contractual basis to advise on and manage all routine operational tasks, as well as providing PMG with additional services where required.
- The Board of Directors comprise of practising Paediatricians that have been nominated and duly elected at each Annual General Meeting.
- The Board out-sources all operational issues at a predetermined cost; these costs are fixed for twelve months, and are renegotiated on an annual basis. This cost is at a substantial discount to competitors in the market with a much advanced service offering to that of competitors.
- The advantage of this business model is that PMG does not have to invest money or resources in staff, premises and equipment, and therefore operates as a ‘virtual’ organisation.
- An annual general meeting is held during one of the PMG conferences.
5. **Internal Communication:**

- Communication will be via email, fax, sms messages and the PMG website.
- Members will receive one HealthView newsletter updating them on industry news on a monthly basis. The Private Practice Review newsletter will regularly update them on news pertaining to their practice i.e. codes, legislation, tariffs, etc.
- Member meetings will happen on request from the various regions at which matters of importance to private practice will be discussed. There are usually journal club meetings sponsored by the Trade Industry.

6. **HealthMan Overview**

HealthMan is a privately owned healthcare consultancy specialising in the management and administration of specialist and healthcare networks. Their concentrated focus on promoting the professional and commercial interests of both specialist networks and healthcare practitioners, coupled with their extensive industry experience, quality service and industry contacts, make them the preferred choice in healthcare consulting.

HealthMan commenced business in 1996 and since inception has focused exclusively on consulting to private practice. Their areas of expertise include network administration, legal support, healthcare research, financial modelling and the development of tariff schedules. HealthMan consultants play pivotal communication, representation and negotiation roles in their relations with key healthcare industry stakeholders: Networks, Funders (i.e. Medical Schemes and Managed Healthcare Organizations), Professional Associations, Hospitals, Pharmaceutical Companies and Suppliers.

It is for the foregoing reasons that PMG has for many years contracted HealthMan as consultants and outsourced agents to support PMG with the ever increasing healthcare demands placed on PMG.

7. **HealthMan Client Base:**

HealthMan has been consulting to Private Practice for the past 16 years and their clients include:

- ENT Management Group Ltd
- Faculty of Consulting Physicians of SA
- General Practitioner Management Group Ltd
- Gynaecology Management Group Ltd
- Iso Leso Optics Ltd (Optometric Network)
- Ophthalmology Management Group Ltd
- Paediatricians Management Group Ltd
- Psychiatry Management Group Ltd
- South African Private Practitioners Forum (SAPPF)
- Namibian Private Practitioners Forum (NPPF)
- South African Rheumatism and Arthritis Association
- Radiography (SORSA)
- Speech Therapy & Audiology (SAAA & SASHLA)
- South African Society of Physiotherapy
- Ambulance & Emergency Services (ER24 & Netcare 911)
- Various Legal firms for Forensic Support
- South African Society of Psychiatrists (SASOP)
- Surgicom
South African Neurosurgery Society

HealthMan was also responsible for NHRPL 2009 submissions for virtually all SAMA disciplines and has done most of the research work and support for the various legal challenges that have happened or are in progress.

8. Membership fee and joining PMG:

The monthly fee for PMG membership is as follows:

- Private Practice (Incl. SAPPF membership): R400 per month (incl. VAT)
- First year Private Practice (Excl. SAPPF membership): R200 per month (incl. VAT)
- Academic & Retired Members: R570 per Annum (incl. VAT)

The involvement of everybody with an interest in private practice is urged to join PMG. We thank the 282 Paediatricians who have already joined PMG. The membership fee is not high considering the effort involved in protecting and promoting the interests of Paediatricians in Private Practice.

9. PMG Board of Directors:

<table>
<thead>
<tr>
<th>Name</th>
<th>Email</th>
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<tbody>
<tr>
<td>Dr. Gerrit de Villiers</td>
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10. Discovery Health

Discovery is by far the largest Funder in South Africa and it therefore makes sense to negotiate with them for better remuneration. We believe that the way forward during these times of grave uncertainty especially as the DoH fumbled with the RPL 2009 and the talk of a National Health system gets stronger is to deal directly with the Funders. It was this philosophy that lead to the Governance project.

The Governance project allows for participating doctors to benefit from:
- Better remuneration for code 0111
- The ability to charge code 0019
- The benefit of peer review of your practice admission data

Participation in this project is voluntary and the project aims to promote high quality cost effective to Paediatric Practice. The first part of the project is to ensure appropriate admission. Practices and participating doctors give consent for their practice admission data to be monitored. If the admission rates fall well outside of the norm then the PMG Exco contacts the particular practice so that constructive debate can be entered into to understand the admission policies of the practice. This project is in its fourth year and the benefits have already been evident in Discovery allowing code 0019 and code 0149 (after hours fee for work between 21h00 and 06h00).
After negotiations instigated by PMG, Discovery is actively looking at tiered consultations for sub specialties and the possibility that vaccines become part of the basic Funder risk package is under review at the moment. The possibility that doctors participating in the governance project become the designated service providers for Discovery is also under discussion.

It is important to understand that the Governance project and PMG have nothing at all to do with the payment agreement options such as Premier A, Premier B, Classic Direct and Executive. Participation in these payment options is your own decision and this will be guided by the demographics of your practice. Only the Classic direct option gives remuneration close to that suggested by the Practice Cost Study data.

11. **Vermont Oxford Network (VON)**

VON is an International accepted and acclaimed neonatal database. The Mediclinic hospitals in South Africa have been part of this for many years and PMG has secured a special rate for South Africa. Any Hospital in South Africa can have their neonatal intensive care linked to this system through the agreement. A steering committee is responsible for assessing the South African data and for putting forward guidelines to achieve the best neonatal care possible. The data submitted to VON is confidential and will only be available to the VON committee grouped together as data from South Africa. Each unit is encouraged to view their own data and to liaise with the committee if help is required to correct any irregularities or to assist with clinical best practice. Netcare has been very proactive in enlisting their neonatal ICUs and Life Health care Hospitals will receive full support from Life, but it is the onus of the doctors in the units to approach their hospital manager and initiate the process.

12. **SA PVAC**

The South African Paediatric Vaccine Action Group was established to design a uniform Paediatric vaccine schedule for use by all doctors and clinic sisters in the private sector. This schedule has been completed and has been distributed to all PMG members. The committee has representatives from academia, SAPA and PMG. The Group constantly engages with pharmaceutical companies to try and establish a code of best practice and to campaign for the inclusion of all the new vaccines into the EPI. It will also endeavour to convince Medical healthcare Funders to pay for all vaccines.

13. **South African Private Practitioners Forum (SAPPF)**

The SAPPF has been established following a general disillusionment of SAMA’s support for Specialist Private Practice in South Africa. This process followed consultation with all specialist stakeholders, a strategic workshop in November 2007 and numerous meetings of the now defunct Specialist Private Practice Committee (SPPC) within the SAMA structures. SAMA now represents less than 50% of specialists in private practice and continues to ignore requests from the various groups to cooperate.

Concerns over SAMA commitment to Private Specialist Practice arose when SAMA did not provide financial support to the RPL Legal Challenge or to the legal challenges over PMBs and payment thereof.

Specialists need a properly constituted organisation that supports the interests of all specialist societies and its members. We urge all Paediatricians to support SAPPF in its various endeavours to promote private practice in South Africa.
At its meeting on 30 January 2010, attended by representatives of most of the specialist societies, the SAPPF Board of Directors unanimously and without abstention adopted the following resolution:

“The SAPPF resolves that it:
1. Is committed to represent the interests of its specialist members
2. Does not recognise the SAMA SPPC as representing private specialist interests
3. Will continue to seek a solution to cooperate with SAMA”

14. South African Coding System

The SAPPF is in the process of drafting a new National Procedural Coding Structure of international standards and has joined the Private Health Informatics Standards Committee (PHISC) to set the standards of the new coding structure. All medical schemes, pharmaceutical companies, switching houses, hospital groups and other professional organizations are members of PHISC. It is important that the Medical Profession determines its scope of practice and therefore needs to remain in control of any changes to the current coding system or any proposed new system. The ICD10PCS proposed by DoH is not appropriate for South Africa and is not in use anywhere else in the world.

It was also proposed by DoH that the ICD10PCS coding system must be researched and developed by the private sector at its own costs. Thereafter ownership must be handed over to DoH. This position is not acceptable to SAPPF and SAPPF will continue its efforts on introducing a new South African system. The coding committee is chaired by Dr Stefaan Bouwer, a Gauteng ENT specialist and President of the ENT Society.

The coding initiative will be co-ordinated by an independent entity established for this purpose. South African Classification of Healthcare Interventions (SACHI) will become the custodian of coding and will be inclusive of all medical disciplines in South Africa.

If you have not yet joined PMG kindly complete the membership application and ACB (debit order) authorisation forms and fax back to 011 782 0270.

We trust that this document clarifies the roles played by the various professional organisations that look after your interests in an ever changing healthcare environment. Should you have any further queries, please do not hesitate to contact us.

Yours faithfully,

Dr Yatish Kara
Chairman: PMG

CASPER VENTER
Managing Director: HealthMan