

# PPSMMA Update



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## Meeting chaired by YB Minister of Health in addressing issues faced by GPs with Third Party Administrator, 24 July 2017

General practitioners have been having various issues with Third Party Administrators for the last 20 years without any possible solutions. From an employee clientele of 300,000 in 1995 it has raised to 3,000,000 in 2016. Now we have more than 20 TPAs, which are only required to be registered with Ministry of Health without being regulated by any agencies. MMA has been actively engaging with the TPAs for the last 2 years and we could see some light at the end of the tunnel. It started in September 2015, and we divided into 3 phases:

- Phase 1: Consultation and medicine prices
- Phase 2: Grievance Mechanism
- Phase 3: Contracts and agreements

While we have come to a mutual agreement on Consultation and medicine prices, but for it to be enforced we need the MMA proposed 7<sup>th</sup> Fee Schedule gazetted. Apart from that we have also highlighted the need for a circular from MMC on various ethical issues in the contracts with TPAs that the registered medical practitioners may be exposed to, in today's litigious society. We will be having our 11<sup>th</sup> meeting with TPAs focusing on setting up the Grievance Mechanism with terms of reference.

MMA has written numerous letters and also highlighted the sad state of affairs faced by the GPs in relation to the TPAs to the honorable minister at the MASEAN dinner and also the MMA AGM in Penang. Finally a high level meeting attended by Datuk Seri Secretary General

of Health, Director General of Health, Deputy Director General of Health (Medical), Director of Medical Practice Division, Malaysian Medical Council and Legal Advisor of MOH was called by YB Minister of Health Datuk Seri Dr Subramaniam S. MMA was represented by the President Dr Ravindran Naidu, the PPSMMA Chairman Dr Thirunavukarasu Rajoo and the PPSMMA Honorary Assistant Secretary, Dr Hanafiah Hamidon. The others who attended the meeting were representatives from the FPMPAM, MPCAM, PERDIM, AIA, PMCARE, Asia Assistance, Micares, Health Connect and FOMEMA.

The Minister and his officials met MMA and other doctors associations in the morning, whereby we briefed him of the long standing issues with TPAs. This was followed by a meeting between the doctors and TPAs which was chaired by him.

YB Minister of Health has proposed three solutions to address these long standing issues which was agreed and welcomed by all:

1. The Ministry of Health is agreeable to the Proposed Revised 7<sup>th</sup> Fee Schedule in the Private Healthcare Facilities Act which is currently undergoing the due process before being gazetted and enforced. The minimum consultation fee a doctor should charge will be stated in the Regulations.
2. A circular will be issued by the MOH, informing all Registered Medical Practitioners:
  - a) Not to engage in any contracts that can be construed as Fee Splitting, directly contravenes PHFSA and its Regulations, Medical Act & Code of Professional Conduct by MMC.

- b) For any contractual agreement the registered medical practitioners should comply with the stipulated Fee Schedule and its minimum consultation fee.
- c) The contracts should only state "comply to the stipulated consultations fees and its minimum consultations fees".
- d) The RMPs should only engage with TPAs which are registered with MOH.

3. TPAs and Medical Associations will work out a common generic agreement which complies to the PHFSA, Medical Act, Regulations and Code of Professional Conduct by Malaysian Medical Council.

The proposed revised 7<sup>th</sup> Fee Schedule prepared by Dr M Namazie and his team in the MMA Fee Schedule Committee is currently undergoing the due process. Medical Practice Division, MOH, under the leadership of Datuk Dr Jeyaindran S is working very hard on this as it has to undergo full Regulatory Impact Analysis which is required by Malaysian Productivity Corporation before being gazetted.

MMA also highlighted the issue on fee splitting faced by doctors. MOH and MMC concluded that taking a percentage from the invoice is Fee Splitting. This applies to any contractual agreement a registered medical practitioners enters including that's currently being practiced by some clinics and even individual companies.

It was also agreed that the contractual agreement that RMPs entered with TPAs should protect the interest of the patients and for doctors to comply the existing acts, regulations and guidelines. The MOH has urged for TPAs to submit their contracts with corporate companies and registered medical practitioners to Medical Practice Division for vetting so that it does not compromise patient care.

It was also advised for MMA and other doctors associations to continue to engage with TPAs to come out with a generic common agreement. The MOH will

send a representative to participate in this engagement. Blanket consent by patients to reveal the details to MCO/TPAs is not allowed. Blood investigations and other related results should not be sent directly to TPAs or Insurance companies, before the patient going through the results with the doctor. Written consent should be obtained after discussing the results with the patients. It's a breach of patient-doctor confidentiality. The MOH will issue a circular on this issue.

It was also agreed that limiting the drugs and investigations will compromise the quality of care and medical treatment of patients.


The circular issued by PM Care on subscription & annual fee was also brought up. Minister has advised MMA to get a legal opinion, before MOH sends the opinions from MMA and MOH to the AGs Chamber before issuing a circular on this issue. PM Care agrees to abide by any decision made by MOH.

The recent rise of TPAs setting up panel clinics at corporate companies namely in Penang and Greater KL was also highlighted. It was concluded that TPAs should not be acting as a panel clinic, as it is construed as conflict of interest.

The control of supply chain that leads to monopoly which is not a healthy business practice was also highlighted. MMA also brought to light on issues involving certain TPA being owned by pharma distributing company, and the minister has promised to look into this.

The Minister also urged Datuk Seri Secretary General to discuss with the Ministry of Domestic Trade and Consumer Affairs on the possibility to regulate the business activities of MCO/ TPAs.

YB Minister of Health, Datuk Seri Dr S Subramaniam has promised to resolve all the above issues by end of 2017. The PPSMMA team is working very hard and looking forward for a closure on this long standing issue that has been ongoing for the last 20 years.



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