



# STATUS ON LCBOs

**Low-Cost Benefit Option (LCBO's)** aim to enhance healthcare accessibility and accelerate progress towards universal healthcare coverage (UHC) in South Africa. Altogether, LCBOs are medical scheme benefit options tailored to meet the affordability constraints and pressing healthcare needs of lower-income families.

In 2015, CMS developed an LCBO framework however it was not approved by the Minister of Health citing that they were not comprehensive and did not account for national coverage priorities such as HIV and other diseases.

The CMS started the exemption process for insurers conducting the business of medical schemes in April 2017. This process entailed the development of systems to monitor the said exemption applications to identify the type of primary healthcare services that insurers offer. This formulated input into the development of the LCBO Guideline.

During 2019 process, the CMS issued [Circulars 80](#) and [82](#), and the industry requested that the CMS engage with all stakeholders, including insurers, medical schemes, health bodies etc., to develop the LCBO Guideline. Based on this, the CMS established the CMS Advisory Committees, where members included insurers, medical schemes, industry bodies, officials from the National Department of Health, the National Treasury, the Financial Sector Conduct Authority and the Prudential Authority.

The CMS is currently consolidating and analysing stakeholder and public comments received on the LCBO advisory committee's proposed guideline, risk and implementation plan. After numerous workshops and workstream sessions, a draft LCBO Guideline was developed, and comments from the industry were requested. The due date for public comments was on the 30th of November 2022 (see [Circulars 53](#) and [57 of 2022](#)). A draft copy of the LCBO Guideline is expected - **to be ready by early 2023**. Once finalised this will still be submitted to the Minister of Health for considerations and approval.

## FOR MORE INFORMATION

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