

## **GUIDELINE TARIFFS – WHAT YOU NEED TO KNOW**

### ***Background***

The Medical and Dental Professions Board is empowered, in terms of section 53 (3) (d) of the Health Professions Act, 1974, to determine and publish a fee to be used as a norm in the determination of complaints of overcharging.

- **2006:** The National Health Reference Price List (NHRPL) was determined by the Council for Medical Schemes in conjunction with the Department of Health and published by the South African Medical Association (SAMA) in the Doctors Billing Manual alongside the HPCSA and Compensation Fund tariff. The 2006 NHRPL was adopted by the HPCSA as the Ethical Tariff.
  
- Government Notice No. R 681, dated **23 July 2007**: The National Department of Health subsequently published “Regulations relating to the obtainment of information and the Processes of determination and publication of reference price list”.
  
- **24 November 2008**: The Council took a decision to scrap the HPCSA’s ethical tariffs with effect from the date of publication of the Reference Price List by the Department of Health.
  
- **28 July 2010**: The Department of Health’s Reference Price List was reviewed, declared invalid and set aside by the High Court of South Africa (North Gauteng Division, Pretoria).

### ***Why the need for a new tariff?***

Medical and Dental practitioners require clarity and criteria for determining fair and reasonable fees for the services they render.

As there was no fee that could be used as a norm in the determination of complaints of overcharging a vacuum was created, resulting in no basis for assessing complaints of overcharging due to a lack of legally determined Guideline Tariffs.

### ***Why was the Guideline Tariffs established?***

Practitioners, professional bodies, funders and other stakeholders operated in an unclear environment in relation to the basis of fees to be charged for services rendered. The Guideline Tariffs provide clarity, guidelines and criteria within a contested environment.

The need for the development of the Guideline Tariffs by the Medical and Dental Professions Board was based on complaints received from the public on the overcharging by practitioners in the absence of a recent tariff guideline.

The ultimate purpose with the development of the Guideline Tariffs is to ensure an accessible, affordable and sustainable health care system in terms of the constitution.

### ***Legal Compliance***

Even complaints of overcharging, the professional board or the HPCSA's Ombudsman had difficulty to adjudicate or mediate on these complaints due to lack of a legally determined Guideline tariffs.

Section 53 (1) of the Health Professions Act provides as follows:-

*“(1) Every person registered under this Act (in this section referred to as the practitioner) shall, unless the circumstances render it impossible for him or her to do so, before rendering any professional services inform the person to whom the services are to be rendered or any person responsible for the maintenance of such person, of the fee which he or she intends to charge for such services -*

*(a) when so requested by the person concerned; or*

*(b) when such fee exceeds that usually charged for such services,*

*and shall in a case to which paragraph (b) relates, also inform the person concerned of the usual fee.”*

### ***What process was followed?***

The Tariff Committee of the Board was constituted in order to assist the Board in the determination and publication of the Guideline Tariffs.

The Board was mindful of the requirements and stipulations from the Competition Commission in terms of colluding in setting tariffs, however the Task Team did consult with stakeholders and service providers in the profession in order to ensure a transparent process.

Whilst this is not a legal requirement, the HPCSA has consulted the Department of Health, the Council For Medical Schemes, Compensation Fund and other stakeholders including SAMA representing Doctors, SADA representing Dentists, BHF representing medical aid schemes, Gems and Discovery Health in the development of the 2012 Guideline Tariffs.

The HPCSA has used the 2006 National Health Reference Price List (NHRPL) determined by the Council for Medical Scheme in conjunction with the Department of Health and as published by SAMA as a baseline and added an inflator of 46.66% until 2012.

### ***What is the difference between Guideline Tariffs and Upper Ethical Tariffs?***

**The Guideline Tariff** serves as a guide to practitioners on what they can expect to charge for their professional services. Practitioners may charge above the Guideline Tariffs provided that they have obtained an informed consent from the patient / client or from the next of kin.

**Upper Ethical tariffs** – are fees that provide a Financial and Ethical ceiling with regard to amounts charged by practitioners. The Ethical Tariffs were scrapped in 2008.

Practitioners are reminded that in terms of Section 6 of the National Health Act, 2003, all healthcare practitioners are required to inform their patients / clients of the cost of services they intend providing, **before services are rendered**.

This is also a requirement in terms of the new Consumer Protection Act.

### ***How did the Council develop these guideline tariffs?***

The Tariff Guidelines are an inflation-adjusted version of the 2006 NHRPL. It is important to note that the 2006 NHRPL was never challenged in terms of any legal process and was

therefore used as the baseline for determining the Guideline Tariffs as recently published. (The High Court ruled against the RPL, which is strictly speaking different from the NHRPL, as indicated in the background)

***What does this boil down to?***

The Guideline Tariffs are effectively the 2006 NHRPL plus 46.66%.

***When will these tariffs come into effect?***

These tariffs are applicable with immediate effect from the date of publication on the HPCSA's website and will also be published in the Government Gazette on 17 August 2012.

***What is the impact of the Guideline Tariffs on medical aid schemes?***

Patients need to take responsibility for familiarising themselves with the options and benefits from their medical aid scheme and in asking the practitioner what they will be charged upfront.

***Account disparities***

Members of the public can lodge complaints on overcharging or inaccurate accounts with the Council for further investigation and determination.

As stated earlier, practitioners may charge **more** than the tariff guidelines. However, the implications of what the procedure or treatment will cost and the difference between the actual cost charged by the practitioner and the guideline tariff should be explained, with a signed consent form by the patients that they accept the difference and understand what they will be charged.

***What are the benefits of the new guideline tariffs?***

- Removes uncertainty and provides clarity and criteria for the determination of fees
- Effective adjudication by the HPCSA on complaints of over-charging.
- A transparent relationship between the patient and practitioner with regards to fees charged, and no billing surprises.

***What is the impact for practitioners?***

- Ensure patients/clients are fully informed upfront of the fees of service to be rendered;
- Obtain informed consent from patients;
- Permit practitioners to set fee schedules, provided informed consent has been obtained;

- Provide written evidence of their specific fee, as well as the HPCSA Guideline Tariff;
- Obtain written informed consent from patients/clients in a format and language that is understandable to the patient;
- Keep record of written informed consent given by patients.

***What is the impact for patients/clients?***

- Ensure you are aware upfront of the fees of service to be rendered;
- Give written informed consent to the practitioner if you are happy with the fee charged for the service before it is rendered;
- Know that your practitioner might be charging more than what your medical aid is paying and you need to give consent to the agreed upon fee;
- Receive a written quotation of the fee to be charged as well as the HPCSA Guideline Tariff;
- Practitioner must explain the fee in a format and language that is understandable;
- Familiarise yourself with what your medical aid scheme covers.

***Where to from here?***

The Guideline Tariffs for 2012 will be reviewed regularly in determining the future Guideline Tariffs. The matters raised by all identified stakeholders will be taken into account.

A process will be undertaken whereby new tariff codes will be included in the existing Guidelines.