



COUNCIL FOR MEDICAL SCHEMES

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**To:
All medical schemes, administrators, health
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CIRCULAR 36 OF 2004

NATIONAL HEALTH REFERENCE PRICE LIST 2005: CHIROPRACTORS

1. Attached is the draft 2005 National Health Reference Price List (NHRPL) schedule for chiropractors. Comments on this schedule are requested by no later than **28 September 2004**. The major changes in the schedule from the NHRPL 2004, as well as some of the principal reasoning behind the changes, are described below.
2. Note: in the "status" column of the schedule:
 - a. "C" denotes "current," meaning there has been no change to item description or unit value;
 - b. "U" denotes "updated";
 - c. "A" denotes "added."
3. **Structure and impact**
 - 3.1. In Circular 15 of 2004, we invited comment on restructuring of the NHRPL in respect of certain disciplines, by means of grouping individual codes into composite fees. The advantages of this structure included:
 - 3.1.1. reduced billing complexity;
 - 3.1.2. reduced administrative burden in claims review;
 - 3.1.3. the ability to introduce new techniques without going through a complex new code approval procedure – and accordingly greater flexibility in clinical practice and billing processes;
 - 3.1.4. greater ease in assisting patients to plan their benefit usage to allow for effective and flexible treatment plans;

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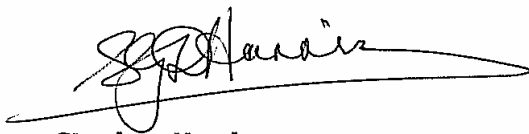
A STATUTORY BODY ESTABLISHED IN TERMS OF THE MEDICAL SCHEMES ACT, 1998 (ACT 131 OF 1998)

- 3.1.5. less difficulty in interpretation of the NHRPL; and
- 3.1.6. reduced scope for rejection of accounts on technicalities.
- 3.2. This structure was considered to be appropriate in the 2005 NHRPL in disciplines which accounted for relatively low proportions of medical scheme expenditure, which are typically subject to financial benefit limits and where there is little deviation in the service delivery profiles of individual practices from the profile of the discipline as a whole. Chiropractors met these criteria, and we have applied this model in the draft 2005 NHRPL. Experience of applying this schedule will be reviewed in the course of 2005.
- 3.3. There may be added potential for abuse of the reimbursement system, but we are of the opinion that financial risk to schemes within these disciplines is limited through traditional benefit limits, and should be further mitigated by practice profiling to determine outliers who can be investigated and called upon to provide more detailed justification of billing practice.
- 3.4. When adjusted for utilization using a combined database of Medscheme, Discovery and MxHealth data, we project the overall impact on expenditure on chiropractors of these changes to be a **5.87%** increase on 2004 expenditure on chiropractors based on the 2004 NHRPL.

4. Additional changes

- 4.1. Please take note of various additional rule changes, which are self-explanatory.
- 4.2. Please in particular note the changes reflected in item 5, in relation to medicines and consumables. Acknowledgment has been given to the principle that there are certain costs associated with storage, shipment and handling of materials. We do not, however accept that a mark-up on these items should be a source of profit to practitioners, and beyond a certain base amount, we believe that the handling cost component is not and should not be proportional to the value of the item. In the absence of solid and standardized data on actual input costs, we have chosen to rely on the model applied in the regulations pertaining to the dispensing of medicines.

Sincerely



Stephen Harrison
SENIOR SPECIALIST: POLICY AND SPECIAL PROJECTS

Chairperson: Prof. Nicky Padayachee Vice-Chairperson: Ms Gando Matyumza Chief Executive & Registrar: Patrick Masobe

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NATIONAL REFERENCE PRICE LIST FOR SERVICES BY CHIROPRACTORS EFFECTIVE FROM 1 JANUARY 2005

The following reference price list is not a set of tariffs that must be applied by medical schemes and/or providers. It is rather intended to serve as a baseline against which medical schemes can individually determine benefit levels and health service providers can individually determine fees charged to patients. Medical schemes may, for example, determine in their rules that their benefit in respect of a particular health service is equivalent to a specified percentage of the national health reference price list. It is especially intended to serve as a basis for negotiation between individual funders and individual health care providers with a view to facilitating agreements which will minimise balance billing against members of medical schemes. Should individual medical schemes wish to determine benefit structures, and individual providers determine fee structures, on some other basis without reference to this list, they may do so as well.

In calculating the prices in this schedule, the following rounding method is used: Values R10 and below rounded to the nearest cent, R10+ rounded to the nearest 10cent. Modifier values are rounded to the nearest cent. When new item prices are calculated, e.g. when applying a modifier, the same rounding scheme should be followed.

VAT EXCLUSIVE PRICES APPEAR IN BRACKETS.

GENERAL RULES

001	<p>All accounts must be presented with the following information clearly stated:</p> <ul style="list-style-type: none"> · name of chiropractor; · qualifications of the chiropractor; · BHF practice number; · postal address and telephone number; · date on which service(s) were provided; · The relevant diagnostic codes and NHRPL item code numbers relating to the health service rendered; · the surname and initials of the member; · the first name of the patient; · the name of the scheme; · the membership number of the member; · a statement of whether the account is in accordance with the National Reference Price List; and · the name and practice number of the referring practitioner, if applicable. 			U
002	<p>The consultation code may be charged only once at the same consultation or visit.</p> <p>Consultation includes history taking, guidance, education, health promotion and/or consultation.</p>			U
003	<p>A maximum of two diagnostic procedures may be charged at the same consultation or visit.</p> <p>Diagnostic procedures include physical examination, neurological examination, orthopaedic examination, ergonomical analysis, postural analysis and radiological examination</p>			U
004	<p>A maximum of three treatment procedures may be charged at the same consultation or visit for any single diagnosis.</p> <p>Treatment procedures include, inter alia: spinal or extra-spinal manipulation, acupuncture, cold applications, deep heating radiation, soft tissue manipulation, superficial heating therapy and therapeutic exercises.</p>			U
005	<p>After a series of 12 treatments in respect of one patient for the same condition, the practitioner concerned shall report to the scheme as soon as possible if further treatment is necessary. Payment for treatment in excess of the stipulated number may be granted by the scheme after receipt of a letter from the practitioner concerned, motivating the need for such treatment.</p>			A
006	<p>It is recommended that, when such benefits are granted, drugs, consumables and disposable items used during a procedure or issued to a patient on discharge will only be reimbursed by a medical scheme if the appropriate code is supplied on the account.</p>			A
CHIROPRACTORS RECOMMENDED REIMBURSEMENT RATES				
1	Consultations			
Code	Description	RVU	Price	Status
301	Consultation	25.00	84.20 (73.90)	A
2	Diagnostic procedures			
	Radiation Control Council Certificate number to be on account if X-Rays charged			
0084	Film charges - Add 10% per diagnostic procedure where X-rays are used			U
311	Single diagnostic procedure	25.00	84.20 (73.90)	A
312	Two diagnostic procedures	37.50	126.30 (110.80)	A
3	Immobilisation or therapeutic exercises in relation to preparation or fitting of appliances			
321	Single instance of immobilization or therapeutic exercises	10.00	33.70 (29.60)	A

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322	Two instances of immobilization or therapeutic exercises	15.00	50.50 (44.30)	A
4	Treatment (therapeutic procedures)			
331	Single treatment procedure	10.00	33.70 (29.60)	A
332	Two treatment procedures	15.00	50.50 (44.30)	A
333	Three treatment procedures	20.00	67.30 (59.00)	A
334	Four treatment procedures	25.00	84.20 (73.90)	A
335	Five treatment procedures	30.00	101.00 (88.60)	A
336	Six treatment procedures	35.00	117.80 (103.30)	A
5	Consumables			
	<p>The amount charged in respect of medicines and scheduled substances shall not exceed the limits prescribed in the Regulations Relating to a Transparent Pricing System for Medicines and Scheduled Substances, dated 30 April 2004, made in terms of the Medicines and Related Substances Act, 1965 (Act No 101 of 1965).</p> <p>In relation to all other materials, items are to be charged (exclusive of VAT) at net acquisition price plus -</p> <p>* 26% of the net acquisition price where the net acquisition price of that material is less than one hundred rands; and</p> <p>* a maximum of twenty six rands where the net acquisition price of that material is greater than or equal to one hundred rands.</p>			
100	Medication / material			U