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1 Aim of document

The payment of invoices submitted by the Health Risk Managers will be a key element in the successful implementation of PILIR within the Public Service. As such, payment for services rendered by Health Risk Managers, in line with the agreed contract and service level agreements, should be conducted as efficiently as possible, while maintaining proper accounting practices.

The aim of the document is to describe the process involved in the creation, approving and submitting for payment of invoices related to services provided by the appointed Health Risk Managers.

2 Document discussion

The document covers the following areas:

- Role players
- Cost items defined in contract
- Payment guidelines from the dpsa
- Invoice creation and approval process
- Invoice submitting to the dpsa
- Payment process
- Payment reconciliation

3 Role players

The following role players have been identified as part of this process:

3.1 The dpsa

The dpsa is responsible for driving the implementation of PILIR in the Public Service. As such the dpsa has the role of overseeing all activities required and involved in the process.

Any problems experienced during the process needs to be escalated to the dpsa for timely investigating and resolving.

The dpsa is furthermore responsible for the processing and payment of invoices related to the roll out of PILIR to the Public Service.

The dpsa is furthermore responsible for budgeting for the cost components related to:
- training of Human Resource practitioners,
- the processing of short and long incapacity leave applications by the Health Risk Manager, and
- the base line and monthly capitation per employee fee.
3.2 **GEPF**

The GEPF is responsible for providing the budget component for the cost related to the processing of ill-health retirement applications by the Health Risk Managers.

3.3 **National Departments & Provincial Administrations**

National Departments & Provincial Administrations are responsible for the verifying and signing off of invoices provided by the Health Risk Managers.

3.4 **Health Risk Managers**

The Health Risk Manager is responsible for:
- compiling check lists of cases completed on a monthly basis,
- submitting check lists of cases to the respective departments for sign off,
- submitting of signed off check lists and accompanying invoices and other supporting documentation to the dpsa,
- providing electronic versions of submitted invoices to the dpsa, and
- providing monthly reconciliations to the dpsa on the status of invoices on their systems.

4 **Cost items defined in contract**

The contract and price schedule makes provision for the payment of fees in respect of the following items:

4.1 **Short incapacity leave application**

Short incapacity leave is defined in PILIR as incapacity leave of 1 – 29 day in duration. The price schedule provides a fixed fee for these assessments, per case submitted and completed by the Health Risk Managers.

4.2 **Long incapacity leave applications**

Long incapacity leave is defined in PILIR as incapacity leave of 30 days or more in duration. The price schedule provides a fixed fee as well as for the actual medical cost for these assessments, per case submitted and completed by the Health Risk Managers.

Although the medical cost provided for is limited to a fixed amount for actual cost, it is understood that the actual medical cost will vary and could in certain instances exceed the fixed amount. The average medical cost, measured over a period of two months, should be lower that the limit defined though.

4.3 **Ill-health retirement applications**

An ill health retirement application is an application brought by either the employer or employee for the employee’s exit from the Employer’s employment based on medical grounds. The price schedule provides a fixed fee as well as for the actual medical cost for these assessments, per case submitted and completed by the Health Risk Managers.
Although the medical cost provided for is limited to a fixed amount for actual cost, it is understood that the actual medical cost will vary and could in certain instances exceed the fixed amount. The average medical cost, measured over a period of two months, should be lower that the limit defined though.

4.4 Training

It is required that the Health Risk Managers train the practitioners and managers who are responsible for the processing and approval of incapacity leave and ill-health retirements applications within the departments.

The contract and price schedule provides for a fixed fee for training, including training material and refreshments.

The cost for the use of a venue as well as any cost related to travel and accommodation of the lecturers are to be agreed between the respective National or Provincial Department and the Health Risk Manager and are not for the account of the dpsa.

4.5 Baseline and capitation fee

The baseline fee is a fixed monthly fee paid to the Health Risk Manager together with a capitation based fee per the number of employees in the identified National Department, Group of National Departments or Provincial Administration. The fee makes accommodation for travelling, the use of a courier for dispatching of documents, attending of meetings, assistance with legal proceedings, etc.

The baseline fee for Provincial Administrations, excluding Gauteng, is higher than the baseline fee for the national departments as a whole or the DCS. The reason for this is to make accommodation for the additional travel involved in provinces. The baseline fee is paid once per month for the Provincial Administration as a whole, irrespective the number of departments in the Provincial Administration.

In terms of the Provincial Departments it is required from the office of the Premier to make a quarterly extract from Persal to confirm the number of employees in the Province. The extract must be submitted to the Health Risk Manager who will invoice the dpsa accordingly. The dpsa will provide the extract for the National Departments and the DCS champion will provide one for that specific department.

5 Payment guidelines from the dpsa

All invoices submitted to the dpsa must comply with the following:

- Invoices must contain complete company details as well as the contact details of the person responsible for queries related to an invoice.
- The invoice must be addressed to “the Department of Public Services and Administration” only, and it can be marked for the attention of Ms Christ Brink.
- VAT details of the Health Risk Manager must be included with the invoice.
- Only original Health Risk Manager invoices may be submitted for payment.
- Proof of medical cost associated with a case must be the originals or certified copies of the originals kept by the Health Risk Manager for audit purposes.
Training invoices must be accompanied by a list of attendees that were present. The list must include their Persal number, Initials, Surname and Employer’s details.
6 Invoice creation and approval process

The Health Risk Manager will be responsible for the creation of all invoices for payment. Invoices must be created on a monthly basis, or were a specific activity such as training has been completed.

In order to expedite the sign off process it is recommended that invoices related to cases processed be created separately per national or provincial department. Invoices related to training should also be created separately from normal monthly invoices for cases completed.

The invoice for a department must include all cases completed in the preceding month, irrespective of the number.

Only one invoice must be created for base line and capitation fee’s per implementation area, i.e. the province as a whole or the national departments as a whole, excluding DCS.

The Health Risk Manager must submit a list of cases completed to the person responsible for verifying that the services were delivered. In most cases this will be the department’s PILIR-champion. Only once the list has been signed off will the Health Risk Manager create the invoice that will be submitted for payment by the dpsa. Having the list of cases sign off first will enable the Health Risk Manager to submit fully signed off invoices that can be processed and paid in full by the dpsa.

The Health Risk Manager will however be expected to also inform the Provincial Administration’s PILIR-champion in the Office of the Premier of all check lists and other items submitted for sign off and to update them of any changes in status. The Provincial Administration’s PILIR-champion will in turn assist the Health Risk Manager with the follow up of outstanding items.

7 Invoice submitting to the dpsa

The Health Risk Manager is expected to submit only signed off invoices to the dpsa for payment. Submitted invoices must be accompanied by all required supporting documentation as well as an electronic version of the invoice.

Where the invoices are submitted via a method other than physical delivery, the Health Risk Manager must follow up with the dpsa liaison officer that the invoices have been received.

8 Payment process

The dpsa will process invoices for payment on a first come, first paid basis and makes use of daily payment cycles.

The dpsa will first verify that invoices submitted has been duly signed off and that all supporting documentation as well as an electronic copy of the invoice has been delivered. Only invoices signed off in full and with no outstanding items or comments will be received and processed.
Once the electronic version of the invoice has been loaded into the payment system, reconciliation will be done to verify that none of the cases or medical accounts claimed for payment has been paid for previously.

If the reconciliation picked up no errors, then the invoice will be processed for payment and a payment advice will be produced and submitted to the Health Risk Manager.

Any errors picked up will send to the Health Risk Manager for action and the invoice will not be paid until the outstanding queries have been addressed.

9 Payment reconciliation

The dpsa will conduct a reconciliation of costs paid on behalf of the dpsa and the GEPF on a monthly basis.