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Dear Doctor

## **PsychMG MEMBERSHIP**

### **1. Background**

PsychMG is a public company 100% owned and managed by Psychiatrists for the benefit of Psychiatry. Each shareholder holds an equal shareholding. The website address will remain as for SASOP, ie [www.sasop.co.za](http://www.sasop.co.za)

The PsychMG is not in competition with the South African Society of Psychiatrists (SASOP), but works with SASOP on matters related to psychiatrists in private practice. Most of the other professional societies including the surgeons, the ophthalmologists, the obstetricians and gynaecologists, the paediatricians and others have similar arrangements. The PsychMG was established several years ago and has been functional for a number of years.

The PsychMG needs to be strengthened to deal with the ever increasing demand placed on SASOP and the PsychMG by government regarding the role of private practice in South Africa, the role of private practice in the proposed National Health System, the shortage of doctors, the salaries of specialists in the private sector, the role of medical schemes, and other important matters.

The Administrative structure of SASOP as the professional organisation does not lend itself for these ever increasing demands, specifically regarding private practice (Similar demands are made on the public sector regarding occupational specific dispensation, career pathing, service delivery, training and education etc.). The cost of addressing these issues has also escalated, and it can not be solely demanded from SASOP to bear. The cost to the individual psychiatrists in private practice who manage the PsychMG and have to represent psychiatrists in private practice on all these issues is also too high to absorb within their own costs. Specialist Consultants such as HealthMan has to be contracted 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 SASOP and the PsychMG including several increases in the fees of psychiatrists in private practice.

### **2. The immediate projects of the PsychMG will focus on:**

1. Strengthening the organisation, representative of Psychiatry in private practice and also representing Psychiatrists in the Public Sector with limited private practice.
2. PsychMG together with SAPPF and other specialist management companies will continue the RPL legal battle and establishment of a cost based RPL. They will also engage with the HPCSA to publish a scientifically research "ethical" or "guideline" tariff.
3. PsychMG 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. Improving communications and website offerings dealing with private practice issues through the SASOP website.
  5. Establishing a range of practice advisory services through the offices of HealthMan
  6. Medical Malpractice Insurance through negotiations with HealthMan. An immediate saving of approximately 25% per annum on MPS tariffs. Enquire by e-mailing Casper Venter at [casperv@healthman.co.za](mailto:casperv@healthman.co.za). Insurance placed through Aon South Africa.
  7. Commercial offerings such as credit card terminals, asset finance, PPS reviews and CPD points logging through the assistance of HealthMan and the SASOP website.
  8. The consolidation of psychiatry claims data to negotiate psychiatry coding and tariffs with Medical Schemes and Department of Health.
  9. Commercial offerings such as credit card terminals, asset finance, PPS reviews and CPD points logging through the assistance of HealthMan and the SASOP website.
  10. Discussing and negotiating Psychiatry Benefit Design with the various medical schemes and managed care organisations, this function to be co-ordinated by dr Eugene Allers.
  11. Have available confidential data of claims of psychiatrists in private practice on the website only accessible to individual Doctors.
  12. Review and update of Psychiatry 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).
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 – ENT SOCIETY 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.
  - Online access to obtain **CPD** points, as well as online access to view your CPD points
  - **Practice advisory services** to assist with medical schemes problems, ie, non-payment, reversals, PMB's etc., through the HealthMan office.
  - **Helpdesk** to assist with general medical schemes queries
  - **Helpdesk** assist with Consumer Protection Act complaints and queries – [cpa@healthman.co.za](mailto:cpa@healthman.co.za)
  - Online access to various medical **journals**
  - Various **consulting services** through HealthMan.
  - Receipt of regular communications relevant to the healthcare industry.
  - Annual Salary Review
4. **The PsychMG business model:**
- **PsychMG** 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 PsychMG with additional services where required.
  - Each participating psychiatrist will purchase one share in **PsychMG** at the nominal cost of R10 and thereafter the monthly subscription will be R1000 (VAT inclusive).

- The Board of Directors comprise of practising Psychiatrists that have been nominated and duly elected.
- The Board out-sources all operational issues at a predetermined cost; these costs are fixed for twelve months, and will be renegotiated on an annual basis.
- The advantage of this business model is that **PsychMG** does not have to invest money or resources in staff, premises and equipment, and therefore operates as a 'virtual' organisation.
- An annual general meeting will be held during one of the conferences.

#### 5. Internal Communication:

- Communication will be via email, fax, sms messages and the SASOP 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 ie 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.

#### 6. HealthMan Client Base:

HealthMan has been consulting to Private Practice for the past 15 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)
- Netcare 911 and ER24
- Association of Neurosurgeons of South Africa
- South African Rheumatism and Arthritis Association
- Radiography (SORSA)
- Speech Therapy & Audiology (SAAA & SASHLA)
- South African Society of Physiotherapy
- South African Dental Association

HealthMan was also responsible for **NHRPL 2009 submissions** for virtually **all SAMA disciplines**.

#### 7. Membership fee and joining PsychMG:

The monthly fee for PsychMG membership will be R1000 (VAT inclusive) and will be utilised as follows:

- R1500-00 SASOP Membership fee for 2011
- R1200-00 SAPPF Membership fee for 2011
- R2000-00 PsychMG Membership fee to cover sundry costs
- R2800-00 Management fee (HealthMan)
- R1000-00 Legal fees (NHI and other)
- R3500-00 Project fees (actuarial services, cost studies, procedural coding etc)
- Funds not utilised in a given year will be carried forward to dedicated projects in the following year

**Please note:** *Members who are working in the public sector or who are in limited private practice as well as members who has recently started private practice, may apply for a reduced monthly fee.*

The following fee structure will apply:

1. Full Time Private Practice – R 1000 (Inclusive VAT) per month
2. Limited Private Practice – R 500 (Inclusive VAT) per month
3. Public Service & Very Limited Private Practice – R 300 (Inclusive VAT) per month

The involvement of everybody with an interest in private practice is asked and an appeal to join the PsychMG is urgent. We thank the 131 psychiatrists who have already joined the PsychMG. We realise that the membership fee is high, but it seems as if there is no other way forward. The directors of the PsychMG are not remunerated for the work done, but have to spend days out of practice to be involved with meetings and information sessions around all the issues raised. As the cost is enormous to them individually, time cannot be wasted to also be running around to find funds to cover basic costs to address these serious issues.

If you have not yet joined PsychMG, please complete the attached **Application to Subscribe for Shares and ACB Authorization documents** and **fax to 011-782 0270**. On receipt of your completed documentation, you will be contacted by the HealthMan office to confirm your PsychMG membership and to arrange access to the abovementioned services.

**8. Board of Directors:**

Dr Franco Colin	<a href="mailto:pfcolin@mweb.co.za">pfcolin@mweb.co.za</a>
Dr Thabo Rangaka	<a href="mailto:rangaka@iafrica.com">rangaka@iafrica.com</a>
Dr Shaquir Salduker	<a href="mailto:doc@shrink.co.za">doc@shrink.co.za</a>
Dr Paul Strong	<a href="mailto:steynstrong@mweb.co.za">steynstrong@mweb.co.za</a>
Dr Mvuyiso Talatala	<a href="mailto:talatala@telkomsa.net">talatala@telkomsa.net</a>
Dr Ian Westmore	<a href="mailto:westmore@axess.co.za">westmore@axess.co.za</a>

**9. 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.

In summary:

- SAMA governance structures is NOT representative of private practice
- SAMA provided no support to the SPPC
- SAMA provided no financial support to the specialist RPL process and practice cost studies
- SAMA provided no support to the RPL legal challenge
- SAMA provided no support to challenges of the changes to HPCSA Ethical Rules that could have had a disastrous effect on doctors ownership in health establishments
- SAMA provided limited input to the proposed new coding system
- SAMA refused to jointly participate in the legal challenge on PMB’s
- SAMA does not want to disclose its policy or view on the DoH-CMS Policy on Price Determination in South Africa
- SAMA does not want to disclose the Competition Commission Advisory Opinion coding
- SAMA does not want to disclose its submission to the HPCSA on ethical tariffs.

Specialists need a properly constituted organisation that supports the interests of all specialist societies and its members. We urge all Psychiatrists 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”

#### 10. 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 Boucher, 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.

Should you have any further queries, please do not hesitate to contact us.

Yours faithfully



**DR MVUYISO TALATALA**  
**PSYCHIATRY PRIVATE PRACTICE**



**CASPER VENTER**  
**MANAGING DIRECTOR: HEALTHMAN**

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FOR QUERIES CONTACT:

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