SOUTH AFRICAN SOCIETY OF PHYSIOTHERAPY
106 – 154 NPO

PO BOX 752378
GARDENVIEW
JHB, 2047

UNIT 4 PARADE ON KLOOF
OFFICE PARK, 1 THE PARADE
BEDFORVIEW, 2007

TEL: +27 116153170
FAX: 086 559 8237

www.physiosa.org.za
info@saphysio.co.za

Mr. Clint Oellermann
The Inquiry Director
Market Inquiry into the Private Healthcare Sector
Private Bag X23
Lynwood Ridge
Pretoria
0040

17 April 2015

PER EMAIL: submissions@healthinquiry.net

RE: COMMENTS ON SUBMISSIONS FROM THE SOUTH AFRICAN SOCIETY OF PHYSIOTHERAPY FOR THE MARKET INQUIRY INTO THE PRIVATE HEALTHCARE SECTOR

Dear Mr Oellermann

The South African Society of Physiotherapy ("**SASP®**") wants to reiterate the complexities of the practice of physiotherapy, as we think it is indispensable for the Commission's understanding of the issues discussed in this document.

Physiotherapists are medical practitioners who are required, in order to practice, to be registered in terms of the Health Professions Act, 1974 ("**the Act**") with their regulator, the Health Professions Council of South Africa ("**HPCSA**"). Physiotherapists are recognised by the HPCSA as "first line practitioners". In other words, physiotherapists may assess, diagnose and treat patients within their scope of practice and competency levels without the patient having been first referred to them by another health care practitioner. The corollary of this is that physiotherapists may also refer patients to other health care practitioners.

The SASP wishes to comment on two submissions to highlight inaccuracies in these submissions. In doing so, SASP hopes to raise certain inaccuracies to Commission's attention.

1. OUR COMMENTS ON SUBMISSIONS MAY BE SUMMARISED AS FOLLOWS:

1.1. CHIROPRACTIC ASSOCIATION OF SA (CASA) EXECUTIVE SUMMARY, STATING:

1.1.1. Paragraph 8, page 4 that "Chiropractics has risen to the third most utilised profession in the world after medicine and dentistry"

1.1.2. Paragraph 27, page 7: "… However due to the fact that patients are sent directly to physiotherapists, who then exhaust their medical aids, chiropractors are restricted to the number of treatments …"

1.1.3. Paragraph 28, page 7: "… Because chiropractic care can bring about improved health outcomes at lower cost …"

1.2. MEDSCHEME HOLDINGS SUBMISSION, STATING:

1.2.1. Under point 8, page 21: Recommending the establishment of a Minimum Reference Price List (MRPL) to be set by the State at a level equivalent to the State UPFS schedule

1.2.2. Under point 6, page 18: The fact that Associations own, maintain and publish their own coding structures, which led to anti-competitive practices between providers

2. COMMENTS

2.1. CASA EXECUTIVE SUMMARY STATES ON PAGE 7, PARAGRAPHS 27 AND 28:

"*8. Chiropractics has risen to become the* ***third most utilised primary health care profession*** *in the world after medicine and dentistry.*

27. *At present chiropractic care is generally accessible to those who can afford private care or who are covered by a medical scheme. However, due to the fact that patients are sent directly to physiotherapists,* ***who then exhaust their medical aids****, chiropractors are restricted to the number of treatments that can be given due to the financial burden on the patient and they often stop treatment prematurely as they feel better.*

28. *This presents a major barrier in particular to the poor and underprivileged people of our country.* ***Because chiropractic care can bring about improved health care at lower cost****, it makes basic economic sense to implement a system of chiropractic care at primary contact level in state hospitals and clinics"*

2.1.1. <u>SASP response:</u>

CASA did not provide any proof to support these abovementioned statements and, considering the facts mentioned below, these statements cannot be substantiated. The SASP would like to make the Commissioner aware of the following facts:

2.1.1.1. According to statistics dated 15 April 2015 from the Allied Health Professions Council of SA (AHPCSA), there are 728 Chiropractors registered with the Council versus the 6686 Physiotherapists registered at the Health Professions Council of SA (HPCSA). Statistics provided on 1 Oct 2014.

2.1.1.2. Table 1 below reflects the medical aid benefit payout of eight (8) of the larger medical aid schemes for Chiropractic and Physiotherapy services in 2013. The data of these schemes, represent 69.74% of total benefits paid to all provider groups. A total amount of R1.330 billion was claimed of which R 1.172 billion was paid to Physiotherapists and Chiropractors (and Osteopaths). Total benefits claimed for Physiotherapy amounts to R 1 090, 3 million, which is 1.43% of the total benefits claimed by the relevant schemes. Total claims submitted for Chiropractic and Osteopath

services amount to R102.8million, which equates to 0.12% of the total benefits claimed paid by these schemes.

MEDICAL BENEFIT PAYOUT:SECTION 37 REPORT FOR 2013								
SCHEME	**AMOUMT :R'000**			**AMOUNT : R'000**			TOTAL BENEFITS CLAIMED	TOTAL BENEFITS PAID BY SCHEME
	Chiropractors and Osteopaths			**Physiotherapists**				
	claimed	paid	% of total claimed	claimed	paid	% of total claimed		
DISCOVERY HEALTH	81,487	64,603	0.21%	564,277	485,500	1.48%	38,125,243	33,631,723
GEMS	6,770	5,875	0.03%	310,365	279,422	1.33%	23,260,832	21,902,102
BONITAS	3,003	2,254	0.04%	100,864	91,027	1.19%	8,468,224	8,075,218
POLMED	2,361	2,146	0.04%	98,053	92,824	1.55%	6,342,818	6,120,361
MEDIHELP	3,948	3,298	0.11%	82,499	76,304	2.26%	3,655,892	3,159,092
FEDHEALTH	3,069	2,660	0.11%	36,363	31,541	1.35%	2,697,872	2,318,311
MOMENTUM HEALTH	1,955	1,907	0.08%	27,890	27,380	1.18%	2,365,125	2,180,690
TRANSMED	238	178	0.02%	7,346	6336	0.64%	1,143,761	1,067,693
TOTAL	102,831	82,921	0.12%	1,227,657	1,090,334	1.43%	86,059,767	78,455,190

Table 1: Medical benefit Payouts. Source: Section 37 report 2013

2.1.1.3. The scope of practice of physiotherapy was attached as part of the original SASP submission submitted on 17 November 2014, which involves a wide range of practice areas:

2.1.1.3.1. Musculoskeletal Health, including Orthopaedics. These include joint, soft tissue and peripheral neural dysfunctions, fractures, dislocations, joint deformities, amputations and diseases/infections of bone, which require manual and soft tissue therapy, exercise prescription, and movement rehabilitation;

2.1.1.3.2. Neurological conditions: these require intensive care, physiotherapy and rehabilitation;

2.1.1.3.3. Respiratory and Cardio-vascular conditions: these require intensive care, physiotherapy, inhalation therapy, exercise prescription, and rehabilitation;

2.1.1.3.4. Women's Health, including Obstetrics and Gynaecological Conditions: these require ante- and post-natal instruction,
Pelvic infections and other gynaecological conditions;

2.1.1.3.5. Intensive Care: physiotherapists work in intensive care units as part of a multi-disciplinary team;

2.1.1.3.6. Pre-surgical Habilitation and Post-surgical Rehabilitation related to Neurosurgery, Thoracic Surgery, Abdominal Surgery, Spinal Surgery, Joint Replacements, Urological and Gynaecological Surgery: this requires physiotherapy treatment, exercise prescription, rehabilitation of movement, and optimising the patient for work- and sport-related activities, including adaptation to permanent disabilities;

2.1.1.3.7. Sports Medicine: this involves prophylaxis and treatment of all injuries, and rehabilitation of disabilities related directly to sport;

2.1.1.3.8. Paediatrics: this requires physiotherapy involvement in all related fields, from developmental abnormalities to postural deformities in infants and children;

2.1.1.3.9. Geriatrics: this involves the care of the aged, rehabilitation, and recreational activities;

2.1.1.3.10. Pain: a bio-psychosocial approach to address pain, from the acute to the chronic phases, including prevention of chronic pain; and

2.1.1.3.11. Medical Fields: this requires physiotherapy treatments, amongst others, in rheumatology, dermatology, cancer and HIV/AIDS.

2.1.1.4. The benefits allowed for both services vary a lot from funder to funder. Most medical aids pay for both services on an in- and outpatient basis, but within a combined benefit pool for physiotherapists, Occupational Therapists, Speech therapists, Dieticians and many more. This could be seen from the two biggest medical aids, Discovery health and GEMS:

2.1.1.4.1. *Discovery Health (DH):*

2.1.1.4.1.1. As per all medical aids, different plans have different benefit limits attached to them

2.1.1.4.1.2. DH pays for allied, therapeutic and psychology healthcare services up to an annual limit on the Executive, comprehensive and Priority plans. The following professionals are included in this benefit package:

- Acousticians
- Biokineticists
- Chiropractors
- Counsellors
- Dieticians
- Homeopaths
- Occupational Therapists
- Physiotherapists
- Podiatrists
- Psychologists (Clinical, counselling and educational)
- Registered Nurses
- Social workers
- Speech and language therapists and audiologists

2.1.1.4.1.3. Additional benefits may ONLY be requested by the following professionals:

- Acousticians
- Biokineticists
- Chiropractors
- Occupational therapists
- Physiotherapists
- Psychologists
- Speech and Language Therapists and audiologists

2.1.1.4.2. *Government Employees Medical Scheme (GEMS)*

2.1.1.4.2.1. GEMS also has different monetary limits attached to all its plans, subject to different managed-care rules, and subject to referral by nominated FP.

2.1.1.4.2.2. **Allied health services,** include chiropractors, dieticians, homeopaths, chiropodists, phytotherapists, reflexologists, social workers, naturopaths, orthoptists, acupuncturists, ayurvedic practitioners, osteopaths, aromatherapists, therapeutic massage therapists, Chinese medicine practitioners, and excludes physiotherapy, Occupational and Speech therapy services for example.

2.1.1.4.2.3. Different managed-care arrangements apply to these professionals. In the case of physiotherapy for example:

- An In-hospital limit of R4 017 per beneficiary per year
- Post-hip, knee, and shoulder replacement, or revision surgery physiotherapy: 10 post-suregry physiotherapy visits (shared with the out-of-hospital visits) up to a limit of R 4 240 per beneficiary per event used.
- Very limited cover for physiotherapists treating psychiatry patients.

2.1.1.5. In conclusion, from the abovementioned information, it is clear that:

2.1.1.5.1. Most medical aids pay for chiropractic and physiotherapy services, but vary depending on the plan and the managed-care arrangement with the specific professional group or per condition.

2.1.1.5.2. In most plans, chiropractic services are combined with other professional groups besides physiotherapy, making use of the same monetary risk pool.

2.1.1.5.3. Purely because of the number of registered Chiropractors versus Physiotherapists, there are good reasons for physiotherapy being utilised more than chiropractic services. Adding to this fact is the wide scope of practice of physiotherapists.

2.1.1.5.4. CASA need to provide evidence justifying its unsubstantiated statements:

- "… ***third most utilised primary health care profession*** *in the world after medicine and dentistry."*
- ***"… Because chiropractic care can bring about improved health care at lower cost…"***

2.2. MEDSCHEME HOLDINGS' SUBMISSION STATED UNDER PARAGRAPH 8:

"Impact of interventions made by the competition authorities in the healthcare sector, page 20 (Refer section 9 of detailed submission):

"Medscheme however propose the following qualifications and additions to accompany an independent coding authority structure:

A Minimum Reference Price List (MRPL) is established. A list of minimum reference prices (MRPL) should be set by the State at a level equivalent to the State UPFS

schedule. **This provides a reference price list only as a benchmark for the private healthcare industry".**

PARAGRAPH 9.1., PAGE 84 OF THE SUBMISSION:

"We believe that it will make a substantial contribution towards curbing the rising costs of healthcare if a MRPL is published. Healthcare practitioners and providers, as well as medical scheme benefits should be mandated to publish their rates relative to this MRPL. The MRPL should be set at State UPFS fee levels and would represent the minimum rate of payment for PMBs."

2.2.1. **SASP Response**:

The SASP wishes to draw the Commissioner's attention to the following facts:

2.2.1.1. The Physiotherapy coding structure currently has 65 procedural codes, which cover the wide scope of practice, and have been weighted according to regulations applicable at the time. Different Relative Value Units (RVUs) have been allocated according to the skills needed, time spent on the premises or with the patient, the risk of the modality, the cost of equipment, etc. Please refer to Annexure A for more information.

2.2.1.2. Table 2 explains the utilization of the ten (10) most commonly used codes claimed by physiotherapists with the price difference between these codes.

Code	Description	RVUs / GEMS price per code	Claimed (R' mil)	Frequency code is claimed /No of Practices using code
501	Rehab. (undivided attention)	25 / R 214.20	146.4	877 536 / 2353
303	Soft tissue mobilisation	20 / R 172.30	103.1	864 317 / 2491
301	Percussion	16 / R 138.10	45.8	450 720 / 1768
901	Treatment at Nursing Home	10 / R 85.80	43.8	631 795 / 1227
401	Spinal	15 / R 128.70	38.6	532 611 / 2319
310	Neural tissue mobilisation	20 / R 171.50	25.7	322 696 / 1456
405	All other joints	15 / R 128.70	24.2	299 135 / 1989
701	Evaluation	15 / R 128.70	22.8	209 533 / 2190
503	Rehab. (central nervous system)	55 / R 471.60	21.7	55 649 / 670
702	Complex evaluation	30 / R 257.10	13.9	63 206 / 1375

Table 2: Physiotherapy claims data 2013. Source: Healthman Consultants

2.2.1.3. Uniform Patient Fee Schedule (UPFS) effective 1 April 2014, to which Medscheme refers as a benchmark, is by far inadequate and does not give justice to the wide scope of physiotherapists. UPFS only has two components determining the fees, being a facility fee and a professional fee. Facility fees also differ according to level 1 – 3 classification. For example:

2.2.1.3.1.	Outpatient consultation and follow-up professional fees	R 50
2.2.1.3.2.	Emergency professional fee	R 75
2.2.1.3.3.	Outpatient facility fee level 1 & 2	R 82
2.2.1.3.4.	Outpatient facility fee level 3	R 101
2.2.1.3.5.	Emergency facility fee level 1&2	R 168
2.2.1.3.6.	Emergency facility fee level 3	R 199

2.2.1.4. Facility fees are payable to the government authorities and therefore physiotherapists would only receive R 50 for outpatient treatments and R 75 for an emergency treatment. Should both components be added together in a private setting, this still means only between R132 and R151 for outpatient treatments, and between R243 and R274 for emergency treatments.

2.2.1.5. Cost studies done by Healthman Consultants in 2009 indicate that the average overhead costs of running a physiotherapy practice is between R 300 000 and R 350 000 per annum if adjusted by CPI to date.

2.2.1.6. UPFS methodology is not cost based, inadequate to remunerate for services and even fall short of the “faulty” Reference Price List (RPL). The flaws and shortcoming of the RPL have been well documented.

2.2.1.7. It would therefore be impractical and certainly not cost effective even to consider Medscheme’s UPFS proposal.

2.2.1.7. It is also uncertain what impact this proposal would have for competition in the private healthcare market.

2.3. MEDSCHEME HOLDINGS STATED PAGE 17 & 18, PARAGRAPH 6:

Imperfect information as it affects consumers as well as firms in the sector (Refer section 7 of detailed submission)

"There are many reasons why an independent industry coding authority would improve the current fragmented situation:

- Each provider association currently owns, maintains and publishes their own coding structures without input from other stakeholders. This situation had led to anti-competitive practices between providers.
- Each provider association or society submits requests for new codes to the South African Medical Association (SAMA). Approved requests are published yearly but without guidelines. This allows providers to unbundle or up-code procedures that were previously incorporated within one specific code. It also allows providers to increase the unit values assigned to codes to gain higher reimbursement without providing transparent reasoning."

2.3.1. **SASP response:**

The SASP wishes to make the Commissioner aware of the following facts:

2.3.1.1. The SASP does not submit codes or changes to SAMA;

2.3.1.2. The profession has intimate knowledge of what it entail to perform procedures and is therefore the only custodians of their own coding structure;

2.3.1.3. Previously, the SASP always consulted all stakeholders (e.g. medical funders, actuarial services, consultant services) for their various expert opinions, as well as its own membership, before implementing any changes or introducing new codes;

2.3.1.4. The SASP has in the past worked closely with the regulatory authorities when determining fees, and will gladly do so again once a new

methodology for the determining of new codes or changes has been announced by the National Department of Health (NDOH);

2.3.1.5. No evidence was provided to support the statement: “This situation had led to anti-competitive practices between providers”. Unless Medscheme can provide any evidence, the Commissioner should disregard this statement. If such evidence is available, the SASP hereby requests a copy thereof.

The SASP wishes to thank the Commissioner for this opportunity to comment on submissions concerning the physiotherapy profession and is very grateful for the extension granted.

We are looking forward to engaging with the Commissioner and the Private Healthcare Inquiry team.

Yours sincerely

Dr Linda Steyn
DEPUTY PRESIDENT
On behalf of PRESIDENT
South African Society of Physiotherapy

REFERENCES:

1. Chiropractic Association of SA submission
2. Medscheme Holdings submission
3. Scope of practice for physiotherapists
4. UPFS 1 April 2014
5. Section 37 report 2013

ANNEXURE A

Code No	Description	RVU 2015
1	**RADIATION THERAPY/ MOIST HEAT/ CRYOTHERAPY**	
72001	Infra-red, Radiant heat, Wax therapy. Hot packs	**6**
72005	Ultraviolet light	**12**
72006	Laser beam	**18**
72007	Cryotherapy	**6**
2	**LOW FREQUENCY CURRENTS**	
72103	Galvanism, Diadynamic current, TENS	**12**
72105	Muscle and nerve stimulating currents.	**15**
72107	Interferential therapy	**12**
3	**HIGH FREQUENCY CURRENTS**	
72201	Shortwave diathermy	**6**
72203	Ultrasound	**12**
72205	Microwave	**6**
4	**PHYSICAL MODALITIES**	
72300	Vibrasions	**12**
72301	Percussion	**20**
72302	Massage	**12**
72303	Myofascial Release / Soft tissue mobilisation of one or more body parts	**26**
72304	Acupuncture	**20**
72305	Re-education of movement. Exercises (Excluding pre- or post-natal exercises)	**13**
72307	Pre and post-operative exercises and/or breathing exercises	**13**
72308	Group exercises - maximum of 10 patients in a group -	**12**
72309	Isokinetic treatment	**13**
72310	Neural tissue mobilisation	**26**
72313	Ante and post natal exercises/counselling	**12**

72314	Mechanical Lymph Drainage	**6**
72315	Postural drainage	**12**
72317	Traction	**13**
72318	Upper respiratory Neubulization / lavage	**12**
72319	Nebulisation	**12**
72321	Intermittent positive pressure ventilation	**13**
72323	Suction Level 1 : (including sputum specimen)	**7**
72325	Suction Level 2 : In combination with lavage as a treatment in a special unit situation or a respiratory compromised patient	**27**
72327	Bagging (used in the intubated unconsious patient or in the severely respiratory distressed patient)	**7**
72328	Dry Needling	**20**
5	**MANIPULATION / MOBILISATION OF JOINTS**	
72401	Spinal	**20**
72402	Pre- meditated manipulation	**13**
72405	All other joints	**20**
*72407	Immobilisation (excluding materials) Rule 008 does not apply -	**19**
6	**REHABILITATION**	
*72501	Rehabilitation, a goal orientated process to restore optimum function. The pathology requires the undivided attention of the physiotherapist Rule 008 does not apply. Duration: Up to 30 min	**33**
*72502	Hydrotherapy where the pathology requires the undivided attention of the physiotherapist. Rule 008 does not apply. Duration: Up to 30min.	**33**
*72503	Rehabilitation for Central Nervous System disorders - condition to be clearly stated (No other treatment modality may be charged in conjunction with this). Rule 008 does not apply. Duration: Up to 60min.	**74**
*72504	EMG Biofeedback Treatment	**19**
*72505	Group rehabilitation. Treatment of a patient with disabling pathology in an appropriate facility requiring specific equipment and supervision, without individual attention for the whole treatment session. No charge may be levied for the venue. .	**15**
*72506	Stress management	**25**
*72507	Respiratory Re-education and Training. Rule 008 does not apply. Duration up to30 mins.	**19**
*72508	Hourly rehabilitation facility fee.	

*72509	Rehabilitation (additional 15 minutes) where the pathology requires the undivided attention of the physiotherapist. Can only be used with codes 72501, 72502 and 72503. Rule 008 does not apply	**20**
7	**EVALUATION**	
*72701	Either evaluation or counselling, once per episode of care	**20**
*72702	Either complex evaluation or complex counselling, once per episode of care	**40**
*72703	One complete re-assessment of a patient's conditions during the course of treatment.	**18**
*72704	Lung function : peak flow (once per treatment)	**6**
*72705	Computerised / electronic test for lung pathology	**19**
*72706	Reports. To be used to motivate for therapy and/or give a progress report and/or a pre-authorisation report, where such a report is specifically required by the medical scheme.	**18**
*72707	Physical Performance Test. Must be fully documented.	**25**
*72708	Interview, guidance, advice, education, consultation with the patient or his family or caregiver.	**19**
*72801	Electrical testing for diagnostic purposes (including IT curve and isokinetic tests) for a specific medical condition.	**46**
*72803	Effort test - multi-stage treadmill.	**45**
8	**VISITING CODES**	
*72901	Treatment at a Nursing Home / Hospital relevant fee plus (to be charged only once per day and not with every visit).	**12**
*72903	Domiciliary treatment : Relevant fee plus	**25**
9	**OTHER**	
*72117	Appointment not kept (schemes will not necessarily grant benefits in respect of this item, it will fall into the "By arrangement with the scheme" or "Patient own account" category).	
*72937	Bird or equivalent free-standing nebuliser excluding oxygen, per day, in hospital	**12**
*72938	Bird or free-standing nebuliser for patient in domicilliary situation. Only owner of equipment may charge.	**12**
*72939	Cost of material	**Cost + 20%**
*72940	Cost of appliances	**Cost + 20%**

*72941	Hiring equipment: 1% of the current replacement value of the equipment per day. Total charge not to exceed 50% of replacement value. Description of equipment to be supplied.Payment of this item is at the discretion of the medical scheme concerned, and should be considered in instances where cost savings can be achieved. By prior arrangement with the medical scheme.	
*72942	Administration cost for data capturing.	**15**
*72720	Essential continuation of Physiotherapy care, in an after-hours situation. Rule 008 does not apply. Can only be charged once per intervention. Codes 72720 and 72721 may not be charged together at the same single intervention. <u>Indications for use of code 72720 “essential continuation of physiotherapy care”</u> This code may be used under the following circumstances where failure to provide the Physiotherapy intervention might result in any or all of: • Serious impairment to bodily functions • Serious dysfunction of a bodily organ or part, • Reduced functional ability due to severe pain • Would place the patient's life in serious jeopardy • Increase of length of hospital stay • Prolongation of expected recovery time <u>Explanation and use of “after- hour situation”</u> "After- hour situation" shall mean all physiotherapy interventions, where essential continuation of care is required in excess of ordinary working hours in the following circumstances: Weekdays before 07:00h and after 17:00h Saturdays, Sundays and Public holidays **<u>This code may NOT be charged in the following circumstances:</u>** • Where the Physiotherapy appointment is scheduled for the convenience of the patient. • Where the Physiotherapy appointment is scheduled for the convenience of the Physiotherapist. • Where the ordinary outpatient consulting hours for the practice fall outside the above parameters. • In circumstances where the above criteria are not met the use of code 72720 is not applicable.	**20**

*72721	Emergency Physiotherapy intervention. Rule 008 does not apply. Can only be charged once per intervention. Codes 72720 and 72721 may not be charged together at the same single intervention. <u>Indications for use of code 72720 "essential continuation of physiotherapy care"</u> Code 72721 may only be used where an emergency Physiotherapy intervention is provided. **Emergency is defined as a sudden, and at the time, unexpected onset of a health condition or an unplanned event that requires immediate unscheduled Physiotherapy intervention.** Failure to provide the Physiotherapy intervention immediately might result in any or all of the following: • Serious impairment to bodily functions • Serious dysfunction of a bodily organ or part, • Reduced functional ability due to severe pain • Would place the patient's life in serious jeopardy In circumstances where the above criteria are not met the use of code 72721 is not applicable.	**30**