

3 medical bodies' joint letter runs counter to SMC advisory



The Academy of Medicine, the College of Family Physicians and the Singapore Medical Association issued a joint letter that contradicted an advisory sent out by the Singapore Medical Council. ST PHOTO: CHEW SENG KIM

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Three medical bodies issued a joint letter to their members yesterday to say that in certain circumstances, they consider it acceptable to pay a percentage of doctor's fees to third-party administrators (TPAs), which takes a position in contradiction to an advisory sent out on Tuesday by the Singapore Medical Council (SMC).

Though the letter did not specifically say so, the criteria under which a percentage of fees would be appropriate would point to general practice (GP) clinics - where fees are lower and there are fewer variations between practices - but not specialists, where bills could vary greatly.

The three parties are the Academy of Medicine, representing specialists, the College of Family Physicians, which speaks for primary care doctors, and the Singapore Medical Association.

The SMC said that under the new Ethical Code and Ethical Guidelines (ECEG), which become effective next month, doctors cannot pay such agents a percentage of the fees they get from patients. The SMC said the practice "may be construed as a form of fee splitting", as the work done by third parties does not vary from patient to patient, whatever the fees doctors charge for treatments.

More than 1,000 clinics in the private sector, both GPs and specialists, will be affected by this ruling, as they have patients who are sent to them from TPAs, especially those who represent insurers, and companies that offer medical benefits to employees.

The letter acknowledged that fee-based payment was not a preferred method as it might not reflect work done, and suggested as a solution a multi-tiered fixed fee structure with a cap on fees charged.

But it added: "Nonetheless, we acknowledge that a percentage TPA fee structure may provide a level of administrative convenience, and in very specific and limited circumstances might not be in breach of the ECEG."

One of the two criteria to be met, they said, is that the fee should represent "a small percentage" of the doctor's fee, without elaborating. Currently, it is generally between 10 per cent and 25 per cent.

The other is that more than 80 per cent of bills from the practice should "fall within a narrow range", which would apply to most GP clinics but not likely to specialists, whose services and fees could vary greatly.

Dr Low Lee Yong, chief executive officer of TPA Make Health Connect, said: "We hope to meet up with SMC for a dialogue on this matter since it affects the livelihood of over 1,200 doctors in our panel."

He noted that a flat fee might - in contrast to the SMC's goal - end up pushing up healthcare costs. "A flat fee of \$5 is 25 per cent to the doctor who keeps the healthcare cost low at \$20. But it is only 5 per cent for the doctor who charges \$100," he said.

Ms Veronica Allen, chief executive officer of Parkway Shenton which has about 680 specialists and 360 GP clinics under its third-party agreements, said: "We agree that administrative fees charged should primarily reflect the work of the TPA and not be so high as to constitute fee splitting with the doctor."

The SMC said last night that it "appreciates the support of our professional bodies", and repeated that fees paid must reflect actual work done by the TPA and be transparent to the patient or payer.

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