



NEWS

PHILIPS GETS R30 MILLION DEAL



Dr Michael Eliastam

The Donald Gordon Medical Centre recently announced the purchase of R30 million worth of imaging and interventional equipment for their state-of-the-art radiology department from Philips Medical Systems.

Dr Michael Eliastam, CEO, said that a major focus of the medical centre will be minimal invasive surgery. The installation of the equipment already started and will continue as the

newly constructed facilities become available. The radiology department will offer a wide range of services including high-field MRI, multislice CT, interventional procedures, angiography, fluoroscopy, general radiography, ultrasound, mammography and bone densitometry.

BETTER CHRONIC CARE BY 2004

Recent amendments to the Medical Schemes' Act will prevent medical aid schemes from discriminating against patients with chronic conditions by making them pay steeper contributions.

However, Bonitas, the second largest open medical scheme in South Africa, with almost 250 000 members, reduced its chronic medicine limit on its standard option from R10 000 per beneficiary in 2002 to R4 000 with a limit of R8 000 per family in 2003.

According to Mark Dawson, Oxygen medical scheme have drastically cut their chronic cover, with 87% of its members remaining covered for chronic conditions. The Caremed members who joined Oxygen at the beginning of this year, will have to settle for the lower cover. Dawson said that the decision to lower chronic benefits was in line with inflation.

Pat Sidley, spokesperson for the Council for Medical Schemes, said that it was regulated that schemes must provide cover for certain chronic conditions, because there has been a trend among them to cut chronic benefits and only offer comprehensive benefits on their more expensive options. The Council argued however that people with chronic conditions are being risk-rated if these benefits are only available within higher contribution options. To ensure that schemes are not bankrupting themselves by changing their options and to make

benefits clinically effective, the implementation of the new regulation has been delayed until 2004.

The Council has launched an investigation into the costs related to mandatory chronic benefits to all members and will publish the findings as soon as final figures become available.

There are over 20 chronic conditions listed with the latest regulation, including asthma, arthritis, diabetes, epilepsy, hypertension, multiple sclerosis and Parkinson's disease. Some of these conditions relate to HIV/AIDS and pertain to the prevention of certain chronic conditions and not to offering antiretrovirals. Schemes will be able to limit the treatment to generic drugs and could expect members to obtain authorisation for it and to work through a managed care programme to monitor treatment.

RESOLUTION'S DEAL WITH DOCTORS

Resolution Health entered into a non-prescriptive funding arrangement with African Health Synergies which promises to be more beneficial to doctors and patients alike.

The agreement will allow patients to choose their GPs of choice, while doctors would be paid a fixed fee per member per month as a capitation fee. Advocate Jannie Kotze, Chairperson of Resolution Health, said that the concept provides for a more cost beneficial relationship between doctors and patients, because GPs would share the risk with the medical scheme. Administration costs would also be drastically decreased.

Responding to the Board of Healthcare Funders' recommended 4% tariff increase to the major hospital groups, Resolution Health medical scheme negotiated with Netcare, MediClinic and Afrox to ensure that members with unlimited options do not have to make co-payments before being admitted to hospital.

Kotze said that they would continue negotiations to agree on other models for payment for 2003, which could have a downward effect on the hospital bills.

ASPEN RECEIVES TOP RANKINGS

Aspen Pharmacare, South Africa's largest generics manufacturer, was placed second in the Sunday Times Top 100 Companies' Survey.

The survey evaluated JSE-listed companies over a period of five years to analyse improved wealth accrued to shareholders. Aspen was rated the best company in the return on capital employed category and ranked seventh for return on assets. The company was placed fourth in 2001's Top Companies' Survey and third in the Financial Mail's 2002 survey over a period of five years.



OVER R50 MILLION RETRIEVED

By the end of last year, the Council for Medical Schemes retrieved more than R50 million in membership fees which had either been fraudulently spent or invested in illegal reinsurance contracts.

Following the Registrar of the Council, Patrick Masobe's investigation into the increased spending on reinsurance over the past years, members of Medicovert 2000 received R38 million from MunichRe and could receive a similar amount from CologneRe. When Medicovert was placed under curatorship last year the Council found that 'potentially inappropriate contracts involving reinsurance, managed health care and administration' had been entered into.

HanoverRe paid R5 million to members of KwaZulu-Natal Medical Scheme, which was placed under curatorship in 1999 and MunichRe repaid R15 million to Omnihealth members. Omnihealth illegally entered into a reinsurance agreement by neglecting to submit their proposed reinsurance contracts to the Registrar for approval before implementing them, as required by the Medical Schemes Act.

PRACTICE MANAGEMENT

SETTING UP A PRACTICE

By Jules and Tana Rivalland

For any newly qualified doctor, setting up a practice is an incredibly challenging and time-consuming task. This is particularly so in today's complicated and technologically diverse practice environment.

Locating premises

Firstly, one needs to analyse the area and number of operating GPs in relation to population, as well as the number of cash versus medical aid patients. One can then decide whether this location would suit your requirements.

Locating premises in your area of choice can also be complicated. Perhaps choose a central venue that is easy to find and has a continuous flow of passing traffic, such as close to a housing development, train station, taxi rank or shopping centre. Also ensure that you consider access to running water, electricity and telephone lines and security during selection.

Financial aspects

The financial aspect of starting any business is always daunting - be prepared for the usual start-up costs as well as the numerous small hidden expenses such as stationery. If you choose to dispense, you will need more capital to equip your surgery with the necessary medication. Ensure that you talk to other GPs and numerous pharmaceutical companies in order to get the best possible prices.

Administration

The administrative aspect of starting a practice is extremely complicated. Prior to becoming an operating GP, you must ensure that you pay registration fees to the Board of Healthcare Funders (BHF) in order to get a practice number. If you have chosen to become a dispensing doctor, then you will also need to pay registration fees to the Health Professions Council to obtain a Dispensing Registration Certificate.

If you are in an area that generates much business from medical aid patients, you will have to register with each medical aid, providing them with your practice number and banking details prior to submission of any claims. Most medical aids generate payment via Electronic Fund Transfer and require copies of your Identity Book and cancelled cheques. Although you can continue to receive cheques via post, it is faster and safer to receive funds via EFT and some medical aids will not pay via any other method.

Claims submissions

Once the above areas have been covered, it is imperative that you decide the method of claims submissions. There are still many GPs who submit hand-written paper claims. However, an option that allows for electronic submission results in quicker payment turnaround. There are numerous choices when selecting electronic submissions:

Accounts from your surgery

Hiring your own staff and purchasing IT enables you to run your accounts from your premises. The advantages are that you can benefit from electronic submissions while still keeping your fingers on the pulse of your business. However, the biggest disadvantages are that it is costly at the beginning and time-consuming to gather the necessary information and skills. There are basically two options:

1. Purchasing software operated solely by your staff involves:
 - keeping up to date on all medical aid changes (e.g. address changes, submission formats, administrative changes);
 - keeping abreast of price changes (e.g. ethical, MMAP, MPL and MEL price lists, discounts and levies);
 - inputting, submitting and reconciling claims, as well as posting claims that are not electronically submitted.
2. Entering into a software deal whereby electronic claims are administered by the vendor. This option enables you to benefit from quick payment turnaround without the hassle of dealing with medical aid format changes, price changes and co-ordination of claims submissions. However, you must still input claims, submit claims that are not electronically accepted and reconcile claims.

Using a bureau

Outsourcing the majority of the practice's administration to