26 April 2019

The Health Market Inquiry
Competition Commission
South Africa

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SUPPLIER INDUCED DEMAND AND OVERUTILISATION

1. The Radiological Society of South Africa (RSSA) is the representative association of radiologists in South Africa.

2. Following the HMI’s Stakeholder Notice 15 April 2019, the RSSA makes the following short comment on ‘Supplier Induced Demand and Over-utilisation’. This summarises points made in our previous submissions.1,2,3

3. Over-utilisation is by definition inappropriate utilisation, there is an international increase in radiology utilisation which is entirely appropriate, due to advances in technology, diagnostic capability and the assistance this gives to the clinician in patient care.

4. Fee for service (FFS) will remain the primary funding mechanism for radiology. The RSSA supports the development of Alternative Reimbursement Models (ARM), but as yet these have limited application in the South African environment. We do not believe that FFS, with the constraints described below, is a driver of utilisation.

5. Radiology is a referral speciality and receives requests from clinicians for imaging studies. The demand for radiology is generated by the referring clinician. The radiologist has some but limited ability to influence the supply side by ensuring the request is appropriate for the patient’s demographics and the clinical problem. The radiologist has a responsibility to ensure that the most suitable and safest examination is performed with particular reference to radiation exposure. The radiologist also has the responsibility to ensure that the appropriate tariff code is used.

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1 RSSA Submission to Competition Commission 17.11.2014
2 2018-09-07 HMI Provisional report RSSA Response 7 September 2018
3 2017-09-21 Health Outcome Measurement and Reporting RSSA Comment Final
6. Appropriateness of the radiological examination on both the demand and supply side is best controlled by Clinical Decision Support (CDS). This is the use of outcome-based referral guidelines, ideally linked into an electronic referral process which filters the request to radiology by comparing it with the guidelines and then accepts, modifies or rejects the request as appropriate. This has been covered in detail in the RSSA’s response to the HMI Provisional Report para 7. The RSSA supports and endorses the European Society of Radiology’s (ESR) iGuide which is an electronic CDS system based on the Appropriateness Criteria developed by the American College of Radiology (ACR) and modified by the ESR. The RSSA is in negotiations to become the non-profit agent for iGuide in South Africa and coordinate any modification needed for the local environment. The RSSA’s position is that use of CDS should, in due course, become mandatory, at least for advanced radiology.

7. The issue of the appropriate use of tariff codes, which can affect cost and utilisation on the supply side was also covered in detail in our response to the provisional report, para 5. The RSSA is aware of changes required in the radiology coding structure and its RVUs, and reiterates its request in para 5 e):

   a. ‘In the circumstances, the RSSA urges the HMI to recommend an interim dispensation in the form of an exemption from the Competition Commission to permit multi-lateral negotiations between the members of the RSSA and funders.’ This cannot wait for the establishment of a Supply Side Regulator.

8. Finally, appropriate radiology is ensured when referring clinicians refer at ‘arms-length’ without any financial incentive to refer to radiology. The RSSA is concerned that ownership of radiology by private hospitals, will allow the incentivisation of referring doctors to use radiology resulting in increased utilisation and cost.

9. Please do not hesitate to contact me should you require further information.

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