Fee guides: Focus on patients, real charges

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FOR THE STRAITSTIMES

T HE issue of medical fees – and when these should be regarded as sufficiently excessive to warrant disciplinary action – was recently back in the spotlight.

This came after the Singapore Medical Council suggested there was an “ethical limit” to doctors’ fees which was breached by Dr Susan Lim, who faced disciplinary action for a $26 million bill to treat the sister of Brunei’s Queen for seven months before the patient died in August 2007.

If overcharging patients is deemed a serious form of professional misconduct by the Singapore Medical Association (SMA), then greater clarity is needed on what constitutes an acceptable level of fees against which significant deviations can be meaningfully assessed.

Otherwise, doctors will end up with the added task of monitoring what their colleagues are charging patients – devoting time that is better spent treating their patients – to ensure their medical fees are not too high.

Without objective numerical benchmarks of what is a fair or reasonable fee for the various medical services performed by doctors in private practice, allegations of overcharging will be practically impossible to substantiate.

It may thus be timely to revisit the SMA’s Guidelines on Medical Fees, which were withdrawn in 2007.

Objections to those guidelines can be gleaned in a Competition Commission of Singapore (CCS) 2010 decision, affirming the view that such fee guidelines amounted to anti-competitive price recommendations that contravened the Competition Act.

The CCS took the view that the SMA had acted out of doctors’ self-interest in promulgating these fee guidelines as they sought to set out what doctors believed to be a “reasonable remuneration” for their services, as well as giving young doctors who had just entered private practice an idea of how much they should (or could) charge their patients.

It needs to be emphasised, however, that while the CCS took issue with the legality of the SMA’s Guidelines on Medical Fees, it did not condemn all professional fee guidelines per se.

Its decision turned on how these fee guidelines were presented, what they communicated and what impact they had on the pricing decisions of medical practitioners.

Presented here are a few ideas as to how such medical fee guidelines may be restructured and repackaged to avoid violating the competition rules.

Data on fees actually charged, not recommended prices

One problem the CCS had with the SMA’s guidelines was that it contained fee recommendations of what individual doctors thought they, and their colleagues, would or should charge for different medical services.

Instead of price recommendations based on opinions of medical practitioners, which can be seen as an attempt to influence other clinics’ prices, a revised set of fee guidelines could be based on data gathered from the professional service fees actually charged by doctors for each type of medical procedure within a specific reference period.

This is akin to the factual information about actual hospital bill sizes currently published by the public sector hospitals.

Median prices rather than recommended price ranges

Another CCS objection was the fact that the SMA’s guidelines were expressed as a range of acceptable fee levels, with the lower end of the fee range being viewed by clinics as a minimum price.

One way to address this objection is to release the median price charged by clinics, or perhaps the fees charged by clinics in the 40th and 60th percentiles, for the different medical services available to patients, with perhaps a short explanatory statement of the key factors associated with individual cases that may alter this figure upwards or downwards.

Fee guidelines for patients rather than doctors

While the original intent of the SMA’s guidelines was to protect patients against overcharging, this objective could have been better met if the guidelines were conceived differently – as guidelines for patients, not doctors.

Drafted in a manner accessible to non-doctors, these guidelines can give patients information on fees for different medical services and procedures.

Rebooted, restructured and reconfigured, version 2.0 of these medical fee guidelines could substantially serve the same purposes as those withdrawn in 2007, reducing the information asymmetry inherent in the market for medical services.

Armed with good data, patients will have convenient access to reliable price information, without needing to “shop around”, something which someone afflicted with a serious illness is obviously not in the best position to do.

Patients of private practitioners will have accurate ballpark figures to help them estimate their medical expenses. They can also compare fees with those in the public sector.

Such detailed guidelines help clarify expectations between doctors and patients on how much doctors should charge for their professional services.

This could then serve as an objective and rational benchmark for ascertaining when, and if, doctors should be sanctioned for overcharging their patients.

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