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Dear Colleagues,

One truism that one has learned over the many years of being involved in medical politics is that memories are short and institutional memories particularly so. For example it is often forgotten the baptism of fire SAPPF went through soon after is formation at the end of 2008, when it decided that in the absence of an appropriate response from SAMA that the government needed to be challenged over its handling of the RPL issue. Of course history reveals that SAPPF and its co-applicants HASA and the Emergency Services went on to win that case, which had it not been contested could have seen the RPL set at a level determined by the BHF schedule of benefits, and without consideration of what the service cost to provide.

Since that auspicious start SAPPF has continued to intervene on behalf of its members. Some examples; it published a critical response to the NHI Green Paper that health economist Heather Mcleod described as one of the most insightful responses to the proposals, it led the charge against the attempt by the HPCSA to introduce an "ethical tariff" based on the 2006 NHRPL, and it established a coalition of providers opposed to the attempt by the DOH to re-introduce the Certificate of Need (CON) which would have criminalised practitioners who continued to practise without a CON. This forced the State President to go to the extraordinary length of having to apply by affidavit to the Constitutional Court to have the Proclamation bringing sections 36 to 40 of the National Health Act into law, rescinded. Another issue in which SAPPF intervened successfully was in opposing the BHF court application to have the meaning of "payment in full" with respect to regulation 8 of the Prescribed Minimum Benefits regulations changed to mean the "medical scheme's benefit" rather than a doctor's invoiced fee, which would have undermined the very ethos of the regulations which was to avoid families being forced into bankruptcy through unexpected serious illness and dumping of private patients on the state.

SAPPF has continued being kept busy defending attacks against the private sector which it continues to describe as a valuable South African asset. Currently SAPPF is very busy in the background working to represent its members in a number of areas vital to the future of the private health sector and in particular to the medical profession.

Much of what happens of course occurs outside the glare of publicity and members could be forgiven for thinking that SAPPF is a slumbering agent for the medical profession. Of course the reality is somewhat different and it is with the intention of alerting i's members to what is actually happening behind the scenes that this communique is directed.

WITHOUT A DOUBT THE MOST IMPORTANT ACTIVITY THAT IS HAPPENING BEHIND THE SCENES CURRENTLY IS THE INQUIRY INTO PRIVATE SECTOR COSTS

This inquiry is going to impact all of our lives - of that there is no question. Whether the impact will be positive or negative is still unresolved however.

Since forwarding its initial 460 page submission, SAPPF has been involved in two meetings with the technical committee of the Inquiry and from these meetings have flowed two further requests for written inputs, the first of

which resulted in a document running to an additional 100 plus pages from SAPPF and the second is still in preparation.

The SAPPF proposal in its initial submission calling for an independent coding/pricing commission along the lines of our SACHI concept has drawn favourable comment as the basis for a possible solution to some of the challenges facing the private sector, and SAPPF has been requested to write a succinct recommendation to the commission based on the SACHI concept.

GENESIS MEDICAL SCHEME

In a secretive move last November a further attempt to have the courts adjudicate on the meaning of Regulation 8 with respect to PMBs was made this time by Genesis Medical Scheme. Because the application by Genesis cited the NDOH as the sole respondent, when the state failed to oppose the application it was moved to the unopposed roll where it languished until Netcare noticed it and brought the industry attention to it.

Since that time a number of professional bodies and organisations have sought to be accepted as respondents in the matter, or to be admitted as amicus curiae of the court.

SAPPF has decided to apply to be joined as a respondent in order to oppose the application on the same basis that it opposed the BHF application, namely that should the application be successful the medical schemes industry will arbitrarily be enabled to limit payment for PMB conditions to the scheme rate as determined by individual schemes. Not only would this in a single stroke turn a minimum benefit into a maximum benefit but it would place any patient suffering from a PMB condition at risk of bankruptcy. It would also place an intolerable burden on the state who would have to accept responsibility for the unbudgeted costs of thousands of patients who would in consequence of their schemes failure to fund their costs of care, be dumped on the state.

SAPPF's application to be joined as a respondent to oppose Genesis's application together with that of other respondents such as the CMS and HASA and Mediclinic, is to be heard on the 18th June in the Cape High Court.

HPCSA INQUIRY

SAPPF responded recently to the Ministerial request to make a submission to the Task Team appointed to investigate allegations of administrative irregularities, mismanagement and poor governance at the HPCSA by the 28th April 2015. The task team under the chairmanship of Professor Bongani Mayosi made this request to

all stakeholders in order to gather information from all parties with an interest in the well- being of the HPCSA. To this end SAPPF engaged the task team and provided a submission having first canvassed the opinion of many of its own members.

SACHI

As mentioned briefly above SAPPF believes the way forward for the industry with respect to the development and maintenance of an appropriate coding system is through the establishment of an independent stakeholder represented body. Currently such a body would possibly fall foul of the Competition Law but many stakeholders in their submissions to the Inquiry into private sector costs have indicated their support for the establishment of such a body and the technical committee of the Inquiry has as already mentioned, requested SAPPF to draft a short monograph on its SACHI proposal as the committee sees in the proposal a possible solution to some of the issues bedevilling the private sector currently.

CODING MATTERS

- **PMBs** The manner in which most medical schemes flout the regulations governing PMB conditions is a cause for much concern by the profession. A delegation representing several disciplines affiliated to SAPPF is meeting with the CMS on the 25th June to try to resolve some longstanding concerns.
- **New Codes** A combined meeting between the SAMA Private Practice Committee and SAPPF recently reviewed applications from a number of disciplines for new procedure codes. These will now be discussed with the funding industry and will be incorporated into the relevant schedules for 2016.
- **Obstetric Levy** In recognition of the impact that increasing malpractice insurance premiums have had on the practice of obstetrics an increase of 180 units for codes 2614 and 2615 was agreed to last year and appears in the current 2015 SAMA Coding manual. Discussions with the industry have commenced to find ways in which this significant unit increase can best be accommodated by medical schemes.

MALPRACTICE INSURANCE

The rising cost of malpractice insurance is cause for concern for a number of high risk disciplines such as obstetrics and spinal surgery. This has prompted the search for more cost effective alternatives to the currently available MPS Friendly Society occurrence based discretionary product and commercial insurers claims made contracts. A new approach, in which members own the fund and the focus is on preventing avoidable accidents

that result in claims for negligence, is currently attracting attention amongst obstetricians and GPs doing obstetrics both in South Africa and from neighbouring states. Although the focus is on obstetrics interest has been expressed in the proposals from other disciplines, notably neurosurgery.

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