



MEDIA STATEMENT

ALL MEDIA

17 JANUARY 2023

PROGRESS MADE BY THE STATUTORY MANAGER APPOINTED TO CO-MANAGE WCMAS MEDICAL SCHEME.

In 2022, the Council for Medical Schemes (CMS) took regulatory action against Witbank Coalfields Medical Schemes (WCMAS), following findings of irregularities relating to governance failures and misuse of scheme funds by scheme officials.

The irregularities were uncovered after a commissioned inspection was conducted by CMS into the affairs of WCMAS.

The Medical Schemes Act (MSA) Section 44 (4) (a) empowers the Registrar of CMS to order an inspection *“if he or she is of the opinion that such an inspection will provide evidence of any irregularity or of non-compliance with this Act by any person.”*

WCMAS is a **restricted membership scheme** registered in terms of the Medical Schemes Act and has been in existence for over 80 years.

Accordingly, by agreement with the WCMAS Board of Trustees (BoT), Mr. Juanito M Damons was appointed in terms of Section 5A of the Financial Institutions (Protection of Funds) Act, No. 28 of 2001 (FI Act) as a Statutory Manager of WCMAS effective July 2022.

The Registrar initiated the appointment of the Statutory Manager to co-manage the business of the medical scheme and to assist the WCMAS Board of Trustees to implement internal controls and adherences to the MSA.

Altogether, the CMS is pleased with the progress made at WCMAS by Mr Damons. The Statutory Manager has ensured that governance failures and misuse of funds are addressed, and monies recouped appropriately.

Furthermore, the CMS takes comfort in the assurance provided by the Statutory Manager and the WCMAS Board of Trustees that the medical scheme remains financially sustainable, shall continue to assume liability for and guarantee the benefits offered to its members and their dependants in terms of its rules.

The CMS continues to monitor the WCMAS situation closely and shall, when necessary, take the appropriate steps and actions to ensure that the interests of WCMAS beneficiaries remain protected.

Brokers are advised not to move WCMAS members.

Ends.

ISSUED BY THE COUNCIL FOR MEDICAL SCHEMES

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