CMS Section 59 Submission

21st August 2019

Casper Venter

Managing Director

Introduction To HealthMan Forensic Team

- Senior Executives
  - *Casper Venter* — *BCom CA(SA) ex Ernst & Young (Partner)*
  - *Mardi Roos* — *BA Honors Psychology*
  - *Peet Kotzé* — *BCom (Financial Management)*
  - *Julian Botha* — *BA LLB (Internal Legal Advisor – ex SAMA)*
  - *Brenda Gous* — *Coding Expert ex Medihelp*

Section 59 Forensic Review Processes in RSA

Format of the HealthMan Submission to CMS S59 Investigation

1. Background to HealthMan, SAPPF, Specialist Societies and Management Groups
2. The HealthMan Experience in doing Forensic Support
3. Why do the Investigations take place
4. The Forensic Review Process
5. Problems Experienced in Forensic Investigations
6. Data Sharing and Data Analysis
7. An overview of Coding in the Private Healthcare Market
8. The Way Forward

1. SAPPF Specialty Member Groups

Faculty of Consulting Physicians of South Africa

OPHTHALMOLOGY Management Group Ltd

ENT MANAGEMENT GROUP LTD
YOUR PROFESSIONAL BUSINESS PARTNER

NASA

SURGICOM

GMG

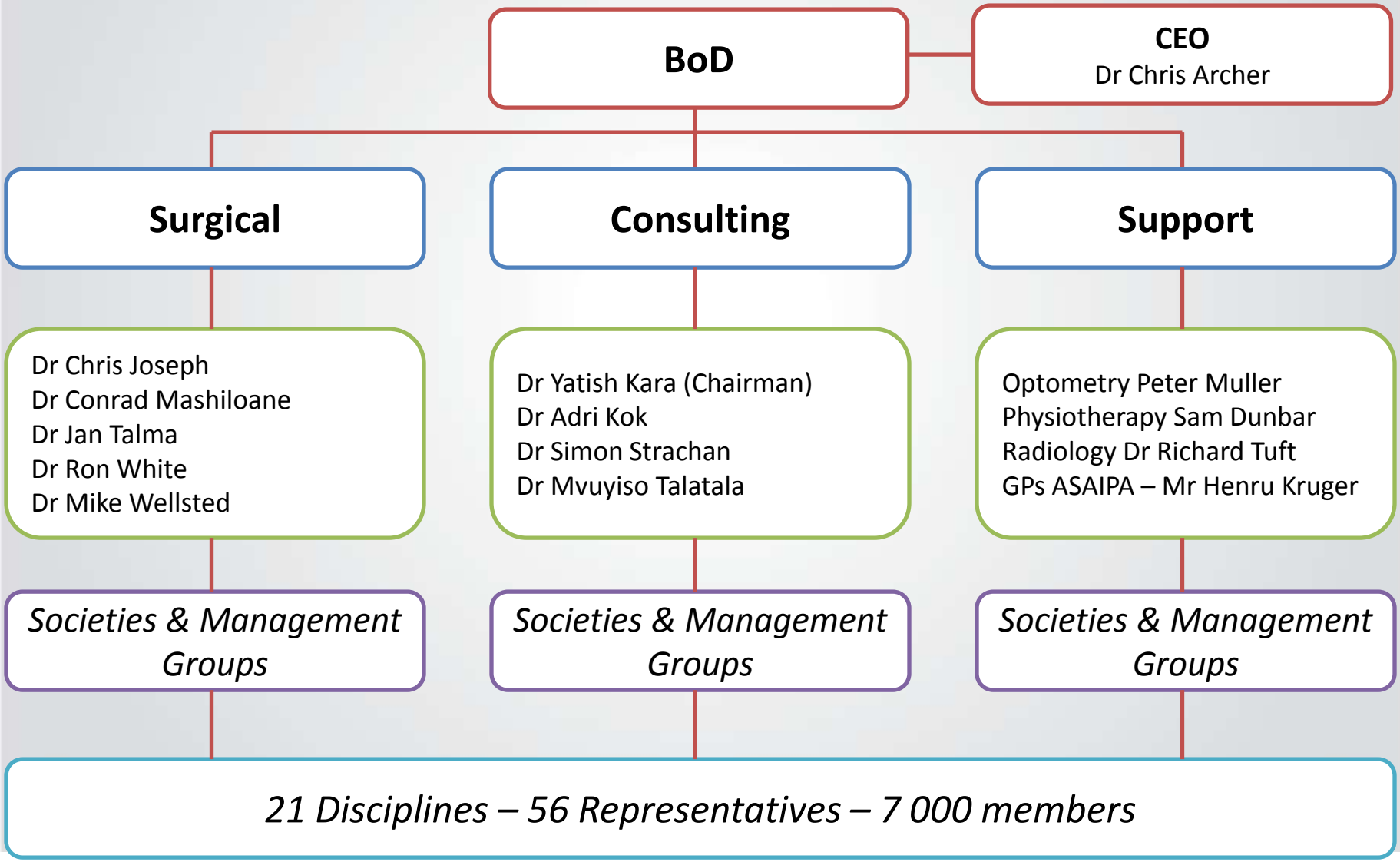
THE SOCIETY OF NEURO-SURGEONS OF SOUTH AFRICA

SACHI

Paediatric Management Group

PsychMg

SAPPF Governance Structures



SAPPF Membership

21 Disciplines – 56 Representatives – 7 000 members

Surgical

ENTs
General Surgeons
Gynaecology
Maxilla Facial Surgeons
Neurosurgeons
Ophthalmology
Plastic Surgeons
Urology

Individuals

Consulting

Dermatology
Endocrinology
Gastroenterology
General Specialist Physicians
Nephrology
Neurology
Paediatricians
Psychiatry
Pulmonology
Rheumatology

Individuals

Support

Anaesthetics
Pathology
Radiology (Observers)
Optometry
Physiotherapy
General Practitioners

Individuals

Private Sector

Sub-Specialities

Public Sector

GMG
Gynaecology • Management • Group

CPD – Better Obs & Quality

HealthMan
ADDING BUSINESS ACUMEN TO YOUR PROFESSIONAL EXPERTISE

SAPPF
SOUTH AFRICAN PRIVATE PRACTITIONERS FORUM

insight
ACTUARIES & CONSULTANTS

E2 SOLUTIONS

medi|switch
the trusted claim in healthcare

healthbridge
good business. best practice.

Webber Wentzel

eko elsabé klinck consulting cc

econex

INTEGRITAS
CONSULTING (PTY) LTD

Health Management & Networking Services (Pty) Ltd - (HealthMan)

Professional Service Offering to Professional Societies, Healthcare Provider Networking Companies and Healthcare Practitioners 2019

Background to HealthMan

- Established 1996
- Private Healthcare Consultancy Company
  - *No External Share Holding*
  - *Do not consult to Medical Schemes, Administrators or Hospitals*
- Directors
  - *Casper Venter* — *BCom CA(SA) ex Ernst & Young (Partner)*
  - *Ernst Ackermann* — *BCom LLB ex Bowman Gilfillan (Director)*
  - *Mardi Roos* — *BA Honors Psychology*
  - *Peet Kotzé* — *BCom (Financial Management)*
- Offices and Staff
  - *Johannesburg* — *55 Support Staff members*
  - *Cape Town* — 2 Staff

HealthMan is the Preferred Business Partner of Most Societies and ManCos

HealthMan Services- Legal & Forensic

Legal and Forensic Reviews Support

- We also actively assist our clients in forensic reviews against them by:
  - Medical schemes and administrators
  - HPCSA charges and complaints against healthcare practitioners

- Participate in the Fraud Management Units of:
  - BHF
  - Discovery
  - GEMS
  - MHRM
  - Medscheme

The HealthMan Experience in Forensic Reviews

Forensic Reviews – a Historic Perspective

1. The Current Fornensic process started approximately 8 years back.
2. The meetings, reviews and interactions were originally very confrontational and there was no trust between the various parties.
3. Doctors were intimated and felt threatened – many just signed AODs so that their lives could carry on.
4. Doctors were embarrassed as it is a "Forensic" review and did not ask for assistance.
5. Early day investigators were not experienced, as are new investigators today.
6. Bullying tactics were used – e.g. meetings were recorded, sound and visual and the Dr not informed.
7. But, the process has matured and HealthMan has a good

Overview of All Investigations

Provincial Distribution of HealthMan assisted Investigations

	Black	Coloured	Indian	Unknown	White	Total
Gauteng	54	1	24		60	139
Kwazulu-Natal	15	1	54		6	76
Free State	8		1		23	32
Western Cape	1		11		20	32
North West	9		1		4	14
Mpumalanga	1		6		3	10
Eastern Cape	1	2			3	6
Unknown	3			1	1	5
Limpopo	2				1	3
Northern Cape	1				1	2
Various				1		1
Total	**95**	**4**	**97**	**2**	**122**	**320**

Distribution of Investigations per Administrator

	Black	Coloured	Indian	Unknown	White	Total
Discovery	36	3	58	1	81	179
Medscheme	29	1	24	1	17	72
Gems	19		12		15	46
Metropolitan	7				3	10
Medihelp			2		3	5
Medshield	3					3
PPS Healthcare Administrators					2	2
HPCSA			1			1
Medipos	1					1
Other					1	1
Total	**95**	**4**	**97**	**2**	**122**	**320**

Distribution of Investigations per Discipline

	Black	Coloured	Indian	Unknown	White	Total
PsychMg	44	1	40		34	119
GMG	15	3	15		13	46
CPF	17		2		5	24
Surgicom	3		6		15	24
FCPSA	6		9		7	22
ENT	3		7		9	19
GP			1		12	13
Paeds	2		2		5	9
OMG			6		3	9
NASA			7		1	8
SAAA			1	1	4	6

Distribution of Investigations per Discipline
(...Continue)

	Black	Coloured	Indian	Unknown	White	Total
RADMG	3				3	6
ADSA					5	5
SNSA	1		1		1	3
Urology					2	2
Derm	1					1
Ocularist					1	1
OT					1	1
Plastic				1		1
Optom					1	1
Total	**95**	**4**	**97**	**2**	**122**	**320**

FCPSA Investigations

FCPSA Member Demographics

	Black	Coloured	Indian	Other	White	Total
Eastern Cape	4		1		7	12
Free State	1	1			8	10
Gauteng	21	1	22		54	98
Kwazulu-Natal	2		33	1	6	42
Limpopo					2	2
Mpumalanga	2		1		3	6
North West	3		1		8	12
Northern Cape					3	3
Overseas			2		1	3
Western Cape	2	1	3		56	62
Total	**35**	**3**	**63**	**1**	**148**	**250**

Demographic analysis of FCPSA Membership vs Forensic Investigations

	Black	Coloured/ Other	Indian	White	Total
# of Members per race category	35	4	63	148	250
# of Investigations per race category	6		9	7	22
# of Members Investigated	3		9	7	19
% of Membership per race category	14.0%	1.6%	25.2%	59.2%	
% of investigations per race category	27.3%	0.0%	40.9%	31.8%	
% of Individual Members investigated	1.2%	0.0%	3.6%	2.8%	
% of Individual Members investigated per Race	8.6%	0.0%	14.3%	4.7%	7.6%

PsychMg/SASOP Investigations

PsychMg/SASOP Member Demographics

	Black	Coloured	Indian	White	Total
Eastern Cape	4		1	12	17
Free State	4			17	21
Gauteng	35	2	27	63	127
Kwazulu-Natal	8	3	24	4	39
Limpopo	3			3	6
Mpumalanga	2			1	3
North West	3		1	4	8
Northern Cape	2			2	4
Western Cape	3	2	13	41	59
Total	**64**	**7**	**66**	**147**	**284**

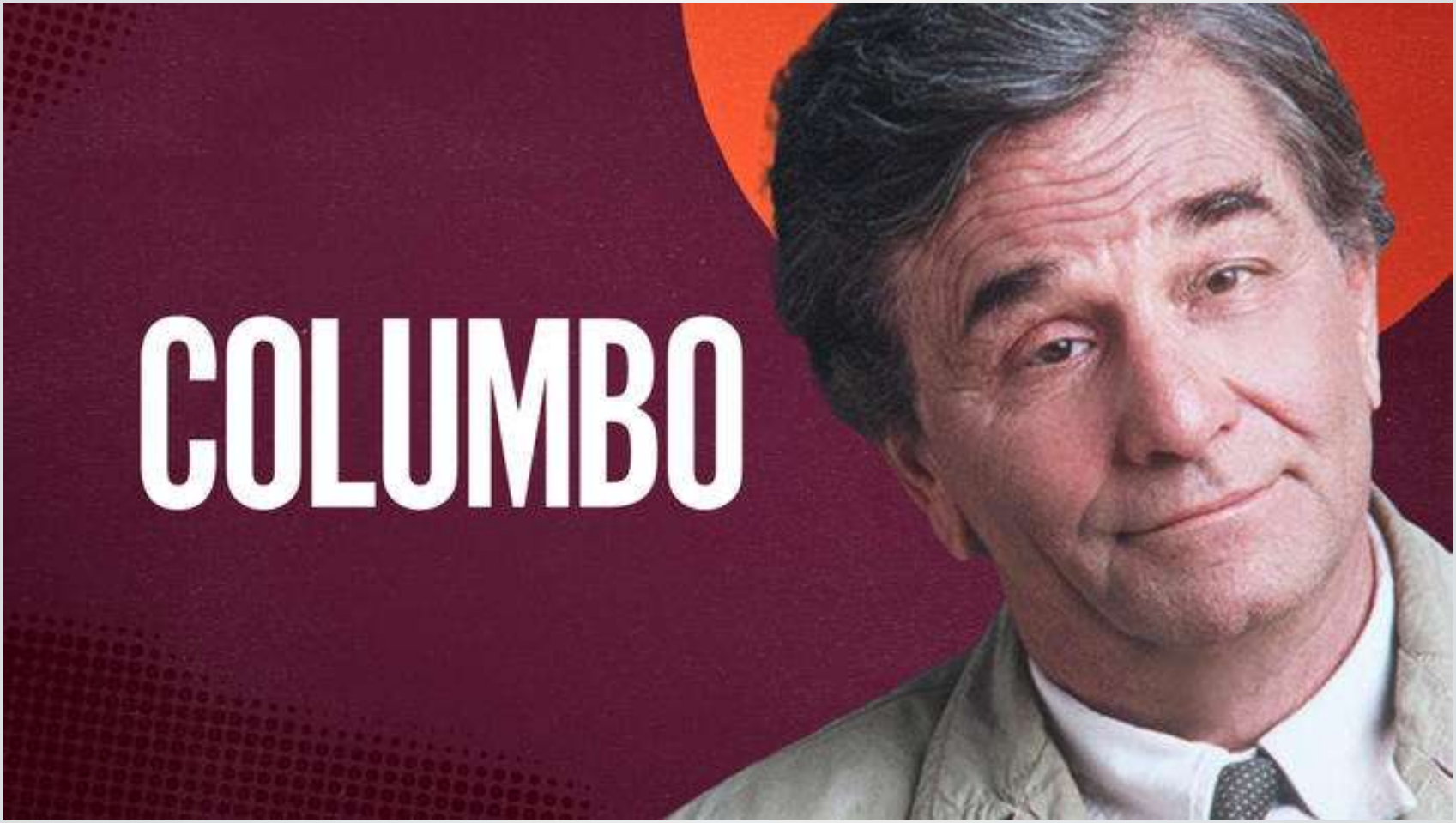
PsychMg/SASOP Investigation Demographics

	Black	Coloured	Indian	White	Total
Eastern Cape	1				1
Free State	6			10	16
Gauteng	28		14	15	57
Kwazulu-Natal	4	1	19	2	26
North West	5		1	1	7
Northern Cape	1				1
Western Cape			6	6	12
Total	**45**	**1**	**40**	**34**	**120**

Demographic analysis of PsychMg/SASOP Membership vs Forensic Investigations

	Black	Coloured	Indian	White	Total
# of Members per race category	64	6	66	147	**284**
# of Investigations per race category	45	1	40	34	**120**
# of Members Investigated	23	1	25	25	**74**
% of Membership per race category	22.5%	2.1%	23.2%	51.8%	
% of investigations per race category	37.5%	0.8%	33.3%	28.3%	
% of Individual Members investigated	31.1%	1.4%	33.8%	33.8%	
% of Individual Members investigated per Race	35.9%	16.7%	37.9%	17.0%	**26.1%**

Why Do Forensic Reviews Take Place?



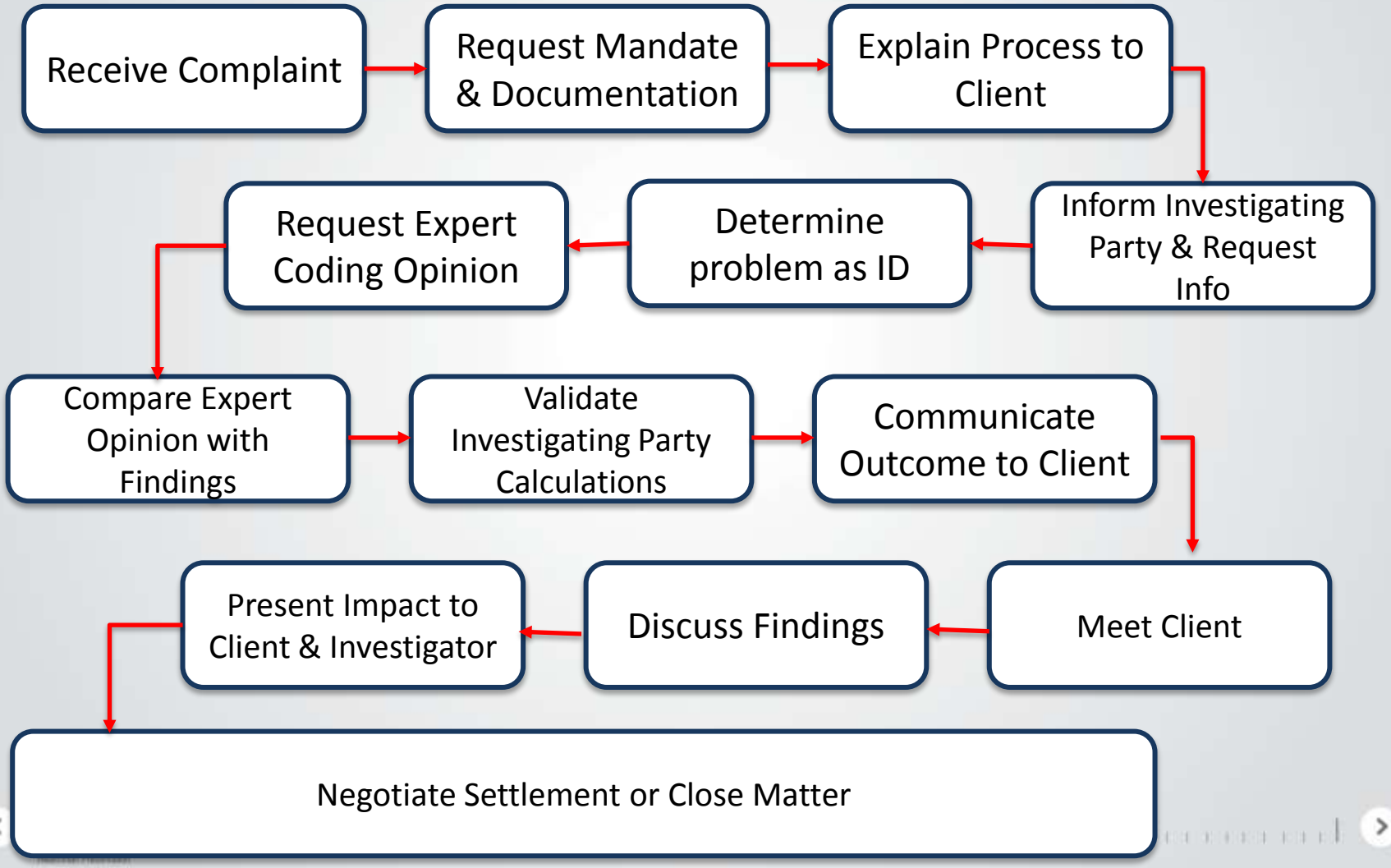
3. Why do Forensic Investigations Take Place?

1. If you deviate from the norm/average of your Peers - all undefined
2. Services allegedly not rendered, but claimed for
3. Level of Acuity - ICU & HCW
4. **Alleged Coding Irregularities:**
   - Combination of Codes incorrect
   - Upcoding or unbundling
   - Incorrect application/interpretation of codes, e.g. emergencies
5. Patient complaints - Services not rendered, overcharging, etc.
6. Total time spent per day
7. Fraudulent behaviour including collusion with patients
8. Consistent use of longer time based codes & group codes
9. Doubts about Scope of Practice

What Triggers a Forensic Investigation?

1. Administrator Data Analytical Reviews
2. Hotlines for Informants / Whistle-blowers
   - Member complaints or complaints by other doctors
3. Medical rules based detection software and internal controls
4. Internal Forensic Investigative Units of schemes/ administrators
   - Often, innocent errors, can trigger a full-on investigation
5. Routine audits done by medical schemes and administrators
   - Per discipline, e.g. psychiatry, ophthalmology
   - Per code, e.g. 0146, 0147, Rule M, Rule G, etc.
   - Deviation from the norm/outlier profiles compared to peers
   - Combination of codes

Healthman Forensic Review Process



Data Analyses

- Generally there are 2 types of Analyses
  - **Time Based Coding Practices (Psychiatry, Psychology, GPs, etc)**
    - Full Practice Analysis of all time spent/billed including items not under investigation. This usually allows a detailed practice overview to best explain all issues in question
  - **Other Disciplines (Surgical) – Multiple Queries**
    - Only do a full practice analysis when required. Usually this is a more focused analysis of specific problem procedures, patients or coding applications. This requires a lot more input from the specialist Society and a dedicated Specialist will assist

Procedural Code Rules areas of concern

Rule G – Post-operative care

- Unless otherwise stated, the fee/units of an operation or procedure shall include normal after-care for a period not exceeding four (4) weeks after the procedure has been performed. Normal after-care refers to an uncomplicated post-operative period not requiring any further incisions.

- Treatment of the complication or exacerbation of an underlying co-morbidity that requires care other than *normal after-care for the particular operation*, will qualify for a follow-up visit or consultation item and should be accompanied by *means of the (unique) appropriate ICD-10 code.*

- If the after care is merely **delegated to another registered healthcare professional** and not completed by the surgeon, it shall be his/her responsibility to arrange for the services to be rendered without extra codes.

- Rule G does not apply when purely diagnostic procedures, during which no therapeutic procedures were performed are done.

- Also note: the global period will restart after each operation.

Procedural Code Rules areas of concern *(continue)*

Rule L – Procedures performed at time of visits

- If a procedure is performed at the time of a consultation/visit, a consultation PLUS the fee for the procedure must be charged.

Rule E – Pre-operative visits:

- The appropriate fee may be charged for all pre-operative visits with the exception of a routine pre-operative visit at the hospital

Rule M (*continued*)– Surgical procedure planned to be performed later:

- Should a surgical procedure be planned to be performed at a later stage:
  - ❖ NO current consultation/visit, a routine pre-operative visit may be charged for again at such a later occasion.
  - ❖ That routine pre-operative visit is included in the surgical global period for the procedure.
- Only in *bona fide* emergency cases where the practitioner is called to hospital, consults the patient for the <u>first time</u> and operates the patient later that day, where the relevant consultation/visit would be chargeable on the same day as the operation.

Consultation services

Add-on code: 0129

- **Code 0129** Prolonged attendance to a patient and/or family: ADD to either item 0193 or 0175 (as appropriate), for each 15-minute period only if service *extends 10 minutes or more into the next 15-minute period following on the first 60 min (minimum of 70 min consultation)*

Solution:

- Patient records needed to be updated and completed to reflect this detail as forensic audits have proven that code 0129 has been used with the wrong intensions without the necessary documented patient records.

Procedure code area of concern
Unbundling / mutually exclusive

Code 1637: *Operation for relief of intestinal obstruction*

There are 2 codes in RPL that represent adhesiolysis/enterolysis, namely:

- *1637 Operation for relief of intestinal obstruction, and*
- *2501 Laparoscopy: Plus cauterisation and/or lysis of adhesions, in combination with 2493 Diagnostic laparoscopy (excluding after-care).*
- However, code 1637 (RVUs: 240.00) is found mostly in conjunction with a laparoscopic approach instead of 2501 + 2493.
- There will always an element of adhesiolysis during surgeries that is performed, and this is considered an integral part of the surgery, only if dense/extensive adhesions are encountered that require effort beyond what is considered ordinarily part of the procedure will additional payment be considered.

Solution:

- Alternatively, if this operation had significant complexities, risks and time involved due to the extensive adhesions **Rule J** can be negotiated by providing the operative report that should detail the complexity.
- This will always require at least an operative report detailing the complex nature of the procedure(s) and is also generally retrospectively dealt with. It will therefore always result in a delayed payment as this is a negotiation between the health care professional and the scheme postoperatively.

Data Analytics – Data Fields Required

- Data received usually includes the following:
  1. Entity and/Policy number
  2. PR# and Name of Practice
  3. Member Account number with Practice
  4. In or Out-Hospital indicator
  5. ICD-10 code
  6. Procedure Code
  7. Service Date
  8. Amount Claimed
  9. Amount Paid

  Please note that data is not limited to only the above

Time Based Discipline Analyses Steps

1. Collect information from the Practice
   - Confirm the working/operating hours of the practice
   - Enquire if the practice employs other billing providers or locums
   - Enquire how the practice applies coding in their practice
   - Request practice staff to cross reference scheme data
     - Coding Claims Analysis
     - Scheme Analysis
     - Copies of Diaries to validate (if required or applicable)
     - Day/Billing Sheets to validate (if required or applicable)

2. Clean up of data
   - Ensure no duplicate or invalid data is included
   - Ensure service dates correlate with the investigation period

Time Based Coding Practices

3. Calculate the available working hours
4. Calculate the time per code at:
   - Minimum
   - Mean
   - Maximum
5. Calculate and compare the time billed for by the practice vs available
6. Time per day analysis as indicated in per code analysis
7. Validate that group session codes we applied are correct per scheme and incorporate group sessions into the time per day analysis *(multiple patients can attend in a time slot)*

Time Based Coding Practices

8. Calculate and Summarise the Unique Patients seen by the Practice and
   - The number of codes billed per patient
   - The number of service dates per patient
9. The above highlights the attention required to consider coding combinations' rules for time disciplines such as Psychiatry
10. Summary per annum and the period
    - Codes used
    - Number of times they are used
    - Average Paid per use of the code
    - Total Paid per code

Time Based Coding Practices

11. Compare Scheme Data with Practice Data
12. Calculate the schemes % of the practice billing
13. Calculate the actual/potential repayments amounts of the Practice based on
    - Confirmed coding errors
    - Time Available vs Time Billed
    - Making assumptions that the practice should be in line with peers or allowed a fair deviation based on the information provided
    - One by One line analysis (require Provider input per patient per code)
14. All the repayment Calculation take various Scenarios into consideration and can lead to various settlement amounts, depending on the Scenario

Other Discipline Analyses

These are usually unique and case specific but include:

1. Rule M (Can't Bill consult with planned Surgical Procedure)
2. Rule G (Can't Bill consult with Post-op Care, included in Procedure)
3. Combination codes not allowed together
4. Unbundling of Codes
5. 0145 to 0148 incorrect applications and interpretations
6. Multiple providers billing for the same service

Other Discipline Analyses
(Continue…)

7. Wrong NAPPI Codes
8. Questionable mark-up on materials/devices/products
9. Have services been rendered and are appropriate
10. Modifiers not applied correctly
    - 0005 – multiple procedure under same anaesthetic
    - 0008 and 0009 – GP/Specialist Assistant
    - 0011 – emergency Surgery
    - 0013 – Laparoscopic procedure modifier

5. Typical Problems with Forensic Investigations – often a fishing exercise

5. Typical Problems with Forensic Investigations

1. The medical schemes/administrators make the rules regarding investigations.
2. They determine who should be investigated.
3. They carry out the investigation themselves.
4. They employ their own methodology.
5. The initial letter to the practitioner can be very intimidating with unreasonable demands, e.g. provide extensive data in 7-14 days.
6. The initial letter already tries to recuperate alleged losses to the scheme.
7. Payment has already been suspended without due process being followed.

5. Typical Problems with Forensic Investigations

8. Schemes can take a protracted period to progress with investigations.
9. Calculations are more often than not materially incorrect.
10. In numerous cases the amount reclaimed is not substantiated with details at all.
11. In many cases a small sample is reviewed and the result thereof extrapolated across the total claims universe, this has no justification and cannot be done.
12. They do not share the data of the discipline or Peers to verify that a healthcare professional is an outlier.
13. Fishing expeditions, where there is no justification.
14. They then make a finding of whether the practitioner is in the wrong, or not, and then impose sanctions.
15. The process is generally not in favour of the practitioner if not represented.

6. Data Sharing & Data Analysis

- Medical Schemes have access to data but are not willing to share it with the profession.
- When assisting a doctor with a forensic audit it is imperative to do a full data analysis in order to understand the issues and to verify the coding in question and recovery.

7. Medical Coding in South Africa is the Major Cause of Forensic Investigations

History of Coding In South Africa

1. Prior to 2004 : The medical profession determined codes and descriptors of the codes - they continue to do so but with resistance from Medical Scheme Administrators

2. The HPCSA calculated an ethical tariff which was used to review possible overcharging - discontinued in 2008

3. Prior to 2004: Annual negotiations between the Board of Health Funders (BHF) and SAMA on coding structures and tariffs
4. In 2004 the Comp Comm Intervened - processes are collusive

History of Coding in South Africa

5. Comp Comm intervention, consent orders agreed to, HASA, SAMA and BHF fined
6. The result - CHAOS - No Codes & No Tariffs
7. The NHRPL was created after negotiations between the Council of Medical Schemes (CMS) and SAMA. NHRPL published 2005 & 2006
8. 2006-2009 DOH assumed responsibility and produced the NHRPL (reference price list) - High-Court set these aside in 2010
9. SAMA continues with publishing a Medical Doctors Coding Manual

History of Coding in South Africa

10. HPCSA Ethical Tariff/Coding Process failed in 2012 & 2013.
11. SAMA kept on updating the MDCM and certain groups participated. Published 2006, 2008, 2009, 2015, 2018, 2019
12. SAMA & SAPPF have a MOU on coding development
13. Processes are in place with Discovery for updates of codes, Medscheme in process to update their coding - cooperating with SAPPF
14. A number of Specialist Societies publish discipline specific Coding Companions
15. SAPPF proposed the establishment of an Independent Coding Authority
16. South African Classification of Healthcare Interventions - SACHI NPC has been registered

Main Coding Systems In South Africa

1. ICD-10: International Statistical Classification of Diseases and related Health Issues 10th edition
   - *(WHO is the custodian OF THE ICD-10 codes)*

2. CPT: Physicians Current Procedural Technology
   - Licensed to SAMA by the AMA
   - CCSA: Current CPT for South Africa

3. MDCM: Medical Doctors Coding Manual
   - Managed, licensed and distributed by SAMA
   - Procedure and consultation codes for specialists, GP's & anesthetists
   - **Discipline Specific Coding Companions** extracted from MDCM but expanded with comments and explanations – Done by Societies

Specialist Coding - 2017

Some Facts

- 25 Codes comprise 50.1% of claims
- 100 Codes comprise 74.1% of claims
- 200 Codes comprise 85.31% of claims
- 300 Codes comprise 90.58% of claims
- 463 Codes comprise 95.00% of claims

- **1 808 Codes comprise 100.00% of claims**

Specialist Coding

Some Facts

Code Analysis: Percentage by Value Specialist Payments- 2017 Data (Consulting & Surgical)

Code	Percentage (%)
Consultations	25.6%
Modifiers	7.68%
Materials	3.03%
Procedures & Equipment	63.69%

Top 12 Codes

All Specialist Disciplines

Rank	Code	Type Code	% Claimed
1	0190	Consultation	8.23
2	0109 / 0111	Hospital Visit	5.37
3	0191	Consultation	5.32
4	2615 / 2614	Obstetrics – Caesarean &NVD	3.83
5	2974/5	Psychotherapy	3.39
6	0192	Consultation	2.85
7	0009	2nd Surgeon	2.80
8	0173	Cons. Hospital	1.85
9	3047/9	Cataract	1.65
10	1210	ICU – Category 3	1.59
11	5100	Ultra Sound	1.50
12	1206	ICU – Category 2	1.15

Top 12 Procedure Codes

All Specialist Disciplines

Rank	Code	Type Code	% Claimed
1	2974/5	Psychotherapy	3.39
2	2615	Obstetrics Caesarean	2.87
3	3047/9	Cataract	1.65
4	1210	ICU – Multiple Organ Failure	1.62
5	5100	Ultrasound	1.50
6	1206	ICU – Category 2	1.17
7	1653	Total Colonoscopy	1.09
8	3622	Cardiac Examination	1.06
9	2614	Obstetric – Normal Delivery	1.02
10	1235	Multistage treadmill	0.98
11	0614	Arthroplasty: Debridement Joints	0.93
12	1587	Upper Gastro Endoscopy	0.83

Top 300 Procedure Codes for Review

All Specialist Disciplines

	Codes	Discipline
1	25	Cardiology
2	4	Cardio Thoracic
3	17	ENT
4	30	Gynaecology
5	17	Ophthalmology
6	69	Neuro Surgery & Orthopaedics
7	8	Neurology
8	3	Psychiatry
9	52	Surgery
10	25	Urology
11	20	Pulmonology
12	22	Consultations/ E & M Codes

Coding RVUs

Specialists & GPs

Code	Descriptor	SAMA RVU's	Scheme RVU's
	Procedure Codes RVUs are often not updated		
2614	Global Obstetric Fee – Vaginal Delivery	462	282
2974	Psychotherapy 21 to 40 minutes	40	40
0109	Hospital follow up visit – Discovery only	15	10
	Schemes do not pay for Tiered Consultations		
0190	Consultation – Typically 15 minutes	15	15, 17, 18, 26
0191	Consultation – Typically 16 - 30 minutes	30	15, 17, 18, 26
0192	Consultation – Typically 31 - 45 minutes	45	15, 17, 18, 26
0193	Consultation – Typically46 - 60 minutes	63.6	15, 17, 18, 26

The Way Forward

Recommendations

1. All Parties to agree a fair and transparent process that is uniform across the industry - Draw up a Terms of Reference

2. Continued payment to practitioner whilst investigation is in process - need commitment from both parties to a reasonable time - 90 days

3. MDCM: Medical Doctors Coding Manual and discipline Coding Companions to be the reference for all coding disputes

4. Coding disputes not resolved to be referred to a "panel of experts"

5. CMS/HPCSA to clarify access to Patient records by forensic investigators

Recommendations

6. Legal Advice on whether practitioner data can be shared across medical schemes and administrators. Medscheme and Discovery share data.

7. Practitioners should as far as possible have a representative when attending a meeting. Data should be independently reviewed.

8. Disputes not resolved to be referred to an Independent "Ombudsman"

9. Repeat "offenders" should be referred to a "functional" HPCSA for sanctioning. Fraudulently practitioners should be dealt with in terms of the SA Criminal Justice system.

10. Investigators should share discipline and Peer data

Shoulder the Burden Together