



CIRCULAR

Reference: Section 61 declaration
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Circular 31 of 2021: Section 61 declaration for DSPs

The Council for Medical Schemes (CMS) published Government Gazette [Notice 214 of 2021](#) on 23 April 2021, following the Appeal Board judgement which ordered Council to finalise the section 61 of the Medical Schemes Act (131 of 1998) process, pertaining to the selection process of Designated Service Providers (DSP's) and matters relating to the imposition of excessive co-payments.

The gazette effectively means that medical schemes found to be conducting unfair selection practices when selecting DSP's and charging excessive co-payments, will be engaging in undesirable business practices.

Consultation on industry guidelines

The wording of the gazette is general in application, and in consultation with the industry, as such the CMS will develop specific guidelines aimed at identifying instances of specific undesirable conduct in relation to the selection of DSP's and the method pertaining to selection of DSP's practices, and the charging of penalty co-payments by medical schemes.

To inform its regulatory response, the CMS will, in due course, call for inputs and comments to kickstart this process of developing the guidelines.

For information pertaining to the selection practices of medical schemes to the extent that they relate to DSPs, surveys will be used as a collection tool and as a primary data source to also investigate the matter of excessive co-payments. The responses will be used to assess affordability in respect of co-payments.

Once the process including other ancillary engagement outlined above are completed, the CMS will then publish guidelines for implementation by the industry and this will need to be completed before September 2021.

Yours sincerely,

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