
<p>PRIVATE PRACTICE REVIEW - JANUARY 2012 2012 MEDICAL SCHEME TARIFFS</p>

Dear Doctor and Staff

1. INTRODUCTION

The management and staff at HealthMan and e2 Solutions wish all our clients and their staff and those of you who also receive this newsletter a prosperous 2012. This year will indeed again be challenging with expected legislative changes that could have major impacts on private healthcare in 2012/13. Amongst others, these challenges will include:

1.1 Price Regulation in the Private Sector

- The Department of Health (“DoH”) and Council for Medical Schemes (“CMS”) issued a Discussion Document on “The Determination of Health Prices in the Private sector” during October 2010. Following on the setting aside of the RPL by the Gauteng North High-Court this was a further attempt by the DoH and CMS to introduce Price Control in the Private sector. The deadline for commentary on this proposed voluntary process was 15th January 2011. The South African Private Practitioners Forum (“SAPPF”) provided detailed responses to this document during December 2010 and further supplementary comments on 15th January 2011. To date neither the DoH nor the CMS have responded on any of the submissions received, nor are they willing to discuss these. They have also not published any of the submissions received.
- The DoH and CMS have also indicated that they wish to set up a Healthcare Pricing Authority. This process will include the establishment of a Pricing Commission, Negotiation Chamber and an Arbitration Process. There is however currently no Regulatory Framework to set up such a structure. We expected that the Minister of Health may have published draft legislation in this regard during 2011. This did however not happen and the DoH prefers to use the Press to make unsubstantiated claims against the Private Sector for excessive pricing. Finalisation of such a process will however take up to three years to implement.
- On the 30th December 2011 the Competition Commission announced that it intends to launch a full enquiry into Private Sector healthcare pricing during 2012. We do not believe that this will be a threat to the Healthcare Professions market as costs and tariffs have been a very transparent process, as was echoed by Acting Judge Piet Ebersohn in the 2010 judgement against the DoH RPL process. We do not however believe that the same can be said of Medical Scheme Administrators who unilaterally impose fixed tariff increases across all schemes administered by them and across all disciplines. Medical Scheme Trustees do not apply their minds and are blindly led by the Administrators in this regard.

1.2 Risk Equalisation Fund (“REF”)

- There were expectations that the REF could have been introduced during 2012/13. This would have benefitted medical schemes with high demographic and geographic risks of its members. We believe this project is now on hold as the DoH focuses on National Health Insurance (“NHI”) in the hope that more medical schemes fail.

1.3 Prescribed Minimum Benefits

- Legal proceedings on the interpretation of Regulation 8 of the Medical Schemes Act were instituted by the Board of Healthcare Funders (“BHF”) against CMS for its interpretation of Regulation 8. It was the BHF’s interpretation that Prescribed Minimum Benefits (“PMBs”) should be paid at the Scheme Rate and not at the cost of providing the service. This will in many instances have a serious impact on patients with large co-payments having to be paid. The SAPPF and 11 other respondents however intervened in the Court Application and the matter was finally heard by Judge Cynthia Pretorius in the Gauteng North High-Court on 22nd/23rd September 2011. She finally ruled that BHF and SAMWUMED had no legal standing to bring this matter to court and dismissed their applications with costs. BHF has indicated its intention to appeal against the judgement and will approach the Court in this regard. It is interesting that only a small minority of Schemes support BHF in this application. In the mean time schemes have to pay at cost.
- As a result there will be further pressure on Medical Schemes to appoint Designated Service Providers (“DSPs”) in both General Practice (“GP”) and Specialist Practice environment. GP DSPs are already in place for GEMS, Polmed, Discovery, Bankmed & certain schemes administered by Medscheme. Specialist DSPs could follow the appointment of Hospital DSPs for in-hospital PMBs as is the case for Discovery Key Care option. Both Fedhealth and Metropolitan Health have launched Specialist Payment plans very similar to that of Discovery Health. We believe this will soon be followed by Polmed, Bonitas and GEMS. Whilst the tariffs offered by these Specialist Payment plans are not yet at a practice cost level, it is a move in the right direction and very soon the old Scheme Rates that equates the defunct RPL will be history.

1.4 Health Professions Council of South Africa

- There could be possible interference by the Health Professions Council of South Africa (“HPCSA”) in private practice matters as was evidenced by the attempt to scrap the Ethical Tariffs during 2008/9 as well as limiting doctors’ ownership in hospitals. We expect that the HPCSA will have to review its position on Ethical Tariffs following the successful court application against the DoH on the publication of its RPL during 2009. It will currently be extremely difficult to take action against a Practitioner for overcharging. It should also be noted that it is the Medical & Dental Board that has to set Ethical Tariffs and not the HPCSA. We believe that the Medical & Dental Board has no capacity or skills to actually carry out its mandate. Nor for that matter has any of the other Professional Boards. The HPCSA has however indicated that it will publish an ethical tariff in 2012 - time will tell.

1.5 Regulatory Reforms by DoH

- A re-introduction of the National Health Amendment Act to Parliament in 2012. This legislation was successfully opposed by various Societies and Management Companies during 2008, but will be required if Government wants to price regulate healthcare services in South Africa.
-

- Certain changes were proposed to the National Health Act during 2011. These however mainly dealt with the introduction of an Office of Compliance Standards and Accreditation of Practices and other Healthcare Sites.
- The release of the long awaited Official Discussion Document on the introduction of NHI to South Africa finally happened in September 2011 with the release of a Green Paper. In short, this document lacks content, is factually wrong in many of the statements made and will require serious redrafting if it were to serve as an official policy document. The SAPPF submission has been sent to all specialist groups and to the DoH.
- As part of the HealthMan input to the Private Sector Task Team on NHI we will be doing research amongst Private Practitioners in the first quarter of 2012. Please respond to these surveys. We have a data base of NHI research and various position statements in this regard. Please contact us should you wish to obtain any information. We will also launch a web site www.nhisa.co.za during January 2012.

Our regular newsletters - Healthview and Private Practice Review - and presentations at CPD meetings will keep you up to date on all these matters. We will also from time to time be issuing Special Reports on matters of importance.

2 TARIFFS 2012

2.1 SAMA Doctors' Billing Manual 2012 (DBM)

The DBM was a comprehensive manual containing important information on the codes and descriptors for doctors' services, interpretation of various billing guidelines, as well as relevant legislative and ICD-10 guidelines. No DBM was published in 2010 or 2011. An electronic version was available in 2011, but is very difficult to work with.

It is our view that SAMA should proceed to publish a 2012 DBM as soon as possible as any references to an RPL which is outdated and in fact "irregular" merely serves to confuse practitioners and leads to Administrators and Schemes applying codes and rules that do not correctly reflect the "Scope of Medical Practice" in South Africa. We note that Medscheme still refers to RAMS in its tariff schedules. This is more than 15 years out of date.

A number of Societies now publish their own "Billing Guidelines". This is probably the right way to go.

The CMS has threatened that they will consider lodging a complaint against SAMA or any other Society that publishes a Billing Manual containing Codes, Descriptors and Relative Value Units (RVUs). We do not believe that such action will be successful as all schemes still have the option to decline payment for a specific code or to change the tariff at which they reimburse a specific code, unless it relates to a PMB. No legal precedent for such Competition Law attack is to be found in the USA or European Union.

2.2 RPL – Department of Health and Medical Scheme Administrators

By now it is common knowledge that on 28th July 2010 Acting Judge Piet Ebersohn declared the RPL 2007 – RPL 2009 null and void. He found the process by which the RPL and rates were determined to be unfair, unlawful, unreasonable and irrational. The Judge also said that the process resulted in tariffs that were "unreasonably low" and one of the reasons cited for the exodus of doctors from South Africa.

Unfortunately all Schemes and Administrators still utilise the now “illegal” RPL structures to set their benefits and tariff structures. We believe this to be unfortunate and a disregard of an order of the High Court.

2.3 Scheme Rates 2012

Legally there is no longer a RPL. In the absence of any guidance to schemes as to what tariffs to apply in 2012 Schemes must independently set their tariffs. The reality is that this process is not happening and that Administrators are setting tariffs on behalf of the Schemes they are administering. This holds true for Discovery, Medscheme, Momentum and Metropolitan Health. This is an administrative procedure that could in future be challenged by the Competition Commission.

As there is no RPL, Schemes will not be able to rely on a RPL in their benefit structures. They will have to adopt a specific Scheme Tariff as Discovery Health has done. These Scheme Tariffs should be placed on web sites and be made available to all Practitioners and members on request. Detailed tariff lists are available on the web sites for most Schemes.

The reality is however that most Schemes and Administrators do not have capacity or insight into coding structures; they merely prefer to blindly follow the illegally published RPL. Tariff increase are essentially still based on NHRPL 2006 and therefore does not contain all changes to codes, descriptors, rules and modifiers approved by SAMA, SAPPF and other Associations for 2006 to 2012. It is also inconsistent in many respects. Disputes between Practitioners and Schemes will increase and ultimately Scheme members will be worse off.

Increases in tariffs for 2012 vary between 5.5 % (Discovery) and 8.8 % (World Bank). GEMS increased their tariffs for specialists by 6.65%. Details of Scheme increases are set out in a separate attachment. A summary is included below:

1. Discovery Health 5.5% (plus 1% for direct payment arrangements). For all schemes administered by it.
2. Momentum Health 5.5%
3. Medscheme 6.0%
4. Metropolitan Health 6.0%
5. GEMS 6.65%
6. Profmed 6.0%
7. V Med 6.0%
8. Medshield 6.0%

It is not clear to what extent Practitioners will be able to accommodate these various tariffs within their Practice Management Systems. It is therefore now the best time to set an appropriate practice tariff to recover from all schemes and patients.

2.4 Balance Billing

It has been HealthMan’s view for a number of years that ‘Balance Billing’ is an effective mechanism to promote healthy competition between various parties. It is also the only way to handle the multiple tariff structures that will be introduced in 2012.

The CMS has however called for a statutory provision to be made that will enable the development of no-balanced billing tariffs for health services by means of effective negotiations between providers and funders of health care. Proposals for DoH’s consideration were tabled at a meeting held in June 2007 by a CMS committee. This approach is also contained in the recent Discussion Document on The Determination of

Health Prices in the Private Sector. Input from the BHF and other key stakeholders present at the meeting were taken into consideration.

Outside of the no-balanced tariff, individual funders and providers will be able to negotiate alternative billing arrangements as long as such negotiations are free of collusion and result in discounts off the centrally negotiated tariff.

Certification criteria outlined in the proposed legislation would allow for Bargaining Chamber determinations of the tariff where inappropriate, late or insufficiently representative submissions are made. The Minister of Health has recently indicated that they wish to expand on the possible re-introduction of centralised bargaining in 2012. This will however require amendments to current legislation, as mentioned earlier.

2.5 HealthMan Practice Cost Tariffs

The HealthMan website www.healthman.co.za includes a practice cost tariff for disciplines who commissioned HealthMan to do such studies. Certain of the results have previously been published in the Public Domain and will be updated over the next few months. These tariffs represent the results of various studies and can be used for reference purposes. We are in the process of refining the studies for consolidated “surgical” and consolidated “consulting” disciplines and will present the results when available. Please email any comments to casper@healthman.co.za. We will also be sending all disciplines their 90% basket of codes with comparative tariffs over the next 2 weeks. Tariffs on the web site will be updated by 31 January 2012.

2.6 Discovery Health Tariffs and Payment Arrangements.

The base Discovery Health Rate (DH Rate) will increase by 5.5% in 2012. This will apply to all codes and all disciplines except where Discovery has entered into separate arrangements with a discipline that we are not aware of. Physiotherapy is an example where differential tariff increases have been applied to correct RCFs that are too low.

According to the scheme’s **Premier Rate Payment Arrangement**, specialists will receive either 162% of the DH Rate for out-of hospital claims and 137% of the DH Rate for in-hospital claims (**Premier Rate A**); or an average 147% of the DH Rate for both in- and out-of hospital claims (**Premier Rate B**) for patients admitted under Essential, Coastal or Classic plans, and 300% of the DH rate for both in- and out-of hospital treatment for patients on Discovery’s Executive Plan.

For the **Classic Direct Payment Arrangement**, participating specialists will receive 100% of the 2012 DH Rate for out-of-hospital claims and 217% of the DH Rate for in-hospital claims for members on the Classic plans. Specialists can balance bill above the 100% for out-of-hospital claims, but not balance bill above the 217% for in-hospital claims. Specialist will only be allowed to institute balance-billing above the 100% rate pay-outs on Essential and Coastal plans for both in and out-of-hospital plans. Members on the Executive Plan can be billed at 300% for all claims, but no balance billing above 300%.

The above arrangements do not apply to Key Care members for which separate arrangements are put in place at 110% of the DH Rate.

Anaesthetists have a separate arrangement with Discovery.

Please note that the Discovery Health Payment Arrangements also apply to a number of closed medical schemes administered by Discovery Health. These are dealt with in a separate attachment.

<u>Discovery Health Rate</u>	<u>% of 2012 DH Rate</u>
Premier Rate – Essential, Coastal & Classic	
<i>Premier Rate A (In Hospital)</i>	137%
<i>Premier Rate A (Out of Hospital)</i>	162%
<i>Premier Rate B</i>	147%
Classic Rate	
<i>Essential and Coastal Plans (Can Balance Bill)</i>	100%
<i>Classic Plans (In Hospital) (No Balance Bill)</i>	217%
<i>Classic Plans (Out of Hospital) (Can Balance Bill)</i>	100%
Executive Plan	300%

2.7 Momentum Health Associated Specialist Arrangement

As from 1 January 2012 Momentum Health Medical Scheme will pay specialist claims directly to participating specialists at the following rates:

2.7.1 High Income Plan (Summit)

200% of Scheme rate for in-hospital claims and 215% for out-of-hospital claims.

2.7.2 Middle Income Plans (Custom, Incentive & Extender)

137% of Scheme rate for in-hospital claims and 154% of scheme rate for out-of-hospital claims.

2.7.3 Low-income plans (Base & Access)

100% of scheme rate for all claims.

Comments:

1. Approx 85% of Momentum Health members are on the middle-income plans.
2. If you wish to participate e-mail specialistpartner@momentum.co.za
3. Where coding issues are raised, please advise the HealthMan offices.

2.8 Metropolitan Health Risk Management Specialist Arrangement

As from 1 January 2012 Metropolitan Health will set up a network of specialists and will pay specialist claims directly to participating specialists at the following rates:

2.8.1 High Cost Options

150% of Scheme rate for in-hospital claims and 200% for out-of-hospital claims.

2.8.2 Medium Cost Options

135% of Scheme rate for in-hospital claims and 150% of scheme rate for out-of-hospital claims.

2.8.3 Low Cost Options

100% of scheme rate for all claims.

Comments:

1. This offer is not as attractive as other Direct Payment arrangements and only limited to schemes, SAB and Nampak, with only 13416 members.
2. If you wish to participate e mail networks@metropolitanhrm.co.za
3. Where coding issues are raised, please advise the HealthMan offices.

2.9 Medscheme Specialist Agreement

2.9.1 This agreement is only applicable to Fedhealth Medical Scheme and is with effect from 1 January 2012.

2.9.2 Specialists will be reimbursed according to the following tariff structure at scheme rate:

<u>Option Name</u>	<u>In Hospital</u>	<u>Out of Hospital</u>
Ultimax	300%	300%
Ultima 300 with OHEB	210%	210%
Ultima 200	150%	165%
Maxima Plus	210%	210%
Maxima Exec	210%	210%
Maxima Standard	150%	165%
Maxima Basis	150%	165%
Maxima Core	150%	165%
Maxima Entry Zone	100%	100%
Blue Door	100%	100%

3. COMPARATIVE SPECIALIST CONSULTATION TARIFFS 2012

		GEMS Tariffs	Discovery Premier A
0190	Surgical	R 245.40	R 463.20
0190	Consulting	R 400.30	R 665.30
0191	Surgical	R 245.40	R 463.20
0191	Consulting	R 400.30	R 665.30
0192	Surgical	R 245.40	R 463.20
0192	Consulting	R 400.30	R 665.30
0161	Psychiatry Consulting	R 258.30	R 677.60
0162	Psychiatry Consulting	R 473.50	R 677.60
0163	Psychiatry Consulting	R 688.70	R 677.60

Note: As there is no RPL, we have listed GEMS and Discover Health tariffs for comparison purposes and guidance. O & G tariffs are R31.70 higher for Scheme tariffs in the various categories, no differentiation for Discovery. Neither the Scheme tariffs nor Discovery Health differentiates between Tiered Consultations. There is also no justification for the 3 differential sets of tariffs between groups, other than the “historical accident”. Also note that Neurosurgery consulting tariffs for GEMS are at the consulting group levels. Both Discovery Health and GEMS apply irrational and discriminatory Policies in setting Consultation tariffs. This applies equally to all other Schemes and Administrators.

4. SUMMARISED RAND CONVERSION FACTORS (RCFs)

Code		PROFMED 2012	GEMS 2012
10	Consultative Services	R 15.376	R 15.396
11	Psychiatry	R 18.338	R 18.363
12	Consultative Services (<i>Paediatrics & Paediatric Cardiology</i>)	R 15.376	R 15.396
20	Clinical Procedures	R 9.522	R 9.535
30	Anaesthesiologists	R 59.763	R 59.850
130	GP Consultative Services	R 17.237	R 17.140
60	Ultrasound	R 9.076	R 9.089

The Profmed RCF is based on a 6% increase and GEMS on a 6.65% increase. We have not included HPCSA RCFs as they are by now irrelevant. These RCFs do not represent the actual costs of running private practice. Practice cost RCFs will be distributed to the various disciplines under a separate communication.

5. HPCSA & TARIFFS

The HPCSA has given no indication as to whether they will apply Ethical Tariffs in any disciplinary hearing. The current RCF used by HPCSA is of no value and for all intent and purposes can be ignored. We however strongly advise all practitioners to advise all patients, where practical, what their tariff structures are. Where the HPCSA investigates a practice for overcharging we suggest that they contact the HealthMan offices.

6. MALPRACTICE INSURANCE

The malpractice insurance rate increases continue to exceed inflationary adjustments. We continue to provide Practitioners with alternative cover through our arrangements with Aon South Africa. These rates are in general well below that of MPS and can be structured in various levels of cover. For further details email Casper Venter at casper@healthman.co.za.

7. IMPORTANT CHANGES AT MEDICAL SCHEMES

7.1 Bonitas

The CMS applied to the High Court to place Bonitas under Curatorship following on the suspension/resignation of the Principal Officer and investigation into numerous dubious transactions by the Scheme. The independence of Trustees was also challenged. The Scheme also experienced severe losses during 2009/10. The solvency levels are still at an acceptable level, but the Scheme needs a turnaround in 2011. The Curator and acting PO have been meeting with the industry to facilitate a new working environment for 2012.

7.2 Oxygen

Early in 2010 we reported that we believed that Oxygen is not sustainable and needed to merge with another Scheme. This indeed happened and Oxygen merged with Medshield on 1 October 2010. The new merged Scheme is however continuing to be under financial pressure and we do not believe that they have established an effective management and administration structure. Too many of their functions are outsourced to 3rd parties.

7.3 Resolution Health

Following a continuing dispute with CMS the administration of Resolution Health was transferred to Agility Global Health Solutions. Agility is in essence a revamp of the old MX Health & Full Circle and now possibly includes structures of the previous Resolution Health Administrators and Managed Care. Resolution Health has increased its base rate by 8% for 2012 and offers an enhanced payment program to Specialists. Details of this program are lacking and have been dealt with in a previous communication. We will keep our clients informed as to our views on the future viability of the Scheme as they continue to lose members.

7.6 Liberty Health / Spectramed / V Med

There were Press Reports and Circulars issued by the CMS re possible irregularities at Liberty relating to attempts to merge Liberty Health and Spectramed Medical Schemes. Both Schemes are administered by V Med. The V Med CEO was Patrick Masobe, the previous CMS Registrar. Masobe resigned and investigations are continuing.

7.7 Prosano Medical Scheme

The curatorship of some 3 years was lifted and a new experienced Principal Officer was appointed during 2010. The Scheme is running well with a good solvency ratio.

7.8 Sizwe Medical Scheme

The CMS was investigating irregularities in the management of the Scheme. A Curator had been appointed. No new developments in recent months.

8. GENERAL DISCLAIMER

The information disclosed above is based on information available in the healthcare industry and which we believe would be of assistance to you. HealthMan will not be responsible for any losses incurred by a practitioner relying on the information as stated above, and where any doubt exists, we recommend that you make direct enquiries with the relevant schemes as to the eligibility of members, availability of benefits, etc.

Regards

Casper Venter
Director HealthMan

Ernst Ackermann
Director HealthMan

January 2012

Medical Scheme Rates - 2012

SCHEMES ADMINISTERED BY MEDSCHEME

Scheme Name	2012 Scheme Rate
Bonitas Medical Fund	2011 Bonitas Rate + 5.5%
Fedhealth Medical Scheme	2011 Fedhealth Rate + 5.5%
AECI Medical Aid Society	2011 AECI Rate + 5.5%
Barloworld Medical Scheme	2011 Barloworld Rate + 5.5%
Eyethumed Medical Scheme	2011 Eyethumed Rate + 5.5%
Horizon Medical Scheme	2011 Horizon Rate + 6%
Massmart Health Plan	2011 Massmart Rate + 5.1%
MB Med Medical Aid Scheme	2011 MB Med Rate + 5.5%
Metrocare Medical Scheme	2011 Metrocare Rate + 5.5%
Nedgroup Medical Aid Scheme	2011 Nedgroup Rate + 5.5%
Old Mutual Staff Medical Aid Fund	2011 Old Mutual Staff Rate + 6%
Parmed Medical Aid Scheme	2011 Parmed Rate + 5.5 %
SABC Medical Scheme	2011 SABC Rate + 5.5%
SASOLmed Medical Scheme	2011 Sasolmed Rate + 5.5%
Siemens Medical Scheme	2011 Siemens Rate + 6%
University of Witwatersrand, Johannesburg Staff Medical Aid Fund	2011 Wits Rate + 6%
Xstrata Medical Aid Scheme	2011 Xstrata Rate + 5.5%
Government Employee Medical Scheme	2011 GEMS Rate + 6.5%
BMW Employees Medical Aid Society	2011 BMW Rate + 3.5%

CLOSED SCHEMES ADMINISTERED BY DISCOVERY MEDICAL SCHEME

Scheme Name	2012 Scheme rate
Anglovaal Group Medical Scheme	2011 Scheme Rate + 5.5%
Lonmin Medical Scheme	2011 Scheme Rate + 5.5%
IBM South Africa Medical Scheme	2011 Scheme Rate + 5.5%
Quantum Medical Aid Society	2011 Scheme Rate + 5.5%
Edcon Medical Aid	2011 Scheme Rate + 5.5%
Altron Medical Aid	2011 Scheme Rate + 5.5%
MMED Option of the Naspers Medcal Fund	2011 Scheme Rate + 5.5%
Tsogo Sun Group Medical Scheme	2011 Scheme Rate + 5.5%
Retail Medical Scheme	2011 Scheme Rate + 5.5%
LA Health Medical Scheme	2011 Scheme Rate + 5.5%
UKZN Medical Scheme	2011 Scheme Rate + 5.5%
Remedi Medical Aid Scheme*	2011 Scheme Rate + 5.5%
N Options of the Naspers Medical Fund	2011 Scheme Rate + 5.5%
*Please refer to separate communication on Payment Arrangements above the Scheme Rate	

SCHEMES ADMINISTERED BY MOMENTUM HEALTH & METROPOLITAN HEALTH

Scheme Name	2012 Scheme Rate
Anglo Medical Scheme	2011 Scheme Rate + 5.5%
Keyhealth Medical Scheme	2011 Scheme Rate + 6%
Midmed Medical Scheme	2011 Scheme Rate + 7.5%
Momentum Health	2011 Scheme Rate + 5.5%
Moto Healthcare	2011 Scheme Rate + 7%
Nampak Medical Scheme	2011 Scheme Rate + 5%
Netcare Medical Scheme	2011 Scheme Rate + 6%
Topmed Medical Scheme	2011 Scheme Rate + 8.8%
PGG Medical Scheme	2011 Scheme Rate + 5.5%
SAB Medical Aid Society	2011 Scheme Rate + 7.5%
Worldbank Medical Scheme	2011 Scheme Rate + 8.8%
GEMS	2011 Scheme Rate + 6.65%
Polmed	2011 Scheme Rate + 6%
Bankmed	2011 Scheme Rate + 6%
Transmed Medical Fund	2011 Scheme Rate + 6%
National Independent Medical Aid Society	2011 Scheme Rate + 6%
Wooltru Healthcare Fund	2011 Scheme Rate + 5.5%
Pick and Pay Medical Scheme	2011 Scheme Rate + 6%
Metropolitan Medical Scheme	2011 Scheme Rate + 6.5%
Sappi Medical Aid Scheme	2011 Scheme Rate + 6%
Engen Medical Benet Fund	2011 Scheme Rate + 6%
Afrox Medical Aid Society	2011 Scheme Rate + 6%
Golden Arrow Employees Medical Benet Fund	2011 Scheme Rate + 6.2%
BP Medical Aid Society	2011 Scheme Rate + 6%
Fochini Group Medical Aid Scheme	2011 Scheme Rate + 5.5%
Fishing Industry Medical Scheme	2011 Scheme Rate + 6.2%

OTHER SCHEMES

Scheme Name	2012 Scheme Rate
Liberty Health	2011 Scheme Rate + 6%
Spectramed	2011 Scheme Rate + 6.5%
Medshield	2011 Scheme Rate + 6%
Profmed	2011 Scheme Rate + 6%
CAMAF	2011 Scheme Rate + 7%
Bestmed	2011 Scheme Rate + 6%
Hosmed	2011 Scheme Rate + 8.9%
Commed	2011 Scheme Rate + 8.4%
Pharos	2011 Scheme Rate + 7.5%
Pro Sano	2011 Scheme Rate + 6%
SAMWUMED	2011 Scheme Rate + 8%
Libcare Medical Scheme	2011 Scheme Rate + 6%
Medihelp	2011 Scheme Rate + 6%

Sizwe Medical Fund	2011 Scheme Rate + 7.5%
PG Bison Medical Aid Society	2011 Scheme Rate +8.9%
Resolution Health Medical Scheme	2011 Scheme Rate + 8%
Platinum Health	2011 Scheme Rate + 5%
Compcare Wellness Medical Scheme	2011 Scheme Rate + 6.5%
Tiger Brands Medical Scheme	2011 Scheme Rate + 6%
Protea Medical Aid Society	2011 Scheme Rate + 5.2%
Grintek Electronics Medical Aid Scheme	2011 Scheme Rate + 6.5%
Gold Fields Medical Scheme	2011 Scheme Rate + 6%
Minemed Medical Scheme	2011 Scheme Rate + 6%
Medimed Medical Scheme	2011 Scheme Rate + 6.5%
Suremed Health	2011 Scheme Rate + 6%
Rhodes University Medical Scheme	2011 Scheme Rate + 6.5%
Chartered Accountants (SA) Medical Aid Fund	2011 Scheme Rate + 9%
Witbank Coalfields Medical Aid Scheme	2011 Scheme Rate + 7.5%
Selfmed Medical Scheme	2011 Scheme Rate + 6.5%
Medipos Medical Scheme	2011 Scheme Rate + 6%
Genesis Medical Scheme	2011 Scheme Rate + 6.5%
De Beer Benefit Society	2011 Scheme Rate + 7%
Cape Medical Plan	2011 Scheme Rate + 6.5%
Naspers Medical Fund	2011 Scheme Rate + 5.5%
Building and Construction Industry Medical Aid Fund	2011 Scheme Rate + 6.5%
Rand Water Medical Scheme	2011 Scheme Rate + 7%

HealthMan Recommendation

Where practices have their own rates, we recommend that a 6% increase be applied for 2012. CPI was averaging 4.5% for 2011 and an additional 1.5% increase is required to account for increases in costs within medical practices that exceed CPI , e.g. Malpractice Insurance and Salaries.

Whilst Scheme increases vary a lot, the resulting change in RCFs are quite small. If a practice wants to use an average Scheme Rate RCF, we suggest that the Profmed RCFs are used.

Annexure

Direct Payment Plans for Schemes administered by Discovery Health	Rate 2012
<u>Classic Direct</u>	
REMEDI COMPREHENSIVE OPTION	
IH	217%
OH	100%
REMEDI CLASSIC OPTION	
IH	217%
OH	100%
ALTRON ENHANCED	
IH	217%
OH	100%
<u>Premier Rate A</u>	
<u>In Hospital</u>	
ANGLOVAAL MEDICAL SCHEME	137%
EDCON ESSENTIAL SAVER PLAN	137%
EDCON ESSENTIAL COMPREHENSIVE	137%
QUANTUM SAVER PLAN	137%
LA ACTIVE	137%
LA CORE	137%
LA FOCUS	137%
IBM SA MEDICAL SCHEME	137%
MMED PLAN	137%
REMEDI COMPREHENSIVE OPTION	137%
REMEDI CLASSIC OPTION	137%
LA COMPREHENSIVE	137%
N-Option Plus	137%
QUANTUM COMPREHENSIVE PLAN	137%
ALTRON BASIC	
TFG (Foschini) Plan A and B) (only due to go live on 21/01/2012)	137%
ALTRON ENHANCED	137%
<u>Out of Hospital</u>	
ANGLOVAAL MEDICAL SCHEME	162%
EDCON ESSENTIAL SAVER PLAN	162%
EDCON ESSENTIAL COMPREHENSIVE	162%
QUANTUM SAVER PLAN	162%
LA ACTIVE	162%
LA CORE	162%
LA FOCUS	162%
IBM SA MEDICAL SCHEME	162%
MMED PLAN	162%
REMEDI COMPREHENSIVE OPTION	162%
REMEDI CLASSIC OPTION	162%
LA COMPREHENSIVE	162%
N-Option Plus	162%
QUANTUM COMPREHENSIVE PLAN	162%
ALTRON BASIC	162%
ALTRON ENHANCED	162%
TFG (Foschini) Plan A and B) (only due to go live on 21/01/2012)	162%
<u>Premier Rate B In Hospital</u>	
ANGLOVAAL MEDICAL SCHEME	147%

EDCON ESSENTIAL SAVER PLAN		147%
EDCON ESSENTIAL COMPREHENSIVE		147%
QUANTUM SAVER PLAN		147%
LA ACTIVE		147%
LA CORE		147%
LA FOCUS		147%
IBM SA MEDICAL SCHEME		147%
MMED PLAN		147%
REMEMI COMPREHENSIVE OPTION		147%
REMEMI CLASSIC OPTION		147%
LA COMPREHENSIVE		147%
N-Option Plus		147%
QUANTUM COMPREHENSIVE PLAN		147%
ALTRON BASIC		147%
ALTRON ENHANCED		147%
<u>Premier Rate B Out of Hospital</u>		
ANGLOVAAL MEDICAL SCHEME		147%
EDCON ESSENTIAL SAVER PLAN		147%
EDCON ESSENTIAL COMPREHENSIVE		147%
QUANTUM SAVER PLAN		147%
LA ACTIVE		147%
LA CORE		147%
LA FOCUS		147%
IBM SA MEDICAL SCHEME		147%
MMED PLAN		147%
REMEMI COMPREHENSIVE OPTION		147%
REMEMI CLASSIC OPTION		147%
LA COMPREHENSIVE		147%
ALTRON BASIC		147%
ALTRON ENHANCED		147%
N-Option Plus		147%
TFG (Foschini) Plan A and B) (only due to go live on 21/01/2012)		147%
QUANTUM COMPREHENSIVE PLAN		147%
<u>Key Care Specialists</u>		
REMEMI STANDARD OPTION	In Hospital	110%
REMEMI STANDARD OPTION	Out of Hospital	110%
<u>CUSTOM</u>		
In Hospital		130%
N-Option Basic		130%
UKZN PLAN		
Out of Hospital		
N-Option Basic		130%
UKZN PLAN		130%