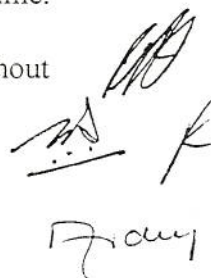


9 December 1998

JOINT AGREEMENT HASA / RAMS

Following receipt of the letter dated 4th December 1998 from RAMS and following a meeting between representatives of the Hospitals Association of South Africa and the Representative Association of Medical Schemes, the following points were agreed to:

1. The differential increase as previously agreed to will become effective on the 1st January 1999. *See Annexure A
2. The psychiatric tariff will increase by 20% in both the 55 category as well as the 57 and 58 category hospitals. Consideration will be given early in 1999 to an adjustment of these tariffs.
3. Gas prices will attract an 8% increase as from the 1st January 1999 based on CPI. This does not apply to inhalation anaesthetics which will be charged as per the Scale of Benefits.
4. The tariff item description in the Hospital Scale of benefits regarding prosthesis shall read:
* Net acquisition price on suppliers invoice inclusive of VAT by prior arrangement with medical schemes.
5. All equipment and procedure charges will attract a 33% increase except in the case of
 - phaco emulsifier
 - excimer laser hire fee
 - excimer laser theatre fee
 - microkeratomewhere the increase will be 8%.
6. The theatre fee will be adjusted by 1,2% to compensate for the loss of after hours revenue. In keeping with all other disciplines, this will be a one-off adjustment for 1999 only.
7. The parties agree that:
 - 7.1 The term Net Acquisition Price of Pharmaceuticals shall mean the trade unit price as reflected in what is colloquially known as the Blue Book as applicable from time to time.
 - 7.2 A joint committee consisting of representatives of both bodies will be established without delay in order to give effect to the following principles:




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- 7.2.1 Effective monitoring of movements in the prices of pharmaceutical products used in private hospitals and as referred to in items 5.1 to 5.4 of the Scale of Benefits. The prices ruling as at 31st October 1998 shall be used as the base index for measuring such movements.
- 7.2.2 Interaction with manufacturers, wholesalers and distributors in an attempt to assess the reasonability of such increases.
- 7.2.3 To seek to convene with pharmaceutical companies, wholesalers and distributors prior to such increases becoming effective.
- 7.2.4 To bring to bear available influence and pressure on such manufacturers, wholesalers and distributors to adjust and review any increases in prices which the committee deems to be unreasonable.
8. The parties agree that this process should not delay payment of accounts by medical schemes to hospitals and RAMS undertakes to use its best endeavours to ensure compliance with this.
9. The parties agree that disposables and other consumables as well as prostheses will be codified into a scale of benefits by early 1999 in a consultative process.
10. The RAMS new Scale of Benefits for 1999 will become effective on the 1st January 1999.

SIGNED AT RANDBURG THIS 9TH DAY OF DECEMBER 1998 BY:


MR ROD HALLOWELL
CHAIRMAN
RAMS HOSPITAL COMMITTEE


MR JOHN ROBERTSON
CHAIRMAN
HASA TARIFF COMMITTEE


MR DECLAN BRENNAN
CHIEF EXECUTIVE OFFICER
RAMS


DR ANETTE VAN DER MERWE
EXECUTIVE DIRECTOR
HASA