



HEALTH PROFESSIONS COUNCIL OF SOUTH AFRICA

**GUIDELINES FOR GOOD PRACTICE IN THE HEALTH
PROFESSIONS**

**GUIDELINES FOR HEALTH PRACTITIONERS ON MATTERS
RELATING TO ETHICAL BILLING PRACTICES**

BOOKLET 19

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ETHICAL AND PROFESSIONAL GUIDELINES

High quality clinical outcomes are only achieved if patients and health practitioners trust each other explicitly. Practice in the healthcare profession is therefore a moral enterprise and demands that health practitioners have a life-long commitment to sound, ethical professional practice and an unstinting dedication to the interests and wellbeing of society.

It is in this spirit, that the Health Professions Council of South Africa (HPCSA) formulates these ethical guidelines, to guide and direct the practice of health practitioners. They apply to all health practitioners registered with the HPCSA and are the standard against which professional conduct is evaluated.

[In these guidelines, health practitioner and health professional refers to a persons registered with the HPCSA.]

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GUIDELINES FOR HEALTH PRACTITIONERS ON MATTERS RELATING TO ETHICAL BILLING PRACTICES

1. DEFINITIONS

Balance billing means a situation where the health practitioner bills the patient for the amount not covered by the medical scheme and provide two identical accounts to both the patient and the scheme indicating the full amount for the services rendered, but specifying the portion owed/paid by the patient towards the health practitioner in view of the scale of benefits purchased by the member of the medical scheme.

Charge means the amount that a health practitioner sets for services before applying any discounts. The charge can be different from the amount paid.

Co-payment means a fixed payment paid by the patient for health services at the point of seeking care, which is not covered by insurance, regardless of the kind of services provided during the visit.

Cost means the total amount incurred in providing a service, including procedures, therapies, and medications. The actual cost is typically lower than the price paid.

Emergency means a situation where there is threat to life or limb (including a perceived threat).

Fee for service means fixed payment for each unit of service without regard to outcomes. It is typically paid retrospectively by billing for each individual service or patient contact.

Global fee means a prospective lump sum payment to a health practitioner to cover aggregate costs over a specific period for a set of services independent of the actual volume provided.

Payment means a unit of agreed rand amount to reimburse a rendered service or procedure.

Split-billing means a situation where a patient is billed separately for the amount paid by the patient or member of a medical scheme which the medical scheme does not cover, and the medical scheme is billed separately in line with the medical scheme's. In other words, the account to the patient only reflects the amount that the patient is responsible for, while the claim/account to the medical scheme only reflects the amount equal to the benefits the medical scheme is prepared to pay for the service rendered and does not reflect the out-of-pocket payment by the patient.

2. INTRODUCTION

- 2.1 Health practitioners have a responsibility to ensure that the patient's best interests are always upheld in healthcare service delivery.
- 2.2 These guidelines aim to guide the health practitioner on matters relating to ethical billing practices and are developed in line with the applicable ethical and legal responsibilities of health practitioners.
- 2.3 At an inquiry, the professional board concerned shall be guided by the ethical rules, its annexures, ethical rulings or these guidelines, and policy statements which the professional board concerned or Council makes from time to time.
- 2.4 These guidelines must further be read in conjunction with other ethical booklets of the HPCSA, which include but are not limited to:
- i. Booklet 1: General Ethical Guidelines for Healthcare Professions.
 - ii. Booklet 2: Ethical and Professional Rules of Conduct.
 - iii. Booklet 4: Seeking Patients' Informed Consent: The Ethical Considerations
 - iv. Booklet 11: Guidelines on Overservicing, Perverse Incentives and related matters.

3. GOOD PRACTICE FRAMEWORK

3.1 THE NATIONAL HEALTH ACT, 2003 (ACT NO. 61 OF 2003)

- 3.1.1 The National Health Act (Act No. 61 of 2003) requires that patient should be given information about: -
- a) their health status, except in circumstances where there is substantial evidence that the disclosure of the patient's health status would be contrary to the best interests of the patient.
 - b) the range of diagnostic procedures and treatment options generally available to the patient.
 - c) the benefits, risks, costs and consequences generally associated with each option; and the patient's right to refuse health services and explain the implications, risks and obligations of such refusal.

3.2 SECTION 53 OF THE HEALTH PROFESSIONS ACT, 1974 (ACT NO. 56 OF 1974)
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3.2.1 The Health Professions Act, 1974 (The Act) states that every person registered under this Act shall, unless the circumstances render it impossible for him or her to do so, before rendering any professional services inform the person to whom the services are to be rendered or any person responsible for the maintenance of such person, of the fee which he or she intends to charge for such services -

(a) when so requested by the person concerned; or

(b) when such fee exceeds that usually charged for such services and shall in a case to which paragraph (b) relates, also inform the person concerned of the usual fee.

3.2.2 Any health practitioner who in respect of any professional services rendered by him or her claims payment from any person (in this section referred to as the patient) shall, subject to the provisions of section 32 of the Medical Schemes Act, 1998 (Act No. 131 of 1998), furnish the patient with a detailed statement of account within a reasonable period.

3.3 ETHICAL AND PROFESSIONAL RULES FOR HEALTH PRACTITIONERS
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3.3.1 Ethical and professional rules of the HPCSA state in regard to fees and commission that a practitioner shall not: -

- a) accept commission or any material consideration, (monetary or otherwise) from a person or from another practitioner or institution in return for the purchase, sale or supply of any goods, substances or materials used by him or her in the conduct of his or her professional practice.
- b) pay commission or offer any material consideration, (monetary or otherwise) to any person for recommending patients.
- c) offer or accept any payment, benefit or material consideration (monetary or otherwise) which is calculated to induce him or her to act or not to act in a particular way not scientifically, professionally or medically indicated or to under-service, over-service or over-charge patients.
- d) share fees with any person or with another health practitioner who has not taken a commensurate part in rendering the services for which such fees are charged.
- e) charge or receive fees for services not personally rendered, except for services rendered by another practitioner in his or her employment or with whom he or she is associated as a partner, shareholder or locum tenens.

- f) A practitioner shall explain to the patients the benefits, costs and consequences associated with each service option offered.

3.4 GENERAL ETHICAL GUIDELINES FOR THE HEALTHCARE PROFESSIONS

3.4.1 General Ethical Guidelines for the healthcare professions (Booklet 1) provides further guidelines on matters relating to Informed Consent, and it states that health practitioners should:

- a) give their patients the information they ask for or need about their condition, its treatment and prognosis.
- b) give information to their patients in the way they can best understand it. The information must be given in a language that the patient understands and in a manner that takes into account the patient's level of literacy, understanding, values and belief systems.
- c) refrain from withholding from their patients any information, investigation, treatment or procedure the health care practitioner knows would be in the patient's best interests.
- d) Apply the principle of informed consent as an on-going process.
- e) Allow patients access to their medical records.

3.5 NATIONAL PATIENT'S RIGHTS CHARTER

3.5.1 The National Patient's Rights Charter (Booklet 3) guide the health practitioner on matters related to informed consent when it states that "Everyone has a right to be given full and accurate information about the nature of one's illnesses, diagnostic procedures, the proposed treatment and risks associated therewith, and the costs involved."

3.5.2 This reiterates what is contained in ethical guidelines for Seeking Patients' Informed Consent: The Ethical Considerations (Booklet 4) wherein it states that patients have a right to information about any condition or disease from which they are suffering and that it is a health practitioner's obligation to let patient have such information which they want or ought to know before deciding whether to consent to treatment. This includes: "details of costs or charges which the patient may have to meet."

3.5.3 Thus, for patient to be able to make an informed decision related to seeking and receiving healthcare, accurate and understandable information related to the charges and costs for consultations and treatment must be presented to patients by their health practitioner (usually before such health services are rendered).

4. GUIDELINES TO HEALTH PRACTITIONERS

- 4.1 The following guidance is based on the prescripts set out above:
- a) Health practitioners must have a fixed, transparent and documented billing policy and a set of charges that will be levied for health services rendered.
 - b) The manner in which cost of services or charges has been determined must be rational (based on determinable factors such as affordability, time spent in rendering health services, complexity, etc.) and documented. There must always be good record keeping related to any health service rendered.
 - c) How these charges or cost of health services are levied must also be clear (e.g., fee for service, global fees, etc.). It is acceptable to use national benchmarks for determining such fees but if this is done, the benchmark must be widely recognized and consistently applied. If fees charged are based on contractual agreements, such agreements must be consistent with the ethical guidelines.
 - d) The charges levied for the professional services rendered should be consistently applied and can, in circumstances that are appropriate, be discounted – including global fees.
 - e) It is the health practitioner's responsibility that patients are aware of the fees they will be charged prior to the commencement of any fee generating activities. In practice this means that:
 - i) Patient must be aware of the specific costs associated with consultations, and if further charges are levied during a consultation for additional services rendered by the health practitioner, what such charges are and the circumstances under which they will apply. Such additional services associated with a consultation should only be performed after express consent for such procedures has been obtained.
 - ii) When a patient is advised to undergo a procedure, the actual professional fees of such a procedure must be discussed with the patient. Furthermore, the patient must be informed if additional charges may apply and under what circumstances this will occur.

- iii) Patients on a medical aid or similar product must be informed of the implications of the fee structure and fees to be charged on their ability to claim for health services rendered from the medical aid.
- iv) Cost related to other health services associated with a procedure must also be discussed with patients. This includes costs related to hospitalization, facility (theatre) use, laboratory and other diagnostic testing, anesthesia etc. Where details of these costs are not available to the health practitioner during the consultation, patients must be informed where such information can be obtained.

5. NON-PAYMENT FOR HEALTH SERVICES RENDERED

- 5.1 Health practitioner shall, in writing, receive informed financial consent from a patient or a designated person acting on their behalf if the patient him/herself is unable to give consent for whatsoever reason, accepting treatment options and cost associated in order to proceed.
- 5.2 Informed financial consent should be periodically reviewed, where necessary, to ensure that the patient maintains their obligation to reimburse the health practitioner.
- 5.3 When a patient is not able to agree on the quantum of reimbursement to the health practitioner, the health practitioner may decline to provide health services, and refer the patient to other health facilities where services will be provided that such refusal is not on emergency health services, or unduly makes the patient to suffer or die.
- 5.4 Health practitioner is not allowed to withhold and/or withdraw outcomes of medical treatment or outcome of laboratory investigations on the basis of non-payment of fees. Health practitioners are encouraged to utilise legal debt collection mechanisms to recover outstanding fees.

6. BILLING IN EMERGENCY

- 6.1 In emergency circumstances, where limited information may be available, health practitioner shall continue to provide the necessary medical treatment and interventions to the patient and when the patient is able to comprehend his/her financial responsibilities, or the cost should be brought to the guardian or caregiver.

- 6.2 Health practitioner is still entitled to be reimbursed for any health services rendered, including emergency services, as such billing practices remain applicable.

7. PAYMENT PLANS

- 7.1 Health practitioner may make arrangements with the patient to receive reimbursement for health services rendered to the patient and when such arrangements are made, a written consent should be obtained. This should not be perceived as a credit agreement.
- 7.2 Health practitioner is not allowed to charge and receive interest on the accrued debt as per National Credit Act, 2005 (Act No. 34 of 2005).
- 7.3 Where a patient has not settled their account and the medical aid has also rejected the payment, the health practitioner can revoke the discounted price offer and charge up to 2% interest every month from the date the amount becomes due and payable.
- 7.4 Reasonable attempts to engage the indebted patient on outstanding bill should be considered before formal debt collection measures are implemented.

8. BILLING CODES

- 8.1 Health practitioner is cognisant of the challenges and difficulty regarding understanding and applying correct billing codes, when requesting reimbursement from medical funders.
- 8.2 It is imperative that the health practitioner utilise the appropriate billing codes to apply for health services rendered from resident practice, including for offsite and mobile practices.
- 8.3 Where there is no specific code for a specific procedure, health practitioner should consider the use of a code that involves or includes the procedure or service rendered.

9. INVOICES

- 9.1 An invoice serves as both a record of treatment, a bill and it provides an itemised breakdown of all health services to be provided, contact details of the patient, the costs and an indication of when payment is due.
- 9.2 Quotations and invoices can be used as cost estimate and cost confirmation document, and both can be used as part of records for informed financial consent of the patient.
- 9.3 Invoices are ordinarily placed separate from other consumer's credit bill.

- 9.4 Invoices are part of reference documents for health record of all the materials as well as treatment items provided.
- 9.5 Split billing is not an acceptable practice, but balanced billing is acceptable.

10. STATEMENTS

- 10.1 A statement of account reflects all transactions that took place for a given period of time and includes amounts paid by the patient or medical scheme either in part or in full and reflects the balance due by the patient for services rendered as agreed.
- 10.2 A health practitioner who in respect of any professional services rendered by him or her claims payment from any person (in this section referred to as the patient) shall, subject to the provisions of section 32 of the Medical Schemes Act, 1998 (Act No. 131 of 1998), furnish the patient with a detailed statement of account within a reasonable period.

11. COMMUNICATION

- 11.1 Health practitioners shall always ensure that the signed financial informed consent is obtained in a written document. Such practice protects both the health practitioner and the patients.
- 11.2 The invoice and statement should also be provided in written document, and can be transmitted in any manner convenient to the patient.

12. ADVANCE PAYMENT OF SERVICES

- 12.1 Health practitioner shall not charge fees for health services not yet rendered, except for costs of prostheses, co-payment at medical aid rates required from patient or it is a foreign patient requiring health services in South Africa, or it is for custom made medical devices which cannot be used or supplied to another patient, or modified for another patient who requires a similar device to recover the cost incurred by the health practitioner.

13. FINANCIAL AUDITS

- 13.1 Regulation 15j (2) (c) of the Medical Schemes Act, 1998 (Act No. 131 of 1998) indicates that medical schemes are entitled to access any treatment records held by a managed health care organisation or health practitioner and any other information pertaining to the diagnosis, treatment, and health status of the beneficiary, but such information may not be disclosed to any other person without the express consent of the beneficiary.

Ethical guidelines for good practice in the health care professions

The following Booklets are separately available:

- Booklet 1:** *General ethical guidelines for health care professions.*
- Booklet 2:** *Ethical and professional rules of the health professions council of South Africa as promulgated in government gazette R717/2006.*
- Booklet 3:** *National Patients' Rights Charter.*
- Booklet 4:** *Seeking patients' informed consent: The ethical considerations.*
- Booklet 5:** *Confidentiality: Protecting and providing information.*
- Booklet 6:** *Guidelines for the management of chronic diseases.*
- Booklet 7:** *Guidelines withholding and withdrawing treatment.*
- Booklet 8:** *Guidelines on Reproductive Health management .*
- Booklet 9:** *Guidelines on Patient Records.*
- Booklet 10:** *Guidelines for the practice of Telehealth.*
- Booklet 11:** *Guidelines on over servicing, perverse incentives and related matters.*
- Booklet 12:** *Guidelines for the management of health care waste.*
- Booklet 13:** *General ethical guidelines for health researchers.*
- Booklet 14:** *Ethical Guidelines for Biotechnology Research in South Africa.*
- Booklet 15:** *Research, development and the use of the chemical, biological and nuclear weapons.*
- Booklet 16:** *Ethical Guidelines on Social Media.*
- Booklet 17:** *Ethical Guidelines on Palliative Care.*