



**THE SOUTH AFRICAN MEDICAL
ASSOCIATION'S**

**Responses to Submissions made to the
Competition Commission Market Inquiry into
Private Healthcare**

Introduction

The South African Medical Association welcomes the opportunity to continue to assist the Panel by making this submission.

SAMA has reviewed, in detail, all the submissions made to the Market Inquiry Panel and has identified a number incorrect statements and inaccuracies contained in certain of the submissions. We will address each of these issues below.

1. The Board of Healthcare Funders

In its submission, the Board of Healthcare Funders (BHF) has raised three issues which are of direct concern to SAMA and that contain significant inaccuracies and inflammatory language directed at SAMA and approximately 8 000 of its members. We address each of these issues individually:

a. Publication of the "Doctors Billing Manual"

At paragraph 10.1, pg 53, of the BHF submission, it is stated that *"the South African Medical Association (SAMA) publishes a Doctor's Guide to Billing despite the consent order by the Competition Tribunal prohibiting this"*

There are a number of inaccuracies in this statement, as well as its related footnote in the BHF submission:

Firstly, SAMA published a "Doctors Billing Manual", subsequently renamed to the "Medical Doctor's Coding Manual".

Secondly, the consent order referred to did not prohibit the publication of this book – in fact, and in compliance with the consent order, SAMA immediately ceased inclusion of the Rand Conversion Factor in the book. The Rand Conversion Factor is required to convert, as the name implies, the procedural code to a cash value.

Thirdly, in footnote 50 (attached to the above quoted sentence and appearing on pg 74 of the submission), the BHF states that *"Despite this the Doctor's Guide to Billing, which contains tariffs and therefore constitutes the publication of tariffs, and indirectly facilitates an agreement between SAMA's members on prices, continues to be published"*. This statement is both untrue and designed to mislead. It is true that since 2005, SAMA has

continued to include tariffs in its publication, the tariffs so included are those which are published by statutory bodies such as the Road Accident Fund, the Compensation Commission, and previously the Reference Price List. The inclusion of these tariffs, available in the public domain, is, and always was intended to be a benefit to users of the book – to have all published tariffs available in one reference work. SAMA has not, as the BHF have falsely stated, published their own tariffs in the DBM now called the Medical Doctors Coding Manual since entering into the consent order.

b. Competition Tribunal matters

In Paragraph 10.2, pg 53 of the submission, the BHF makes reference to a complaint lodged by the Council for Medical Schemes against SAMA and the Society for Cardiothoracic Surgeons relating to an allegation of price fixing. It is not appropriate to delve in detail into the merits of this matter in this document. It is still a pending matter and has not been pronounced upon by the Tribunal. SAMA does, however maintain that it is not engaged in conduct that contravenes the consent order, or the Competition Act.

At this stage it remains an allegation which is, as yet, unproved. We are surprised that the BHF has described this pending matter as though it had been decided upon. The BHF appears to hold the peculiar view that that once a complaint is lodged against a party, the party concerned is automatically “guilty” before the matter has even been heard or adjudicated upon. We can only speculate that the BHF has not had sight of the complaint or is unfamiliar with the processes outlined in the Competition Act to deal with complaints.

c. Statement: SAMA members

In Paragraph 10.2, pg 53, the BHF makes the comment that “*About half of SAMA members (8 000) were then in private practice and were directly implicated in price fixing.*”

This statement is defamatory to the “8 000” medical doctors referred to. The BHF provides no evidence or even argument to support this statement and leads to an uncomfortable conclusion that the validity of the conclusions drawn must be called into question.

d. Procedural Coding

The history, methodology and evolution of procedural coding is dealt with extensively in SAMA's main submission to the Market Inquiry and will not be repeated here. We note with concern that the BHF, in pages 39-40 of their submission, accuses SAMA of introducing new procedural codes that represent an unbundling of existing codes and therefor increase the costs of treatment.

SAMA does not condone, support or engage in code "unbundling".

The adoption of new codes and the modification of existing codes is carefully considered by SAMA as well as the specialist societies who apply for such addition or modification. The inclusion of such codes is not, therefore unilateral, as the BHF suggests and is required to accurately reflect changes and advances in medical treatment.

It should further be noted that participants in all meetings relating to coding convened by SAMA are required to sign a declaration that they will not participate in any discussions relating to fees or tariffs at such meetings.

2. SAPPF

The SAPPF has, in their submission, been unduly critical of the SAMA procedural Coding system (Paragraph 10.4, pg 113). As indicated in our main submission, procedural coding is in a constant state of development and improvement. SAMA has more than 70 years experience in the field and, we submit that it is the only organisation who can properly administer a procedural coding system for South Africa. While we acknowledge that challenges have been faced in the past decade due to a number of factors, the SAMA procedural coding system remains the only relevant and appropriate system for the South African context. We submit that to "re-invent the wheel" as proposed by the SAPPF in their submission, would be counter-productive and not be in the interests of the industry or the community at large.

3. COSATU

SAMA wishes to clarify its participation in assisting to prepare the COSATU submission. On page 14 COSATU acknowledges the unions that contributed to their submission.

The South African Medical Association is comprised of two distinct components which function independently of one another, while remaining under the SAMA umbrella.

SAMA NPC is a registered Non Profit Company that operates in the private sector, the South African Medical Association Trade Union (SAMATU) is a registered Trade Union that operates separately.

We acknowledge and understand that as a trade union federation, COSATU represents a diverse constituency which may hold divergent views.

It remains the belief and view of SAMA that the provision of high quality, accessible and cost-effective healthcare to the South African public can best be delivered by both a public and a private healthcare sector.

Conclusion

We trust that the above will assist in clarifying important issues for the Panel and we look forward to continued co-operation in the Market Inquiry.