

Relative Value Units (RVU)

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SADA Head Office

What is RVU?

RVU's are a means of measuring the complexity of dental procedures in terms of the experience, judgement, skill, effort and risk involved in performing the procedure as well as the time taken to complete the procedure. These values are the culmination of a 3-year study undertaken by SADA in conjunction with its consultants Deloitte, in order to provide to enable practitioners using the DCalc Tool to accurately and fairly calculate their fees for procedures. The RVU values published are indicative of an average value calculated from a representative sample of a size determined to be statistically relevant for the profession.

Why was the RVU study done?

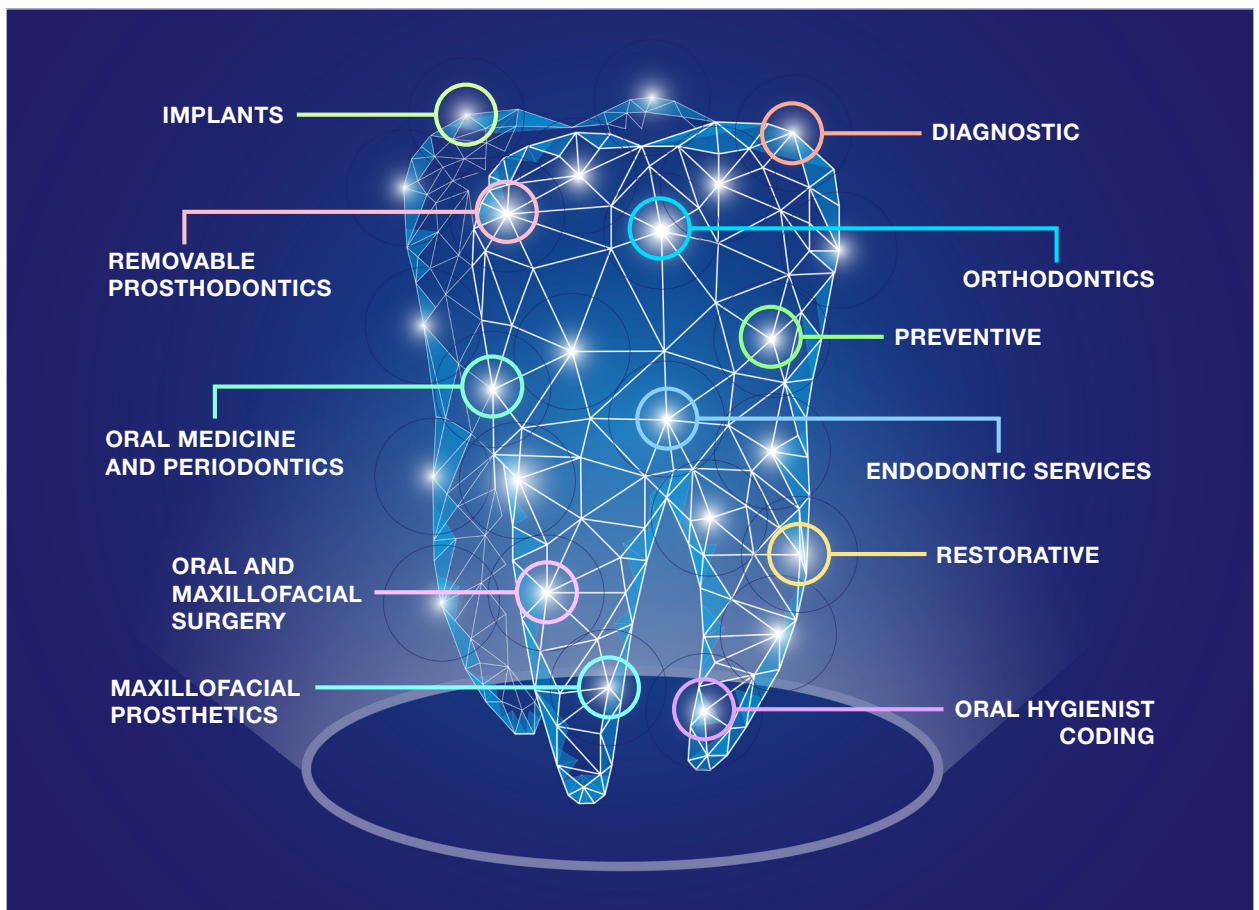
The 2021 Dental Codes with an integrated Relative Value Unit (RVU) coding publication is the first of its kind in South Africa.

The policy landscape in the private healthcare industry was for a long time marked by intense regulation by the state through legislation such as the National Health Act

and Medical Schemes Act of 1967 etc. The regulations allowed and promoted collective bargaining and co-operation between the medical schemes and the healthcare providers through their Associations. The industry was subsequently partly deregulated in the early 1990s.

In 2004, the Competition Commission was alerted to the above practices of the industry bodies collectively recommending and publishing health tariffs. Consequently, the Commission initiated an investigation against some Associations with regard to the above conduct. The matter was resolved amicably through a consent agreement in terms of which the Associations agreed to determine their own tariffs and individually negotiate its tariffs for reimbursement with individual healthcare providers, as may be required.

Annual determination of tariffs for benefits by schemes was primarily based on their own claims data, contribution or premium income and benefit allocation for dentistry. It bore no relationship to the actual costs of providing dental services and took no account of the fact that



dentistry has evolved tremendously since 2006. Annual increases were thus based on CPI or some equivalent index. Most Schemes also requested coding to be accompanied by data on Relative Value Units (RVUs) for the determination of their benefits. Evidence-based dentistry has resulted in a vast quantity of brand-new procedures for which there never was a relative value unit and therefore no means by which a funder can determine what value should be attached to these new procedures.

How was the study conducted?

SADA engaged Deloitte as consultants for the compilation of the RVU for the dental profession. The SADA RVU Steering Committee was appointed and electronic surveys were sent to practitioners to complete and return to Deloitte. The SADA CEO, RVU project manager and Deloitte project manager then travelled to branch events across the country to facilitate active survey participation. The response was overwhelmingly positive which met the requirements for statistical viability of results. With data collection final complete at the end of 2018, we were ready to calculate and analyse results. The draft RVU results were studied and anomalies addressed with the consultants and final results were accepted in the last quarter of 2020.

Use of RVUs

The RVU values will allow funders to understand value of new procedures by comparing them to existing procedures for which benefits are already available, by assessing the relativity between these procedures. It may go a long way in instilling confidence in the profession as to the manner in which schemes will determine their benefits.

Practitioners are able to use the SADA DCalc practice profitability simulator together with the published RVU to allow practitioners to calculate an individualised rand value for each procedure that factors in their unique practice expenses and expected return on investment. Practitioners will be assisted in this way to scientifically develop their own cost structures personal and custom to their own practice.

RVU and National Health Insurance (NHI)

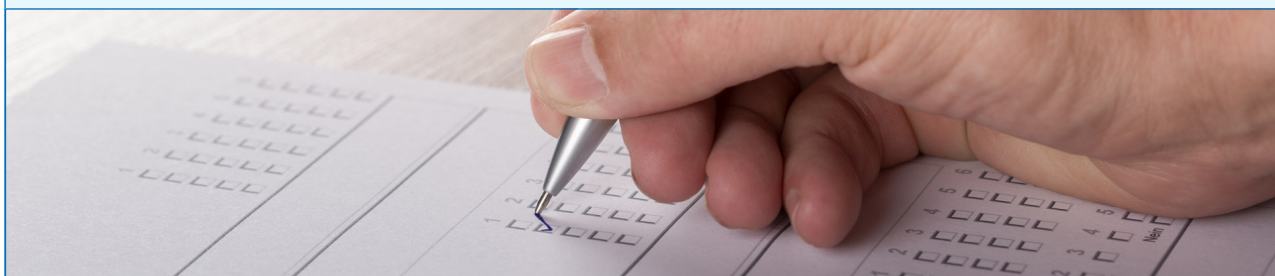
The Council for Medical Schemes (CMS) reported government's planned National Health Insurance is in full development, with plans to move to phase 3 of the programme from next year. Phase 2 of the NHI will include price regulation for all the services included in the NHI Comprehensive benefit framework as recommended by the Health Market Inquiry of the Competition Commission.

The RVU will provide a scientific framework to negotiate in the anticipated NHI bargaining chamber taking into account complexity of the procedures measured in terms of the skill and experience of the practitioner, the risk to both the patient and the dentist, the judgement of the dentist, the effort required to complete the procedure as well as the time taken to do so. These values will be the basis of negotiation between provider groups and the department in order to determine fair remuneration for the practitioner.

Members are advised that RVUs serve as an indicative guideline and there is no obligation on the practitioner to utilise the value provided. SADA is in no way or form using the RVU values as a method of prescribing any fees or any form of standardised pricing. Furthermore, the act of assigning an RVU to a specific code does not in itself guarantee acceptance of that code into the benefit structures of third-party funders.

Do the CPD questionnaire on page 294

The Continuous Professional Development (CPD) section provides for twenty general questions and five ethics questions. The section provides members with a valuable source of CPD points whilst also achieving the objective of CPD, to assure continuing education. The importance of continuing professional development should not be underestimated, it is a career-long obligation for practicing professionals.



Online CPD in 6 Easy Steps

1. Go to the SADA website www.sada.co.za.
2. Log into the 'member only' section with your unique SADA username and password.
3. Select the CPD navigation tab.
4. Select the questionnaire that you wish to complete.
5. Enter your multiple choice answers. Please note that you have two attempts to obtain at least 70%.
6. View and print your CPD certificate.