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Doctors in a fix over impending rules banning percentage fees; They will be in breach if they continue to pay managed care providers as provided under their contracts

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PRIVATE-sector doctors tied to existing contracts with managed care providers or third-party administrators are in a dilemma as they try to find ways to avoid breaching the Singapore Medical Council's new ethics guidelines that come into force in two months' time.

Many managed care companies and TPAs charge doctors who join their schemes fees that are calculated as a percentage of a patient's medical bill. In addition, many private-sector doctors have multiple TPA contracts.

Following this revision, all doctors would be in breach of the SMC guidelines if they were to continue to pay fees based on such calculations.

Over the past six weeks, the Health Ministry, together with SMC, has held at least three seminars to gather feedback from doctors. The council is now exploring ways to make the transition as smooth as can be.

The Business Times was told by attendees that many among them were unsure of what they should and could do in light of the new rules that take effect on Jan 1 next year.

"There's a lot of fear and uncertainty. A lot of them are going to the providers (TPAs) to find out what's happening," said doctor Chong Yeh Woei, who attended a session.

Cardio specialist Kenneth Ng, whose patient referrals from TPAs account for about 20-30 per cent of his earnings, said that most of the doctors have not taken any concrete action although there are some who have written in through their lawyers to inform TPAs that they are not able to pay such fees from next year.

"I'm exploring the avenue to let TPAs know that I may not be able to fulfil the agreement," he said, adding that like many other doctors, he is trying to see what are the available options.

The Singapore Medical Association (SMA) sought to clear the air with a reprint of a letter from the SMC in its October newsletter.

In SMC's letter dated Sept 8, its president, Tan Ser Kiat, said that regulation of managed care companies and TPAs does

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not come under SMC's ambit.

The paying of fees to TPAs by doctors joining their schemes is not disallowed "provided in general, the sums reflect the actual work of the managed care companies or TPAs in handling and processing patients", he wrote.

"Doctors must not pay fees that are so high as to constitute 'fee-splitting' or 'fee-sharing', or which impact their ability to provide the required level of care," Prof Tan added.

SMA had said in the article that it is of the opinion that a flat or fixed fee should be charged for each patient, rather than a percentage of a bill.

In response, Prof Tan said: "SMC understands why SMA prefers a 'fixed fee', but is of the view that however fees are constructed, what is important is that the fee paid must not be based primarily on the services doctors provide or the fees they collect from patients. We believe this addresses the problem sufficiently without a need to specify how the fee should be derived."

When approached, SMA president Wong Tien Hua said that the association was thinking of writing in to the individual TPAs to inform them of the developments so that parties can work on resolving the matter together.

Lawyer Kuah Boon Theng, who specialises in healthcare law and ethics, said that "it's now clear that percentage-based fees (to be paid by doctors) are not permitted".

Given that there are many doctors who have existing contracts with TPAs who charge fees that breach the SMC code, an option would be for the individual doctor to approach TPAs to either renegotiate the fee structure or ask to be released, she said.

"It's incumbent on doctors to protect themselves now that the position is made clear . . . They need to band together to go to the TPAs to ask them to relook the way they charge fees," Ms Kuah added.

GRAPHIC: Private-sector doctors tied to existing contracts with managed care providers or third-party administrators are in a dilemma as they try to find ways to avoid breaching the Singapore Medical Council's new ethics guidelines that come into force in two months' time.

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