

'Ethical tariffs' could be detrimental to SA healthcare

By [Neil Kirby](#)

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Plans by the Health Professions Council of South Africa (HPCSA) to impose a standard list of prices that doctors and dentists may charge could do more harm than good, potentially forcing the closure of some medical and dental practices.

People think doctors and dentists earn millions, but for most, this is not the reality. A lot are making enough money to survive, and upsetting the economic balance could close some practices down.

Considering there is already a dire shortage of medical practitioners and dentists, especially in the rural areas, the closing of practices could be catastrophic for healthcare in South Africa.

The draft list is supposedly aimed at ensuring that doctors and dentists charge "ethical" tariffs in the sense that they do not overstep on charging.

Deeply flawed process

There are several difficulties with this approach.

Firstly, the assumption will be that a charge which is higher than the amount that appears on the list for a particular service constitutes a doctor overcharging.

Secondly, people will automatically assume that the prices on the list are the prices that should be charged.

The results of the publication of the list could fly in the face of a Competition Commission ruling from 2004 on the anti-competitive effects of collectively setting healthcare pricing by organisations such as the South African Medical Association and the South African Dental Association whose members are effectively prevented from discussing costs and pricing of services amongst themselves. It could also terminally weaken the financial position of marginal medical practices.

Some of the prices on the draft list are much, much lower than what certain medical schemes are currently paying for the healthcare services concerned - with no explanation provided for the discrepancy.

Medical schemes are fairly transparent with regards to indicating what they will and won't pay for however, what is covered is out of step with what we see on the draft list. This could be the last straw for practices already struggling to keep their heads above water, forcing more doctors overseas or out of the rural areas - a situation that the country's healthcare system can ill afford.

Public consultation a problem

Another flaw of the tariff-making process to date is the lack of meaningful public consultation.

The council initially published an ethical tariffs list as a *fait accompli*, without going through a proper consultative process. The list was then withdrawn and republished in its current form with the promise of better public participation.

I think the entire exercise is an attempt eventually to publish a list of tariffs. There are so many issues that need to be understood, including the role of the competition authorities, that one is left with the distinct impression that we are just running through a public consultation process for the sake of it.

Should all interested and affected parties not be properly consulted, the issue could have constitutional overtones. If people are ignored, the list will end up in the courts.

As I see it, there are two possible outcomes. We either go through the motions and the HPCSA does what it wants, or a list is published that is something more sensible and the result of a proper consultative process. Hopefully, the current process will give way to a more rational approach.

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