



PRESS STATEMENT ALL EDITORS

27 OCTOBER 2023

“OPINION PIECE IN THE BUSINESSLIVE IS WITHOUT MERIT” SAYS COUNCIL FOR MEDICAL SCHEMES

On 26 October 2023, BusinessLIVE online news ran an opinion piece vaguely titled *'Medical scheme regulator's shocking bungle'* with no article attachment of the name of the author and network.

While the Council for Medical Schemes (CMS) appreciates and welcomes rigorous debate on healthcare policies including constructive criticism of the regulator, the publishing of this comment piece is however, simply without merit and lacking in coherence.

Furthermore, the piece pontificates a deep lack of understanding of the medical scheme's environment and the role of the CMS as a regulator.

The article correctly points out that the membership of medical schemes is a function of employment and that the growth of the economy and job creation is not under the control of the CMS.

The assertion that the CMS should introduce reforms to lower the cost of scheme membership is clearly misguided. The CMS is a creature of statute and derives its mandate from Section 7 of the Medical Schemes Act. Nowhere in the Act are we mandated to conduct this reform as proposed by the piece.

The article also places the blame of the failure of member growth on the CMS and labels this a 'shocking bungle.' Again, this assertion is clearly based on a profound lack of understanding of the role of the CMS as a regulator. The growth of membership is not the mandate of the CMS and nowhere in the Medical Schemes Act are we required to carry this out.

Medical scheme membership growth is not the responsibility of CMS but that of schemes governed by its Board of Trustees, their contracted brokers and administrators. CMS provides an enabling environment, as charged by the Medical Schemes Act for medical schemes and their functionaries to market their benefit options, recruit, and retain its members.

The CMS also annually plays its part by proactively advising medical schemes to cap their contribution increases based on economic factors to make payment contributions affordable, as was done in July this year. It needs to be clear for all and sundry that the CMS retains its role of being the regulator of the medical scheme industry and has not assumed the role of the medical scheme or that of a legislator.

More importantly, the preliminary industry trends report indicated growth in medical scheme membership and not what is purported to be in the opinion piece. *“There has been notable increases in both restricted (4,11 in 2021 to 4,18 million in 2022) and open schemes (4,83 in 2021 4,86 million in 2022). The number of members and dependants grew by 1.26% and 1.01%, respectively, in 2022.”*

Another fallacy carried wilfully in the article is the assertion that *“the CMS lost sight of its legal duty to safeguard the interests of medical schemes members.”* This statement is unsubstantiated and unwarranted.

The opinion piece goes further by linking the drop of membership numbers to reforms, particularly in the ambit of lowering the cost of membership without proving or providing any empirical evidence to the effect.

As an entity we welcome interrogation of our work by members of the media, and we have respect for the role that the Fourth Estate plays.

CMS implores Business Live or any other media outlet, to resist the temptation of compromising its editorial standards by allowing unsubstantiated claims or masked commentary to loiter its pages especially on sensitive matters related to healthcare.

ENDS.

ISSUED BY THE OFFICE OF THE REGISTRAR

MEDIA ENQUIRIES

Stephen Monamodi (Spokesperson)

Senior Manager; Communications, Marketing and Stakeholder Relations

Cell: 072 141 2181

Email: media@medicalschemes.co.za

NOTE TO EDITORS:

The CMS is a regulatory body as established by the Medical Schemes Act, 1998 (Act No. 131 of 1998) (“the Medical Schemes Act”) which requires the regulator to; protect the interests of the beneficiaries at all times; control and co-ordinate the functioning of medical schemes in a manner that is complementary with the national health policy; make recommendations to the Minister on criteria for the measurement of quality and outcomes of the relevant health services provided for by medical schemes, and such other services as the CMS may from time to time determine; investigate complaints and settle disputes in relation to the affairs of medical schemes as provided for in this Act; collect and disseminate information about private health care; make rules, not inconsistent with the provisions of the Act for the purpose of the performance of its functions and the exercise of its powers; advise the Minister on any matter concerning medical schemes; and perform any other functions imposed on the Council by the Minister or by the Act. Visit www.medicalschemes.co.za