CIRCULAR

Reference:	Current unregulated entities – optometry benefit management organisations
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Date:	9 July 2020

Circular 48 of 2020: Currently unregulated entities – Optometry benefit management service organisations

Background

Organisations that were perceived as managed care service providers around 2002 - 2004 were accredited as such with the implementation of the Medical Schemes Act (Act no 131 of 1998). These included organisations that provided optometry benefit management services.

Since then, managed care accreditation standards were updated and the definition of managed healthcare services consistent with regulation 15 further was interrogated. It was then concluded that optometry benefit management services were not managed care services as defined and therefore were not accreditable. Organisations who at the time solely provided such services were therefore notified that accreditation as a managed care organisation was not a requirement. The industry was notified in Circular 13 of 2014, which detailed accreditable managed care services.

Current environment

The Council for Medical Schemes (CMS), as the regulator for medical schemes, must ensure that the interests of medical scheme beneficiaries are protected at all times. This includes scrutiny of medical schemes' financial and other information, as well as oversight over administration, managed care, and any other agreements negotiated by medical schemes on beneficiaries' behalf.

The CMS has, over the past few years, received several complaints from optometry providers, optometry associations and the Health Professions Council of South Africa (HPCSA) claiming unfair or improper conduct by optometry benefit management service organisations.

This prompted the CMS to take a closer look at optometry benefit management service organisations, to gain an updated understanding of their operational policies, systems and processes employed – by requesting and reviewing information relating thereto.

We intend to deepen our understanding of optometry benefit management services provided through site visits, to be conducted as soon as the current COVID-19 situation in our country has stabilised and it is safe to do so.

Obtaining a deeper understanding will assist us in considering whether such organisations' accreditation as managed care organisations should be reconsidered (should they be found to provide managed care services as defined), or whether such organisations might require accreditation as administrators in terms of the optometry claims adjudication processes performed on behalf of medical schemes.

In the meantime, the CMS would like to caution optometry benefit management service organisations to cease in engaging in the following practices or conduct, which, based on some of the complaints the CMS has received, is likely to be perceived unfair or improper:

a. Organisations referring to themselves as a managed care organisations - on their website, through correspondence or any other communication channel, when these organisations are not accredited as such;

b. Denying non-network providers the opportunity to join the optometry provider network at any time. They should allowed to join, provided they are willing to accept and abide by the network rules such as the "allowed" tariff codes and amounts, etc.;

c. Communicating to members in a way that could possibly transgress ethical rules or practices as determined by the Health Professions Council of South Africa ("HPCSA") or any optometry provider associations, where non-network providers are concerned;

d. Investigating alleged misconduct by participating network providers and/or peer review processes being done in an unfair and untransparent manner; and

e. Investigating alleged misconduct by non-network providers in an unfair and inappropriate manner and channel.

The Council may call upon relevant stakeholders such as medical schemes, administrators, managed care organisations and optometry benefit management service organisations to provide information or to assist with this endeavour and would sincerely appreciate stakeholders' full cooperation.

Yours sincerely

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