



PRESS RELEASE

Reference: CMS suspends Glopin Health Consultant (Pty) Ltd
Contact person: Ms Mmatsie Mpshane
Contact number: 071 371 5667
E-mail: m.mpshane@medicalschemes.co.za
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Press Release 1 of 2022: CMS suspends the accreditation of Glopin Health Consultants

The Council for Medical Schemes (CMS) has suspended the accreditation of Glopin Health Consultants (Pty) Ltd (ORG726) as a healthcare brokerage in terms of regulation 28c (1) of the Medical Schemes Act (131 of 1998) (MSA) from rendering broker services to potential and current members of medical schemes.

According to Dr Siphon Kabane, Chief Executive and Registrar of the CMS, "The suspension of Glopin's accreditation followed a complaint lodged by KeyHealth Medical Scheme against Glopin and one of its directors, for circulating personal information of KeyHealth members to candidates campaigning to be trustees of KeyHealth in the 2018 Annual General Meeting (AGM)."

This action is in contravention of the Declaration of Undesirable Business Practice [notice](#) published by the CMS under General Notice 943 in Government Gazette 41299 of 5 December 2017 and the [FSP Code of Conduct](#).

"It was found that the information circulated by Glopin or its director was used by four individuals, three of whom were subsequently elected to the KeyHealth's Board of Trustees (BoT)," continued Dr Kabane. The BoT later removed the three. "Their removal is directly linked to why the KeyHealth BoT was eventually found not to be properly composed, and subsequently placed under curatorship by the CMS."

The CMS' Executive Committee of Council (EXCO), established in terms of section 9 of the MSA, took a decision on 25 February 2022 to suspend the accreditation of Glopin for a period of 12 months, after considering Glopin's submission. "EXCO is of the view that the sanction is appropriate to the irregularity and its effects on KeyHealth Medical Scheme," added Dr Kabane.

"We hope that the suspension of Glopin's accreditation will serve as a strong deterrent to other accredited entities and service providers providing services to medical schemes, not to engage in conduct which may weaken the governance of medical schemes by violating the certain business practices," concluded Dr Kabane.

The suspension of accreditation shall come into effect within 60 days from 10 March 2022 to enable Glopin to bring its operations into suspension in an orderly manner, with the following terms:

- During the suspension period, Glopin will not be allowed to render broker services to medical schemes registered in South Africa and to policyholders who are members of medical insurance products operating with/under exemption of Council;
- Glopin will not be allowed to collect/or receive commission for broker services related to medical schemes registered in South Africa or medical insurance product doing business of medical scheme under or in terms of Council's exemption;
- Glopin is ordered to within 60 days from the date indicated above, notify its clients and medical schemes it is currently serving of the suspension and allow its clients to appoint brokers of their choice individually;
- Where authorised by the clients, Glopin will negotiate for their move to another brokerage company. Clients so moved may not be kept in holding for Glopin, and no fee/commission may be reserved or kept in holding/investment for Glopin in relation to the clients so moved, directly or indirectly;
- Glopin, its shareholders and/or its directors may not apply for a renewal of accreditation or reapply for accreditation whether under the same company name or any other name; and
- Glopin, its shareholders and/or its directors will only be able to apply for accreditation after the suspension period.

Any person aggrieved by the decision of EXCO may within sixty (60) days after the date on which the decision is given and upon payment of the prescribed fee, appeal against the decision to the Appeal Board in terms of section 50 (3) of the MSA.

The CMS again reminds consumers who wish to appoint healthcare brokers or brokerages for the purpose of rendering broker services, to verify whether or not such entity or individual is accredited to render broker services with CMS beforehand. This can be done on either the customer care line, 0861 123 267, or by searching the entity on our [accreditation portal](#).

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Media enquiries

Ms Mmatsie Mpshane
Acting General Manager: Stakeholder Relations
071 371 5667
media@medicalschemes.co.za

Customer Care Centre: 0861 123 267

Email: information@medicalschemes.co.za