



health

Department:
Health
REPUBLIC OF SOUTH AFRICA

Occupational Specific Dispensation For
Medical & Dental Practitioners,
Pharmaceutical and EMS Personnel
{Presentation to the Select Committee on Social Services}

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Focus of Presentation

- PSCBC 2 of 2004 and its implications
- Personnel expenditure review (PER) and its implications
- Objectives of OSD's
- What OSD is NOT
- Development of proposals in 2006 – R 5.3 B
- PSCBC Resolution 1 of 2007 and its implications.
- PHSDSBC Resolution 3 of 2007 (Nurses OSD).
- PHSDSBC Resolution 3 of 2009 and implications
- Key aspects of the Agreement
- Substantial benefits for medical and dental professions

PSCBC Resolution 2 of 2004

- Health workers were identified to receive priority to introduce a revised remuneration dispensation
- Scarce skills and rural allowances were introduced in public health sector to improve conditions of service (PHWSBC)
- Some relief was provided to Social Workers
- Work started in 2006 to develop proposals based on the outcome of transversal job evaluation

Personnel Expenditure Review 2006

- The **dpsa** conducted a Personnel Expenditure Review (PER) in 2006 & new Remuneration Policy Framework (RPF) was established
- One of the recommendations was the development and implementation of occupation specific dispensations (OSDs) for targeted occupations.
- The RPF was approved in principle by Cabinet on 5 September 2007 and referred to the Mandate Committee for finalisation.
- Elements of the RPF were also included in the 2007 wage agreement (PSCBC Resolution 1 of 2007), including the principle of OSD

Objectives of OSD's

- To improve the Public Service's ability to attract and retain skilled employees.
- To provide differentiated remuneration dispensations for the vast number of occupations in the Public Service.
- To cater for the unique needs of the different occupations.
- To provide for a unique salary structure per occupation.
- To prescribe grading structures and job profiles to eliminate inter-provincial variations.
- To provide adequate and clear salary progression and career pathing opportunities based on competencies, experience and performance

What OSD is NOT

- A clear career pathing model *is not an automatic salary increase*, but is a forward-looking plan to systematically increase salaries after pre-determined periods based on specific criteria such as performance, qualifications, scope of work, experience, etc.
- The introduction of OSD is therefore not intended to ensure an across-the-board salary increase, but to provide differentiated salary structures that cater for proper career pathing opportunities.

Development of proposal in 2006

- Purely based on job evaluation for all the health professional categories a single salary grade increase across the board needed an amount of R 5,3 B in 2006.
- National Treasury indicated that such an amount was not available and that the public health sector had to prioritize the implementation of a revised remuneration and career progression dispensation
- A deliberate decision was taken to prioritize the nursing profession
- The original estimates indicated R 1,458 B was required to implement a new dispensation for nurses in 1 year

PSCBC Resolution 1 of 2007 & its implications

- PSCBC Resolution 1 of 2007 (2007 wage agreement) provided the framework for occupational specific remuneration and career progression dispensations to address:
 - Unique remuneration structures
 - Consolidation of benefits and allowances into salary
 - Frequency of pay progression
 - Grade progression opportunities
 - Career pathing
 - Required levels of performance (performance based progression)

PSCBC Resolution 1 of 2007 & its implications

- It was agreed that Nursing be the first occupational category to benefit from an OSD in 2007
- Medical, Dental, Specialists, Pharmacists and EMS were identified for 2008. Proposals were already developed early 2008, but could not be implemented due to inadequate funding for the 2008/9 budget cycle.
- Therapeutic and Diagnostic and Support Personnel were earmarked for 2009.

PHSDSBC Resolution 3 of 2007 (Nurses OSD)

- PHSDSBC Resolution 3 of 2007 introduced OSD for Nurses on 1 July 2007 – over-expenditure incurred
- Early during implementation there were indications that the projected amount for the dispensation was insufficient due to implementation challenges
- A number of grievances, disputes, legal processes followed (most now resolved)

PHSDSBC Resolution 3 of 2009

- Resolution 3 of the Public Health and Social Development Sectoral Bargaining Council was signed by majority parties to Council on Friday 7/8/2009.
- Includes OSD's for Medical and Dental professionals, Pharmaceutical and EMS Personnel
- Objectives:
 - Give effect to paragraph 4 of PSCBC Resolution 1 of 2007; and
 - Introduce OSD for Medical Officers, Medical Specialists, Dentists, Dental Specialists and identified categories of Clinical Managers (Medical and Dental)

Objectives - PHSDSBC Resolution 3 of 2009

- To provide-
 - Career pathing opportunities based on competencies, experience and performance
 - Pay progression within the limits of the grades based on performance
 - Grade progression, where applicable based on performance
 - Recognition of appropriate experience for the purpose of salary and grade progression purposes
 - Recognition of performance for accelerated to higher grades based on a new remuneration structure

Objectives - Resolution 3 of 2009

- To-
 - Introduce differentiated salary scales based on a new remuneration structure
 - Incorporate scarce skills allowance where payable to a person, into salary
 - Provide translation measures to facilitate the implementation process
 - Pay a once-off non-pensionable gratuity calculated at 5% of basic annual salary as on 30 June 2009 w.e.f 1 July 2008
 - Pay “lecturing allowance” of 10% of basic salary to EMS personnel who perform lecturing duties at an EMS College
 - Introduce a change in the pensionable composition of the total cost to employer packages applicable to health professionals covered by the agreement 70-30% split (SMS levels also now part of OSD)

Key aspects of the Agreement

- Implementation
 - 5% of basic salary as on 30 June 2009 within 3 months of signing agreement
 - 1-7-2009: Implementation of revised salary grades as per OSD for each category (year one)
 - 1-7-2009: Minimum translation to the appropriate salary notch/ package/ salary grade (year one)
 - 1-7-2009: Recognition of experience as provided for in the agreement at “production” level (year one)
- Further translation (04/2010) of certain levels within dispensation for doctors, dentist (year two) for-
 - Medical Officer (Community Service)-**current SL 9**
 - Medical Officers (“production”)- **current SL 9,10-11**
 - Clinical Manager (Medical/ Dental)- **current SL 12**

Key aspects of the Agreement

- Longer salary bands (grades) with higher salary ceilings from “production” levels upwards that allow for further salary/ grade progression
- Allows for performance based differentiated grade/ salary progression
- Move towards a package remuneration system (total cost to employer) and new structuring rules (70% = basic salary)
- Salary base for calculating benefits higher. This increases the following:
 - Commuted overtime, Rural allowance, Contribution to pension fund
- Inclusion of new job levels in the dispensation, e.g.-
 - Senior Registrars, Medical/Dental Specialist (Sub-specialty)

Substantial Benefits to Medical & Dental Professions

- Interns : Between 40% and 53% in Year One only
- Community Service: between 7% and 18,9% in Year One and further 6,1% in Year Two
- Medical Officers (SL9):
 - With less than 5 years experience: between 9% and 25% in Year One, between 21% and 38% accumulative in Year Two
 - More than 5 years, but less than 10 years experience: between 26% and 44% in year one and 40% and 60% accumulative in Year Two.
 - More than 10 years experience: between 46% and 68% in Year One and 65% and 89% accumulative in Year Two

Substantial Benefits to Medical & Dental Professions

- Medical Officer (SL10):
 - With less than 5 years experience: between 2.6% and 5.3% in Year One, and between 1.3% and 16,5% accumulative in Year Two
 - More than 5 years, but less than 10 years experience: between 3% and 18% in Year One and between 14% and 31% accumulative in Year Two.
 - More than 10 years experience: between 19% and 37% in Year One and between 34,7% and 54,7% accumulative in Year Two

Substantial Benefits to Medical & Dental Professions

- Principal Medical Officer (SL11)
 - With less than 5 years experience: between 1,8% and 4,8% in Year One, between 3,3% and 17% accumulative in Year Two
 - More than 5 years, but less than 10 years experience: between 1,8% and 4,8% in year one and 3,3% and 17% accumulative in Year Two.
 - More than 10 years experience: between 1,8% and 18% in Year One and 14,7% and 32,9% accumulative in Year Two
- Chief Medical Officer (SL12)
 - Between 1,7% and 5,2% in Year One, and between 4,8% and 20,3% accumulative in Year Two

Substantial Benefits to Medical & Dental Professions

- Specialist (SL11)
 - With less than 5 years experience: between 1,8% and 18% in Year One, between 14,7% and 32,9% accumulative in Year Two
 - More than 5 years, but less than 10 years experience: between 14,7% and 32,9% in year one and 33,1% and 54,3% accumulative in Year Two.
 - More than 10 years experience: between 29,2% and 49,8% in Year One and 54,5% and 79% accumulative in Year Two
- Specialist (SL12)
 - With less than 5 years experience: between 2,1% and 6,8% in Year One, and between 12,3% and 25,1% accumulative in Year Two
 - More than 5 years, but less than 10 years experience: between 2,2% and 11,7% in Year One and 12,3% and 29,6% accumulative in Year Two.
 - More than 10 years experience: between 9% and 25,8% in Year One and 30,3% and 50,4% accumulative in Year Two

Substantial Benefits to Medical & Dental Professions

- Principal Specialist (SL13)
 - Year One only: Between 4,6% and 25,1%
- Chief Specialist (SL14)
 - Year One only: Between 7,9% and 29%
- Proposal for Allied & Therapeutic group tabled last week at Bargaining Council
- *The year two translations do not include possible annual pay progression (notch increases within the limits of the salary scale) as well as general salary (cost of living) adjustments to be agreed in the PSCBC*

THANK YOU