

DEPARTMENT OF SOCIAL DEVELOPMENT  
 DEPARTEMENT VAN MAATSKAPLIKE  
 DIENSTE  
 ISEBE LOPHUHLISO LOLUNTU

Office of the HOD  
 Kantoor van die Hoof van die Departement  
 I Ofisi yentloko Lesebe

FILE/LÊER/ ULUHLU:	
DATE/DATUM/ UMHLA:	2011/6/14

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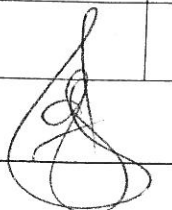
Subject/Onderwerp/Isihloko:

POLICY AND PROCEDURE ON INCAPACITY  
 LEAVE AND ILL-HEALTH RET. (PLIR): REVIEW OF PSES

To/Aan/Lyaku	Mark/Merk/ Fakela uphawu X	To/ Aan/lyaku	Mark/Merk/ Fakela uphawu X
Head of Department	X	Director: Social Crime Prevention: M Gaba	
Chief Director Business Planning and Strategy: G Ras		Director: Children and Families: S Follentine	
Chief Director Financial Administration: J Smith	X	Director: Community Development: D Fullard	
Chief Director Social Welfare D McNamara		Director: Partnership and Development: D Van Stade	
Chief Director Community and Partnership Development: M Johnson		Acting Director: Finance R Hurst	
Chief Director Service Delivery Management Coordination: M Hewu		Director: Supply Chain Management: P Mabhokwana	
Acting Director: Operational Management Support: M Pretorius	X		
Director: Planning and Policy Alignment: C Quickfall			
Director: Research & Knowledge Management			
Director: Monitoring and Evaluation M Fogell			
Acting Director: Special Programs: C Jordan			

Request/Instruction/Umyalelo	X	Due Date	Comments/Kommentaar/Qaphela
For your information	X		
For your further attention and finalization			
Draft response for the signature MEC/HOD			
Draft briefing notes for MEC/HOD			
Attend meeting/conference, etc on behalf of the MEC/HOD			
Copies/distribute to			
Nominate a representative			
Noted/Other			

SIGNATURE: \_\_\_\_\_



DATE: 2011/6/14



**the dpsa**

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Dear Colleague

**POLICY AND PROCEDURE ON INCAPACITY LEAVE AND ILL-HEALTH RETIREMENT (PILIR): REVIEW OF FEES PAYABLE TO HEALTH RISK MANAGERS**

Following my letter of 11 March 2011 I wish to inform you of the-

- a) outcome of the price negotiations referred to in my above-mentioned letter;
- b) contract changes that have been effected to the Panel Contract with the Health Risk Managers appointed to the Accredited Panel of Health Risk Managers;
- c) implementation of the outcome of the price negotiations and subsequent contract changes; and
- d) to provide a response to some issues raised in your letter.

Staatsdiens en Administrasie . Ditirelo tsa Puso le Tsamaiso . Ditshebeitso tsa Mmuso le Tsamaiso . uMnyango wemiSebenzi kaHulumeni noPhata  
Muhasho wa Tshumelo ya Muvuso na Vhulanguuli . Kgoro ya Ditirelo tsa Mmušo . Ndzawulo ya Vutirela-Mfumo na Valawuri  
LiTiko le Tebasebenti baHulumende nekuPhatsa . ISebe leNkonzo kaRhulumente noLawulo . UmNyango wemiSebenzi kaRhulumente nokuPhata

As for the outcome on the price negotiations I wish to report that-

- a) in line with the principle outlined in my above-mentioned letter, the majority of departments concurred with the proposed price review. Subsequently I have managed to negotiate the following fees with the Health Risk Managers appointed to the Panel of Accredited Health Risk Managers, with effective from 1 April 2011:

Description of Fee	Current Fee	Revised and Agreed Fee
Monthly capitation fee per head (Clause 1.1 of Schedule 1 to the Panel Contract)	R 11.63	R 11.07
Maximum fee for medical referrals in excess of the 30% threshold of medical referrals in capitation fee (Clause 1.5 of Schedule 1 to the Panel Contract)	R 2814.80	R 3 133.72
Training fee per delegate (Clause 2.3 of Schedule 1 to the Panel Contract)	R 679.44	R 703.22

- b) As for the reassessment of grievances/internal dispute cases emanating from the PILIR process, these cases are henceforth included in the monthly capitation fee as from the date of the signing of the addendum to the Panel Contract and may no longer be charged for separately.

With due consideration of the areas I have previously approved and the conclusion of the price negotiations with the Health Risk Managers the following changes were agreed to and are captured in the attached addendum:

- a) The definitions of 'assessment' and 'consultancy service' were amended to include the reassessment of grievance/internal dispute cases; and
- b) Schedule 1 to the Panel Contract was amended to depict the newly agreed prices referred to above.

As for the intended extension of the Panel Contract the process is held in abeyance for the finalisation of internal supply chain processes. You will be advised of the outcome in due course. In the light of the above, the following implementation arrangements would be required from your department, and where applicable the Health Risk Manager:

- a) Your departmental contract with the Health Risk Manager servicing your department will have to be amended where applicable, with the changes depicted in the attached addendum.
- b) Arrangements will have to be made with the Health Risk Manager for the correction of invoices paid in respect of April and May 2011 to be aligned with the newly agreed capitation fee.
- c) Since the inclusion of grievance/internal dispute cases are only included as from the date of the signing of the attached addendum, grievances that arose and that were referred for a quotation and/or reassessment on the date prior to the date of the signature of the addendum be dealt with in terms of the provisions of circular 17/6/R dated 19 August 2010. Grievances that arose on or after the date of the date of signature of the addendum should be regarded to be included in the capitation fee and no further ad hoc quotations would be required. For this purpose the date of signature of the addendum would be the latest date appearing on the addendum. I wish to remind you that in terms of paragraph 11 of PILIR-

- i. An employee who is not satisfied by a decision by the Employer may lodge a grievance as contemplated in terms of the rules made by the Public Service Commission.
- ii. If an employee present, with his/her grievance or in the course of the resolution of the grievance, the Employer with new and materially different medical evidence than that which accompanied the application under dispute, the Employer may refer this new medical information to the Health Risk Manager for an assessment in the context of the application concerned. For this purpose the Employer must submit the following documentation to the Health Risk Manager:
  - A. a covering letter detailing the request;
  - B. a copy of the official grievance form; and
  - C. the initial application of the employee.

A copy of the addendum to the Panel Contract of the Health Risk Manager Servicing your department is attached for ease of reference.

Kind regards



Themba Maseko  
DIRECTOR-GENERAL

DATE:

06 June 2011

CC: The Head of Human Resources (PILIR Champion)