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SAMA Practice Cost Study

4 September 2017

Dear Doctor,

RE: Completion of SAMA Practice Cost Study Surveys

The South African Medical Association (SAMA) has, after an open bidding process, commissioned HealthMan, PPO Serve and Medical Practice Consulting (MPC) (“the consortium”) to conduct an independent Practice Cost Study on General Practitioners and Specialists in private practice.

How it will work

The Practice Cost Study will encompass a 4-step process.

Step 1 – Obtaining Society Buy-In

We have obtained support from all relevant representative bodies and societies to conduct the study and results of the study will be discussed at various Conferences and Society CPD meetings during 2018.

Step 2 – Data Collection

You will receive a request for 3 surveys from the consortium. The first request will be sent on 6th September 2017 for Scope of Practice and Financial surveys.

- The first survey is a high level electronic **Scope of practice survey**. This helps the consortium to identify the type of practices that will be participating in the study, and enables them to compare like-with-like in the analysis phase. During this step the consortium will make sure that they have enough volume of participation to ensure that the study is statistically significant.
- The second survey relates to the core purpose of this Study, financial information. You can either complete the **financial survey** or you can send your **annual financial statements** directly to us. Please note that the consortium will keep this financial data completely confidential. All financial data is aggregated to determine the cost of running a practice for various disciplines, and will be destroyed 6 months after completion of the project.
- The financial survey will be followed up by a **salary survey** determine the types of staff that you have in your practice and the associated costs. This survey will be sent on 28th September 2017.
- Lastly, where relevant, some high tech disciplines could also receive an **equipment survey**.

Step 3 – Analysis

During this phase the data will be analysed and synthesized. Note that the consortium could be in contact telephonically should they have any questions to clarify during the processing of your completed surveys. The consortium will also be doing research with major suppliers of specialist equipment and will obtain industry benchmarks in terms of staff salaries. All to contribute to a clearer understanding of costs of running a private practice in South Africa.

Step 4 – Publishing of Final Report

All of the analysis will be brought together in a presentation and report. After a period of review SAMA will be publishing the results in the public domain. Again, it is important to note that data is aggregated and no individual practice details will be shared with anyone.



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How to Participate

We ask that you please complete the surveys to the best of your ability. If you have any questions or questions, please feel free to email surveys@healthman.co.za . We will also send continuous e-Mail and SMS reminders to encourage participation in the project, so please bear with us.

What the study is all about and why it is important for you to participate in the project

The purpose of this study is to collect objective data on the actual costs involved in running a private practice in 2017. It is an independent and objective study that will collect data about the costs associated with staff, materials, consumables and overheads, such as rental, equipment and liability insurance. All individual data will be kept strictly confidential and will not be shared with any party. At the end of the data collection period, data will be published in a written report that will show the average costs of running different types of practices in the various geographic regions of South Africa.

The study is being conducted at an important time given the Competition Commission Health Market Inquiry into the private health market and a renewed focus on health care costs. The Minister of Health has also announced an updated version of the NHI White Paper. It is important that Government understands the cost of running a private practice prior to embarking on any misguided efforts to set tariffs or contract with the private sector. By participating in the study you will be contributing to a piece of work that is key to the sustainability of private practice in future.

Consortium Contact Details

Contact details for the Consortium project leaders are as follows:



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(support desk with call-back)

Any e-mails can be sent to surveys@healthman.co.za .

We hereby thank you in advance for your participation in this very important project to protect the future of private practice in South Africa.

Regards,

The Consortium

(HealthMan, PPO Serve & MPC)