



CIRCULAR

Reference: Exemption for late COVID-19 vaccine claims
Contact person: Mr John Letsoalo
Tel: 012 431 0428
E-mail: j.letsoalo@medicalschemes.co.za
Date: 14 October 2021

Circular 55 of 2021: Exemption for late COVID-19 vaccine claims

The Council for Medical Schemes (CMS) wishes to appraise the industry that it has granted an exemption to the National Department of Health (NDOH) to ensure that all COVID-19 vaccine claims are eventually paid despite these claims being submitted outside the ambit of Regulation 6 of the Medical Schemes Act (131 of 1998) (MSA).

The CMS believes that this decision is in interest of the public and in support of the overall management of the pandemic. Section 8(h) of the MSA gives CMS the powers to exempt medical schemes or other persons from complying with any provision of the Act, in exceptional circumstances

The decision to grant exemption to the NDOH was based on various considered factors, such as the department's lead in the COVID-19 vaccine roll-out for the entire population, based on a pre-determined criterion. The department carries the cost of vaccination for the section of the population that is not on medical schemes.

For medical scheme members, COVID-19 is a Prescribed Minimum Benefit (PMB), and screening, investigation, treatment, vaccination, and rehabilitation is covered in full.

The NDOH is currently finalising the reimbursement process for vaccines administered to medical scheme members and is concerned that due to the elaborate administrative process, its claims for COVID-19 vaccines may be rejected by medical schemes on the basis that they fall outside Regulation 6 of the MSA.

The department's reimbursement is key for sustainable provision of additional vaccines for the entire population, and the sheer volumes of claims and the resultant reconciliations that need to be done to ensure each claim is correctly identified and routed is a mammoth task and cannot be finalised within the required 120 days as prescribed by Regulation 6.

This exemption was critical to prevent the claims generated by the NDOH from being stale because of the strict time limits prescribed by Regulation 6(1) and (2).

Medical schemes are therefore authorised to process claims received on or before 210 days. Furthermore, the NDOH is allowed to submit claims after 120 days as required by regulation 6(1) and (2) but must do so within 210 days.

The exemption will be valid for a period of three years or will expire once the NDOH has recovered all vaccine-related costs on all insured members of medical schemes.

This is in the interests of justice that the principal focus is to vaccinate the entire country, its population and that while this work is being done, claims are not able to be processed on time to allow the NDOH to submit them within the required time limits prescribed by regulation 6 of the Medical Schemes Act. This allows the government to be reimbursed for vaccination for insured members of medical schemes.

Regulatory Framework References available on [Medical Schemes Act \(131 of 1998\)](#).

- Regulation 6(1)(a)(b)
- Section 7
- Section 8(h)(k)

The CMS looks forward to your co-operation.

Yours sincerely,



Dr Siphon Kabane
Chief Executive & Registrar
Council for Medical Schemes