



Reference: Public comments on LCBO
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Circular 53 of 2022: Request for public comments on Low-Cost Benefit Option framework report and risk assessment & roadmap

Background:

The exemption period of insurers conducting the business of a medical scheme, which was granted from 1 April 2019 to 31 March 2022, was further extended from 1 April 2022 to 31 March 2024 via the Renewal Demarcation Framework. Following input received from the National Department of Health, National Treasury, Financial Sector Conduct Authority, and the Prudential Authority. This extension was granted to ensure continued cover for members currently covered by the existing exempted insurance products. Furthermore, to allow for the finalisation of the Low-Cost Benefit Option (LCBO) Framework and recommendations. Further details are contained in [Circular 9 of 2022](#). The CMS 2020 established Advisory Committees to assist with developing an LCBO framework and recommendations for consideration by the Minister of Health. The advisory committee concluded a draft report in December 2021, which was subsequently refined in 2022 through further consultations and industry engagements.

Invitation for Public Comment

The Council for Medical Schemes invites the public to comment on the 2022 LCBO Framework Report and Risk Assessment that was developed through a consultative process with industry stakeholders. The consultative process was established through the formation of workstreams and advisory committees that commenced work on this process in March 2020. Their final inputs have been consolidated and summarised in the following documents.

1. [LCBO Framework Draft Report](#) which gives a summary of the work of three workstreams: Benefit and Pricing, Market and Affordability and Compliance and Legal governance. Together, these workstreams have developed a proposed minimum LCBO package targeted at low-income earners and have considered various options for an enabling regulatory environment for these products.

2. [LCBO Framework Risk Assessment](#) which considered the work of the three workstreams to identify risks, and mitigating factors as well as a proposed implementation plan for the LCBO framework.

Timelines

The deadline for submissions is **7 October 2022** at 23:59 and submissions must be sent to lcbo@medicalschemes.co.za.

In the subject line of your email, put LCBO Framework Draft Report, LCBO Framework Risk Assessment, or General comments.

Thank you in advance for your time and valuable feedback.



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