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11 April 2017

Joint advisory on fees paid to Managed Care and Third-Party Administrator companies

by

Academy of Medicine, Singapore (AMS)
College of Family Physicians, Singapore (CFPS)
Singapore Medical Association (SMA)

We refer to SMC's advisory issued on 13 Dec 2016 ["Advisory to Medical Practitioners on payment of fees to Managed Care Companies, Third Party Administrators, Insurance Entities or Patient Referral Services"] and the subsequent joint opinion issued by the three professional bodies (3PBs) on 14 Dec 16.

The subsequent joint opinion included advice that the 3PBs felt would help doctors comply with SMC requirements. The 3PBs have since received feedback from various stakeholders, including doctors, managed care and TPA companies, MOH, and SMC.

To provide more clarity for practicing doctors, the 3PBs have revised our previous statement and henceforth recommend the following.

- a. Doctors should not commit to contracts with percentage fees, as this may expose doctors to allegations of fee splitting.
- b. The 3 professional bodies recommend a fixed administration fee system.
- c. The quantum of the administration fee should be based on the complexity of the work done by the Managed Care or Third-Party Administrator (TPA) company, and not the work of the doctor or the clinic. Any managed care or TPA administration fee paid by the clinic should be made transparent to the patient, to avoid subsequent ethical concerns of overcharging or fee-splitting [Guideline H3(7), SMC Ethical Code and Ethical Guidelines].

Yours sincerely,

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