



# SMA ADVISORY ON BILL ITEMISATION

(First issued on 21 February 2008)

This Advisory provides the guidance to practitioners in the implementation of itemisation of bill. With the passage of the secondary legislation of the PHMC act, clinics are required by law to have itemisation of bills.

## 1. PREAMBLE

The SMA council recognises that there are three categories of costs that could be itemised:

- (a) Professional fees
- (b) Practice costs
- (c) Medications, consumables and other fees

### Definitions

**Professional fees.** These are earned by providing consultation in a clinical setting. In addition to taking history, performing clinical examination, diagnosis, investigations and procedures, judgment skills are also necessary.

**Practice costs.** These are derived from the various costs of setting up and running the practice. These various costs include rental deposits, renovation costs, equipping costs, costs incurred in meeting statutory requirements, recurrent monthly costs of rental, manpower costs, utilities, accounting costs, IT costs, etc.

**Medications, consumables and other fees.** These cover medications and consumables dispensed in the clinic including the costs incurred from purchasing, storage and inventory holding. “Other fees” will include items like blood investigations and imaging either done in-house or outsourced.

## 2. ITEMISATION OPTIONS AND DETAILS

### Options

Option 1: We would advise our members to itemise their bills into

- consultation fees\*, and
- medications\*\*, consumables and other fees

Option 2: An alternative method would be to itemise into all the three broad categories namely

- professional fees,
- practice costs, and
- medications\*\*, consumables and other fees

See Appendix A for a sample bill.

### Details

- \* If Option 1 is chosen, please bear in mind that consultation fees actually include a professional fee component and a practice cost component. For example, in the cases where “practice costs” cannot be readily listed separately for any reason (such as in the case of bills to an organisation whose computer systems will accept only consultation and medication), it is acceptable for practice costs to be included under professional fees and the total listed under “consultation fees”.

Note: Prescription fees are to be billed as part of consultation fees or professional fees respectively and do not have to be separately itemised.

- \*\* Within the broad category of medications, the MOH currently requires that each and every medication dispensed, and the amount charged, must be itemised.

### **3. PRICING POLICY**

Fees charged should be reasonable and acceptable to the professional community. It is expected that the fees charged for each category and for the items will vary from one practice to another, and from one doctor to another. So long as there is a rational basis for the pricing policy, there need not be undue worry. It is important to charge a fee that enables a sustainable practice that ensures patient safety.

#### **Fee information available**

Practitioners may wish to study the 1996<sup>1</sup> and 2006<sup>2</sup> surveys on GP practice costs, for information on the various components of professional fees, practice costs and medication costs charged. The surveys also offer recent mean and median figures for these components.

(References:

1. K Singh, LG Goh, PY Cheong. 1996 Survey of Housing Estate Practice Costs and GP Fees in Singapore. *Singapore Med J* 1997; Vol 38(5): 192-199
2. CY Wong, K Tan, G Foo, A Chua, YV Lee, TH Wong, YW Chong. 2006 Survey of GP Clinic Practice Costs in Singapore. *SMA News* 2007; Vol 39(11): 10-19)

### **4. FREQUENTLY ASKED QUESTIONS**

Together with this advisory, we have prepared answers to frequently asked questions (FAQs).

# FREQUENTLY ASKED QUESTIONS

## General Queries

- 1. Will there be a prescribed MOH format for the clinics with regard to how they should display the information on fees and charges?**

Clinics are free to design their own format on how the information on fees and charges will be displayed.

- 2. There are no longer SMA Guidelines on Fees for clinics to follow. How do I know whether I am undercharging or overcharging?**

The fees charged should be reasonable and acceptable to the professional community. The Singapore Medical Association has already conducted a survey on GP costs and published it. (*CY Wong, K Tan, G Foo, A Chua, YV Lee, TH Wong, YW Chong. 2006 Survey of GP Clinic Practice Costs in Singapore. SMA News 2007: Vol 39(11): 10-19*) SMA is also in the process of conducting another survey on specialist charges in the private sector.

## Display of Common Charges

- 3. How should I display and provide the information?**

The clinic charges should be displayed prominently on boards, tent cards or notice printouts, and, if necessary, supplemented with printed pamphlets or brochures. The charging information should be prominently and strategically displayed for the convenience of the patients. Verbal advice should also be given if required.

- 4. What are the common charges that I will have to display?**

Charges for routine services being provided by the clinic should be displayed. Some examples are consultation, health screening, medical report, vaccination charges.

- 5. Must I display the actual charges for consultation, vaccination/immunisation, health screening and medical reports?**

Yes, if the charges are standard/fixed. Display of charges in the form of a fee range is acceptable, e.g.

Long consultation	\$X - \$Y
Short consultation	\$X - \$Y
Vaccination/immunization	\$X - \$Y
Health screening	\$X - \$Y
Medical reports	\$X - \$Y

## Filling Out Prescriptions & Pricing of Medication

- 6. Four scenarios may arise:**

Scenario A: When a patient obtains medication from a clinic after consultation.

The doctor could charge consultation and practice costs together with an appropriate price for the medications dispensed.

Scenario B: When an existing patient requests for a repeat medication without consultation.

The doctor could charge an appropriate price for the medications dispensed together with practice costs.

Scenario C: When a patient chooses to fill out a prescription at a pharmacy after consultation.

The doctor could charge consultation and practice costs only.

Scenario D: When an existing patient wants a repeat prescription to fill at a pharmacy without consultation.

The doctor could charge practice costs and an appropriate prescription charge.

## **7. How should I price my medication?**

Bearing in mind that your medication as itemised would invite scrutiny and comparison with the pharmacies, it would be prudent to price your medication competitively with regard to recommended retail prices. Previously, mark-ups on medication might have been used to cross-subsidise practice costs. With the statutory requirement for bill itemisation, practice costs should be charged to reflect the real cost of dispensing medication in a clinic setting.

## APPENDIX A – SAMPLE BILL

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(NAME OF CLINIC or CLINIC STAMP)

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(AFFIX PATIENT LABEL)

Name:	Date:
	Receipt No.:
NRIC / ID No.:	Invoice No.:

DESCRIPTION	COST		
Consultation Fees			\$
<b>Medications* / Investigations / Procedures</b>			
			\$
			\$
			\$
			\$
			\$
			\$
<b>Practice Costs</b>			\$
<b>Prescription Fees</b>			\$
			\$
<b>7% GST (where applicable)</b>			\$
<b>TOTAL</b>		\$	