

# Confidential

## GEMS Network Agreement

between

### Government Employees Medical Scheme

and

**Dr** .....  
(initials and surname)

HPCSA Number.....

Practice Code Number.....

Group Practice Number (if applicable) .....

Identity Number: .....

IPA / National Representative Association (if applicable).....

.....

Dispensing licence. ....

If licence, does the practice dispense medication? .....

Physical address:

Street name & nr.....

Suburb.....

Town / City.....

Province.....

P O Box & postal code: .....

Facsimile: .....

E-mail address: .....

Business phone .....

Cell phone .....

Options selected: Beryl and Sapphire (Annexure A)

Ruby, Emerald and Onyx (Annexure B).....

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## 1. **PARTIES TO THE GEMS NETWORK AGREEMENT**

The Parties to this Agreement are:

- 1.1 Government Employees Medical Scheme a medical scheme registered in terms of the Medical Schemes Act No 131 of 1998 as amended with registration number 1598 hereinafter referred to as the "Scheme"; and
- 1.2 The Medical Practitioner whose details are set out on the front page of this Agreement registered with the Health Professions Council of South Africa as such hereinafter referred to as "the Doctor".

## 2. **OBJECTIVES OF THE GEMS NETWORK AGREEMENT**

- 2.1 Contracting on a network basis with doctors serves to support the individual Participating Doctors within their professional relationships with their patients to perform health risk management which is key to addressing the cost and quality challenges of the South African healthcare industry.
- 2.2 This Agreement will serve as a contractual basis for the GEMS Network to which can be added, by means of Annexures, option specific arrangements as the Parties may agree upon in future as contemplated in clause 16.14.3.

## 3. **INTERPRETATION**

The following expressions shall bear the meanings assigned to them below and cognate expressions bear corresponding meanings -

- 3.1 "Act" – means the Medical Schemes Act (No 131 of 1998) as amended, with the Regulations promulgated in terms of the Act;
- 3.2 "Agreement" - means this GEMS Network Agreement including the applicable annexures;
- 3.3 "Beneficiary" – means a Member or a person admitted as a Dependant of a Member, in terms of the Rules;
- 3.4 "Clinical Coordination Committee" - means the committee that has been elected by the IPA leaders to work with the Scheme's Managed Health Care service providers.
- 3.5 "Defined Medical Benefits" – shall mean Relevant Health Services available to Members in accordance with the Rules;
- 3.6 "Dependant" – means any person who under the Rules is recognised as a Dependant of a Member;
- 3.7 "DLO" - means a doctor liaison officer of the Scheme's Managed Health Care Service Providers supporting the Participating Doctors with network initiatives;
- 3.8 "EDI" - means Electronic Data Interchange;
- 3.9 "GEMS Network" – means the contractual arrangement between the Scheme and the Participating Doctors;
- 3.10 "IPA" - means an Independent Practitioner Association who represent the interest of Medical Practitioners that are members of the organisation;
- 3.11 "Managed Health Care Service Providers" - means the managed health care organisations contracted to the Scheme;
- 3.12 "Medical Practitioner" - means Medical Practitioner as defined in the Health Professions Act no. 56 of 1974 as amended;
- 3.13 "Member" – means any person who is enrolled as a Member of the Scheme in terms of the Rules and includes a suspended Member. When reference is made to a Member it will include the Dependents of that Member;

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- 3.14 "Negotiated Rate" – means the tariff negotiated between the Scheme and its service providers in respect of the payment of services rendered by the service providers to members;
- 3.15 "NRPL" - means the applicable version of the Reference Price List as published by the National Department of Health or its successor.
- 3.16 "Peer Review Committee" - means the committee that has been elected by the IPA leaders to work with the Scheme's Managed Health Care service providers;
- 3.17 "Peer Review Process" – means the process by which the performance of a Participating Doctor in terms of this Agreement is assessed and managed by the peer review processes of the Peer Review Committee;
- 3.18 "Participating Doctor" – means Medical Practitioners that have signed an agreement to participate in the GEMS Network;
- 3.19 "Party" – means the parties to this Agreement as set out in clause 1 above;
- 3.20 "Pre-authorisation" – means the authorisation by the Scheme's Managed Health Care Service Providers where application has been made by or on behalf of a Member to obtain Relevant Health Services for which authorisation is necessary in terms of the Rules to authorise the Relevant Health Services.
- 3.21 "Relevant Health Service" – means any healthcare treatment of any person by a person registered in terms of any law - as defined and has its object as listed in the Act;
- 3.22 "Rules" – means the registered Rules of the Scheme as defined in terms of the Act;
- 3.23 "Scheme rate" - means the RPL rate or the Negotiated Rate as may be applicable in accordance with a Member's entitlement in terms of his relevant benefit option.

#### **4. APPOINTMENT AS A PARTICIPATING DOCTOR**

The Doctor is hereby appointed as a Participating Doctor to the GEMS Network. The appointment is conditional upon the following:

- 4.1 That the Doctor at all time holds proper and unrestricted registration from the relevant authorities to practise as a Medical Practitioner, in independent medical practice.
- 4.2 That the Doctor holds and maintains professional indemnity insurance or membership of a professional indemnity company sufficient to cover potential liabilities related to the Relevant Health Services rendered by the Doctor.

#### **5. DURATION AND TERMINATION OF THE APPOINTMENT**

- 5.1 The appointment of the Doctor as a Participating Doctor shall commence on the 1<sup>st</sup> January 2010 irrespective of when this Agreement is signed and shall continue for an indefinite period until terminated in accordance to the provisions of this Agreement, notwithstanding the date of signature of this Agreement.
- 5.2 Either Party may terminate this Agreement on 90 (ninety) days written notice to the other Party stating reasons for such notice.
- 5.3 The above notice period will not be required in cases of material breach of the provisions of the Agreement or where the availability or quality of health care rendered to Members of the Scheme is likely to be compromised by the continuation of the Agreement.
- 5.4 The following will be deemed to be instances of material breach of the provisions of this Agreement (but will not be restricted to these instances only) :
- 5.4.1 in the event of any of the conditions of clause 4 above not being met by the Doctor;
- 5.4.2 where the Doctor has an unacceptable practice profile or fails to offer an acceptable explanation for such a profile and that this has been confirmed by the Peer Review Committee; and

- 5.4.3 where the Doctor has been found guilty of fraud in terms of the Scheme's Fraud Policy, as amended from time to time. It is recorded that the IPA leadership has acknowledged the existence Scheme's Fraud Policy and its enforceability.

## 6. OBLIGATIONS OF THE DOCTOR

The Doctor agrees to do the following in terms of this Agreement:

- 6.1 **Claims via EDI:** The Doctor will submit more than 90% of the practice's claims for the Scheme's account via EDI to the Scheme's Administrator.
- 6.2 **GEMS Branding:** The Doctor will demonstrate that he is a Participating Doctor to the GEMS Network by displaying a 30cm by 30cm sign to be provided by the Scheme, in a visible area of the practice that can easily be recognised by Members. Compliance with branding requirements will be determined during the DLO visits at the practice as well as through Member surveys.
- 6.3 **Friends of GEMS:** The Doctor will register on the 'Friends of GEMS' programme. The programme, set to benefit both Members and Doctors is a convenient and easy to use SMS and internet web based registry that allows Members access to the contact details of Participating Doctors willing to see Members at agreed rates without any additional surcharges.
- 6.4 **Code of Conduct:** The Doctor will adhere to the Ethical Rules of the Health Professions Council of South Africa.
- 6.5 **Adherence to the Scheme's quality requirements** which are in line with internationally accepted best practice and accepted by the clinical coordination committee.
- 6.6 **Clinical Coordination Committee:** The Doctor will accept the role of the Clinical Coordination Committee and peruse his/her practice's results on at least a quarterly basis and submit to peer mentoring and review. The main role of the Clinical Coordination Committee will be that of clinical governance which will include but not be limited to the development of clinical guidelines, clinical protocols and any other functions as determined by contractual arrangement between the parties;
- 6.7 **Clinical Quality Assurance:** The Doctor will always ensure the provision of quality and cost effective health care to Members of the Scheme.

## 7. OBLIGATIONS OF THE SCHEME

The Scheme agrees to do the following in terms of this Agreement:

- 7.1 **Communications:** Advise the Doctor in writing through its managed healthcare provider by either e-mail, facsimile, SMS or postal mail, with at least sixty (60) days notice of any proposed changes to the Rules of the Scheme that may impact on this Agreement. The Doctor will have the right to terminate this Agreement in terms of clause 5.2 above should these proposed changes be unacceptable to the Doctor.
- 7.2 **Analytical Profile Information:** Maintain and keep updated from time to time and as soon as reasonably practically possible the Participating Doctor's profile information on the medical practitioner profiling programme along with the provision of analytical reports on retrospective profiling; service utilisation, risk profiling analyses linked to quality of care analyses.
- 7.3 **Reimbursement of the Doctor:** Reimburse the Doctor for the Relevant Health Service rendered to a Member in accordance with the Rules and option specific tariffs arrangements as set out in the Annexures to this Agreement, where applicable.
- 7.4 **Inform Members:** Inform, market to and encourage Members to utilize the services of Participating Doctors in compliance with applicable legislation.

## 8. CLAIMS DATA AND INFORMATION

During the course of this Agreement the Scheme will obtain claims data. This data will remain confidential and will be treated subject to relevant legislation.

## 9. CONFIDENTIALITY

- 9.1 Any information pertaining to the diagnosis, treatment or health of a Member will be treated as confidential as stipulated in terms of Regulation 15J(2)(b) to the Act.
- 9.2 This document and its contents are strictly confidential and may not be copied without the express written permission of the Scheme. It may only be used for the purpose for which it is intended and may

only be disclosed to the personnel, financial, legal and operational advisers of the Parties to this Agreement insofar as their general duties require access to such information. This will also be applicable to any additional information that may subsequently be provided in terms of this Agreement.

- 9.3 The Parties understand that in the course of the relationship established by this Agreement, they will need to disclose to each other commercially sensitive information that is not readily available in the normal course of business to the disclosing Party's competitors as well as Beneficiaries' personal information. The Parties agree that such commercially sensitive information will be kept strictly confidential by the Parties and that the disclosing Party will at all times remain the owner of such disclosed information.
- 9.4 The clauses on protection of confidential information as set out in this Agreement will remain in force for three years after this Agreement ends.

## **10. DISPUTE RESOLUTION**

- 12.1 Should any dispute arise between the Parties in relation to this Agreement, the Parties shall first attempt to resolve the dispute by mediation. The dispute shall be referred to a senior representative of the Scheme and the Doctor who shall attempt to resolve the dispute within 14 (fourteen) days of giving notice of a dispute.
- 12.2 Should the Parties be unable to resolve the dispute within the above 14 (fourteen) days, such dispute shall then be referred to, and resolved by, arbitration and shall, unless otherwise agreed in writing by the Parties, be held in accordance with the rules of the Arbitration Foundation of South Africa.
- 12.3 Only after following the above process will the Parties be allowed to approach a court of competent jurisdiction to obtain further relief should a party wish to appeal the decision of the arbitrator.

## **11. BREACH OF CONTRACT**

- 11.1 If either Party breaches a material term of this Agreement or annexure in a way which is not capable of being remedied, the aggrieved Party shall be entitled to cancel this Agreement or annexure on written notice, without prejudice to its other rights in law including its right to claim damages.
- 11.2 If either Party breaches a material term of this Agreement or annexure in a way which is capable of being remedied and does not remedy that breach within 30 (thirty) days after receipt by it of written notice from the aggrieved Party requiring it to do so, then the aggrieved Party shall be entitled to cancel this Agreement on written notice, without prejudice to its other rights in law including its right to claim damages.

## **12. DOMICILIA AND CONTACT PARTICULARS**

- 12.1 The Parties choose their respective physical addresses set out below as their domicilium citandi et executandi for all purposes relating to this Agreement:

12.1.1 **Scheme:**

Physical address:	Barbet Place Block, Hillcrest Office Park c/o Lynnwood and Dyer Rd Hillcrest Pretoria
Facsimile:	(011) 463 6299
Attention:	The Principal Officer

12.1.2 **Doctor:**

Physical address: As specified on the front page of the Agreement.

- 12.2 Each of the Parties shall be entitled from time to time, by written notice to the other, to vary its domicilium to any other physical address within the Republic of South Africa.

## **13. APPLICATION OF REGULATION 15E(1)(b) OF THE ACT**

The Parties agree that Regulation 15E (1)(b) of the General Regulations to the Act will be adhered to in terms of this Agreement and no Member will be held liable by the Parties or other Participating Doctor for any sums owed in terms of the Agreement.

**14. OPTION SPECIFIC ARRANGEMENTS IN ANNEXURES A AND B TO THIS AGREEMENT**

- 14.1 This Agreement serves as a contractual basis for the GEMS Network with option specific arrangements as applicable to Beryl and Sapphire options of the Scheme as set out in Annexure A to the Agreement and Ruby, Emerald and Onyx options of the Scheme as set out in Annexure B to the Agreement.
- 14.2 Each such annexure to the Agreement has to be individually accepted or declined by the Doctor over and above the signing of this Agreement. In the event the Doctor declines both Annexure A and Annexure B, then, notwithstanding anything to the contrary in this Agreement, this Agreement will automatically lapse.
- 14.3 As these option specific arrangements are applicable only for a specific calendar year, that is, from January to December, unless indicated otherwise, the Scheme will annually provide the Doctor with the new option specific arrangements in time for the following year.
- 14.4 Should the Scheme not receive a notification by the Doctor indicating a decline of such a new option specific arrangement, it will be deemed to have been accepted by the Doctor.

**15. GENERAL LEGAL PROVISOS**

- 15.1 This Agreement constitutes the entire agreement on the GEMS Network between the Parties. It supersedes all existing agreements, whether written or oral, about the same subject.
- 15.2 Each Party confirms that it has carefully considered all the provisions of this Agreement and acknowledges and agrees that the provisions hereof, jointly and severally, are under the circumstances reasonable and necessary for the establishment of a GEMS Network and that should a Party at any time dispute that any provision is unreasonable, the onus of proving such unreasonableness shall rest on that Party.
- 15.3 If this Agreement is signed by a person on behalf of a principal, such person hereby warrants that he/she is fully authorised to do so by the principal.

..... Signature for Medscheme/Qualsa, on behalf of the Government Employees Medical Scheme	..... Signature of the Doctor
..... Full names of signatory	..... Full names of signatory
..... Capacity of signatory	<b>Self</b> ..... Capacity of signatory
..... Place	..... Place
..... Date	..... Date

## Annexure A

**2010 ARRANGEMENTS SPECIFIC TO  
BERYL AND SAPPHIRE OPTIONS****1. Application**

The arrangements set out in this annexure are applicable only to the Beryl and Sapphire Options of the Government Employees Medical Scheme and its Members during the 2010 calendar year (i.e. 1 January 2010 to 31 December 2010).

**2. Conditions for Participation**

In order to participate in this option specific arrangement the Participating Doctor agrees to the following:

- 2.1 to adhere to the terms of the main GEMS Network Agreement to which this is an annexure; and
- 2.2 to charge for Relevant Health Services rendered in terms of the Defined Medical Benefits according to the tariffs as set out in this annexure below and not to levy any co-payments or hold the Member liable for Relevant Health Services outside of the tariffs as set out in this annexure below; except
  - 2.2.1 in patient initiated therapy
  - 2.2.2 if a patient benefits have been exhausted.
- 2.3 to maintain the following minimum service hours: Weekdays 08h00 to 17h00 Saturday 08h30 to 12h30 or make alternative arrangements for access to care; and
- 2.4 to abide to the Scheme's pre-authorisation policies for additional general practitioner visits, hospitalisation, out of hospital specialist referrals, allied health services (including physiotherapy, audiology and occupational therapy) radiology and pathology. This authorisation does not provide benefit reservation or guaranteed payment of the claim; and
- 2.5 will adhere to the Scheme's preferred provider arrangements with certain hospitals and certain pathologists by only utilising such for referral and treatment of Members; and
- 2.6 to abide to the Scheme's claims submission processes by providing correct ICD 10 coding and submit all claims lines despite payment of a fixed fee; and
- 2.7 to adhere to all formularies for acute medicine, chronic medicine, clinical procedures, radiology and pathology investigations except where clinically indicated otherwise; and
- 2.8 to respond to requests from the Sapphire and Beryl Managed Care Provider on high risk Members as per the Doctor Network Performance report.
- 2.9 acknowledges that the Scheme has an appointed designated services provider (DSP) for purposes of dispensing chronic medication to the Members.
- 2.10 to be registered as a Participating Doctor that is part of the '*Friends of GEMS*' programme to Members. The Friends of GEMS programme, set to benefit both Members and providers, is an accessible, convenient and easy to use provider registry that allows Members' access to the contact details of Participating Doctors willing to see GEMS Members at agreed rates without any additional surcharges.

**3. Reimbursement of Participating Doctors**

The Participating Doctor will be paid according to a tiered reimbursement structure for consultations given that certain requirements are met. The basis of performance based reimbursement will be an assessment by the Scheme's managed care organisation using REPI, a web based medical practitioner profiling programme categorisation which at present indicates the Doctor's cost effectiveness as well as network specific requirements such as adherence to protocols, formularies and quality outcomes. All Participating Doctors will be paid at level 2 for the 2010 benefit year.

- Level 1 - a Participating Doctor who not only abides by protocols and formularies but also understands the impact of providing quality care to Members within a low-cost environment. The Participating Doctor must have consulted with at least 30 unique Beneficiaries. The Participating Doctor must be a category 1 doctor.
- Level 2 – a Participating Doctor who abides by protocols and formularies within certain criteria and demonstrates his role in cost-containment.

- Level 3 - a Participating Doctor who needs peer management via the Peer Review Process with adherence to formularies and protocols. Electronic submission of claims required to certain levels.
- Fixed Fee for services (inclusive of VAT) rendered that will apply to the Network are as follows:

### Consultations

NRPL code	NRPL code description
0190 – 0192	General practitioner visit

	Dispensing doctor tariff	Non-dispensing doctor Tariff	Benefit	Authorisation
<b>Level 1</b>	232	175	Unlimited	After 5th visit within network
<b>Level 2</b>	223	175	Unlimited	After 5th visit within network
<b>Level 3</b>	203	162	Unlimited	After 5th visit within network

### Tariffs that can be charged in addition to a consultation

NRPL code	NRPL code description	Rate
0300	Stitching of a wound	173
0301	Stitching additional wound	59
0307	Excision and repair	238
0255	Drainage of subcutaneous abscess and avulsion of nail	173
0259	Removal of foreign body superficial to deep fascia	173
0887	Limb cast (including cost of POP and material)	140
1725	Drainage external thrombosed pile	140

### Tariffs that can be charged in addition to a consultation subject to pre-authorisation

NRPL code	NRPL code description	Rate
1186*	Flow volume test: Inspiration/expiration	140
1188*	Flow volume test: Inspiration/expiration/pre- and post bronchodilator	140
1234*	ECG bicycle	162
1235*	ECG multistage treadmill	162
2713	Lumbar puncture	140

\* These codes will only be allowed for the diagnosis and management of approved chronic conditions for approved chronic members as part of chronic illness benefit, subject to PMB treatment guidelines. The doctor will be required to submit the results for these tests.

#### 4. Implementation Date

The above specified enhanced consultation fee for out of hospital consultations will be paid for Relevant Health Services rendered in terms of the Defined Medical Benefits with treatment dates from 1 January 2010 up to and including 31 December 2010.

#### 5. Proviso

From time to time it may be necessary for the Scheme to make minor changes to the profiling methodology in this contracting model. Unless these changes have a material effect on the outcome of this model the Scheme reserves the right to make these minor changes without necessarily adding an addendum to this Agreement.

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Accepted/Declined

(Please delete whichever is applicable)

Dr. \_\_\_\_\_

(initials and surname)

Date: \_\_\_\_\_

\_\_\_\_\_

**Annexure B****2010 ARRANGEMENTS SPECIFIC TO  
ONYX, EMERALD AND RUBY OPTIONS****1. Application**

The arrangements set out in this annexure are applicable only to the Onyx, Emerald and Ruby Options of the Government Employees Medical Scheme and its Members during the 2010 calendar year.

**2. Conditions for Participation**

In order to participate in this option-specific arrangement the Participating Doctor agrees to the following:

- 2.1 to adhere to the terms of the main GEMS Network Agreement to which this is an annexure; and
- 2.2 to charge for Relevant Health Services rendered in terms of the Defined Medical Benefits according to the Scheme rates as and not to levy any co-payments or hold the Member liable for Relevant Health Services received; and
- 2.3 to maintain the following minimum service hours: Weekdays 08h00 to 17h00; Saturdays 08h30 to 12h30 or make alternative arrangements for access to care; and
- 2.4 where applicable to abide to the Scheme's pre-authorisation policies. This authorisation does not provide benefit reservation or guaranteed payment of the claim; and
- 2.5 to abide to the Scheme's claims submission processes by providing correct ICD 10 coding and submit all claims lines despite payment of a fixed fee; and
- 2.6 to adhere to all formularies for acute medicine, chronic medicine, clinical procedures, radiology and pathology investigations except where clinically indicated otherwise; and
- 2.7 to respond to requests from the Scheme's Strategic Managed Care Provider on high risk Members as per the Doctor Network Performance report.
- 2.8 acknowledges that the Scheme has an appointed designated services provider (DSP) for purposes of dispensing chronic medication to the Members.
- 2.9 to be registered as a Participating Doctor that is part of the '*Friends of GEMS*' programme to Members. The Friends of GEMS programme, set to benefit both Members and providers, is an accessible, convenient and easy to use provider registry that allows Members' access to the contact details of Participating Doctors willing to see GEMS Members at agreed rates without any additional surcharges.

**3. Reimbursement of Participating Doctors**

- 3.1 Participating Doctors classified according to his or her practice profile on the Scheme's medical practitioner profiling tool as a category 1 Medical Practitioner will be paid an enhanced consultation fee equal to the Scheme rate plus R 33.00 (Thirty Three Rand, VAT included) for out of hospital consultations.
- 3.2 All other Participating Doctors will be paid a consultation fee equal to the Scheme rate for out of hospital consultations.
- 3.3 The initial medical practitioner profiling programme categorisation will be based on 2009 information and will be updated quarterly in 2010.
- 3.4 The objectives of the profiling programme will include, but not be limited to maximisation of:
  - 3.4.1 The quality of health care that is provided; and
  - 3.4.2 The cost-effectiveness of the health care that is provided.
- 3.5 Toward achieving these objectives the profiling tool will be based upon profiling parameters which will include quality parameters, such as:
  - 3.5.1 Recall rates, where the practice profiles indicate that such higher rates pertain to a specific practice/practitioner;

- 3.5.2 Complication rates, where such complications can be clearly identified through the profiling methodologies and the procedures to which the complications pertain have been performed by practitioner that is being profiled;
- 3.5.3 Referral rates, where such referrals can with a reasonable degree of certainty through the profiling methodologies be apportioned to the practice/practitioner that is being profiled
- 3.5.4 Hospital admission rates, with respect to those admissions where the practitioner that is being profiled was the admitting doctor
- 3.6 The profiling parameters will take into account the relative risk profile of the Beneficiaries that have accessed services by a particular practitioner as well as the relative importance of the profiling parameters to each other, as may be amended from time to time, and will be benchmarked against peers that offer similar ranges of services.
- 3.7 In terms of the results of the benchmarking process a score will be allocated to each practitioner and, based upon this score, subject to the fact that a practitioner has seen a sufficient number of GEMS patients to render his/her profile statistically relevant, each practitioner will be categorised into one of three categories. The exact criteria for each of the three categories will from time to time be determined by the Scheme in consultation with the IPA leadership.
  - 3.7.1 Category 1 practitioners shall qualify to receive the enhanced consultation fee in 3.1.
  - 3.7.2 Category 2 practitioners shall receive a consultation fee that is equal to the Scheme rate.
  - 3.7.3 Category 3 practitioners shall receive a consultation fee that is equal to the Scheme rate, but it is envisaged that such Category 3 practitioners will have to be subjected to a peer management or peer review process.

#### 4. Implementation Date

The above specified enhanced consultation fee for out of hospital consultations will be paid for Relevant Health Services rendered in terms of the Defined Medical Benefits with treatment dates from 1 January 2010 up to and including 31 December 2010.

#### 5. Proviso

From time to time it may be necessary for the Scheme to make minor changes to the profiling methodology in this contracting model. Unless these changes have a material effect on the outcome of this model the Scheme reserves the right to make these changes without necessarily adding an addendum to this Agreement.

Accepted/Declined

(Please delete whichever is applicable)

Dr. \_\_\_\_\_

(initials and surname)

Date: \_\_\_\_\_