CIRCULAR

Reference:	Extension of Phase 2 submission Demarcation Exemption Renewal Framework
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Circular 28 of 2024: Extension of Phase 2 submission - Demarcation Exemption Renewal Framework

The Council for Medical Schemes (CMS) would like to inform the industry of an extension to the deadline for the submission of information on insurers conducting the business of a medical scheme. Originally scheduled for 30 June 2024, the new deadline for Phase 2 is now set for **30 August 2024**.

On 28 March, CMS issued Circular 16 of 2024, explaining the Exemption Renewal application process in two phases, with the Phase 1 submission due on 30 April 2024. Insurers submitted relevant information in Phase 1, but due to challenges in the healthcare utilisation IT system, CMS was unable to commence with Phase 2.

In light of this, insurers are required to submit their demarcation information manually as an interim measure. The submission period will run from **1 August 2024** up until **30 August 2024,** and insurers are required to populate and submit the information within this timeframe.

It is important to note that this measure aims to give insurers additional time to compile and submit accurate information in accordance with regulatory requirements. The CMS acknowledges the complexities involved in gathering and verifying data pertinent to insurers and seeks to ensure that all stakeholders can effectively meet their obligations.

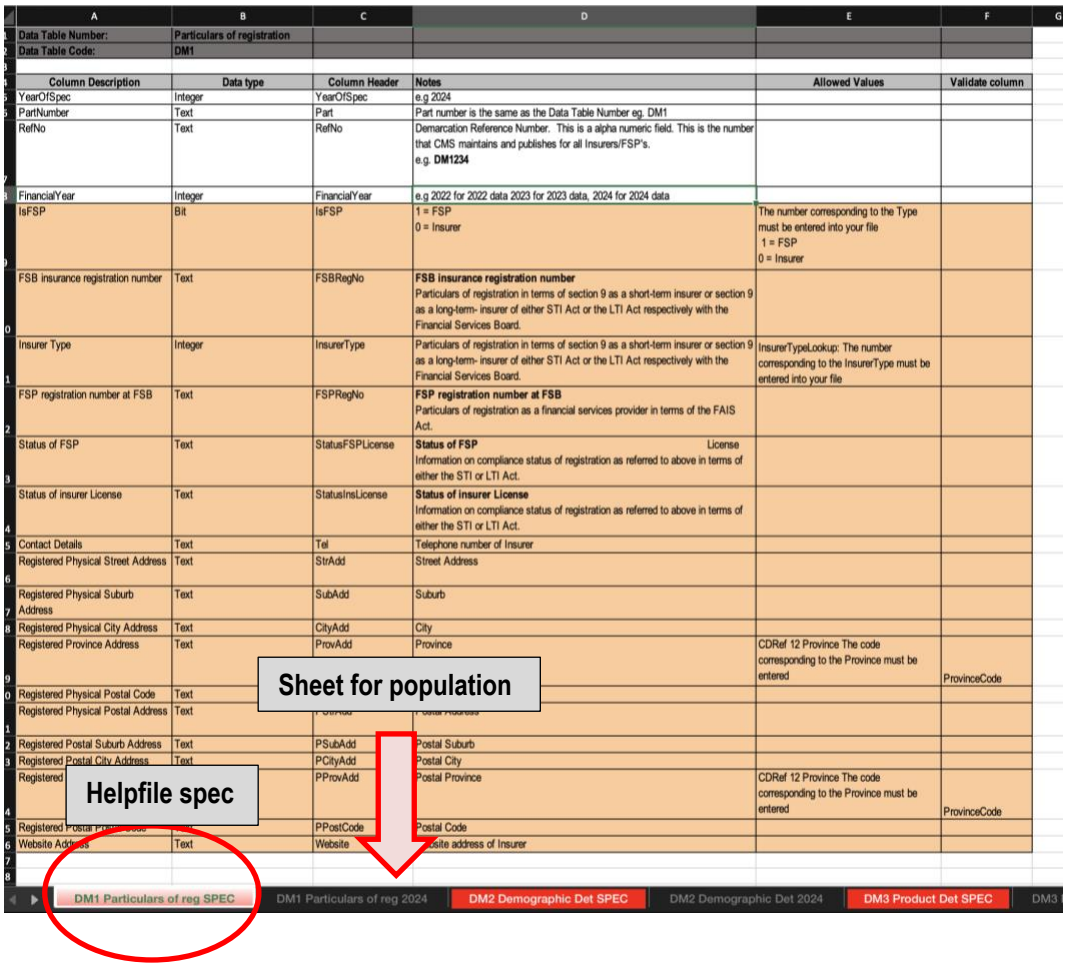
Submission Process

1. Medical schemes are to access the demarcation specification document **here**.

2. The specification document consists of 19 spreadsheets for insurers to upload information, called DM1 – DM 19.

    a. The first sheet (colour-coded in red) DM (Number) with the last word SPEC, contains information that insurers can refer to for assistance and serves as a guideline (*see screenshot on the next page*).

    b. The rest of the sheets, named “DM with the last number 2024,” contain information that the insurers should populate for us (*see screenshot on the next page*).



	A	B	C	D	E	F
1	Data Table Number:	Particulars of registration				
2	Data Table Code:	DM1				
3						
4	Column Description	Data type	Column Header	Notes	Allowed Values	Validate column
5	YearOfSpec	Integer	YearOfSpec	e.g 2024		
6	PartNumber	Text	Part	Part number is the same as the Data Table Number eg. DM1		
7	RefNo	Text	RefNo	Demarcation Reference Number. This is a alpha numeric field. This is the number that CMS maintains and publishes for all Insurers/FSP's. e.g. **DM1234**		
8						
9	FinancialYear	Integer	FinancialYear	e.g 2022 for 2022 data 2023 for 2023 data, 2024 for 2024 data		
10	IsFSP	Bit	IsFSP	1 = FSP 0 = Insurer	The number corresponding to the Type must be entered into your file 1 = FSP 0 = Insurer	
11	FSB insurance registration number	Text	FSBRegNo	**FSB insurance registration number** Particulars of registration in terms of section 9 as a short-term insurer or section 9 as a long-term- insurer of either STI Act or the LTI Act respectively with the Financial Services Board.		
12	Insurer Type	Integer	InsurerType	Particulars of registration in terms of section 9 as a short-term insurer or section 9 as a long-term- insurer of either STI Act or the LTI Act respectively with the Financial Services Board.	InsurerTypeLookup: The number corresponding to the InsurerType must be entered into your file	
13	FSP registration number at FSB	Text	FSPRegNo	**FSP registration number at FSB** Particulars of registration as a financial services provider in terms of the FAIS Act.		
14	Status of FSP	Text	StatusFSPLicense	**Status of FSP** License Information on compliance status of registration as referred to above in terms of either the STI or LTI Act.		
15	Status of insurer License	Text	StatusInsLicense	**Status of insurer License** Information on compliance status of registration as referred to above in terms of either the STI or LTI Act.		
16	Contact Details	Text	Tel	Telephone number of Insurer		
17	Registered Physical Street Address	Text	StrAdd	Street Address		
18	Registered Physical Suburb Address	Text	SubAdd	Suburb		
19	Registered Physical City Address	Text	CityAdd	City		
20	Registered Province Address	Text	ProvAdd	Province	CDRef 12 Province The code corresponding to the Province must be entered	ProvinceCode
21	Registered Physical Postal Code	Text				
22	Registered Physical Postal Address	Text				
23	Registered Postal Suburb Address	Text	PSubAdd	Postal Suburb		
24	Registered Postal City Address	Text	PCityAdd	Postal City		
25	Registered		PProvAdd	Postal Province	CDRef 12 Province The code corresponding to the Province must be entered	ProvinceCode
26	Registered Postal		PPostCode	Postal Code		
27	Website Address	Text	Website	Website address of Insurer		
28						

Insurers are urged to utilise this extended period to thoroughly review their submissions and ensure completeness and compliance with all regulatory guidelines.

Queries can be directed to demarcationrenewals@medicalschemes.co.za.

Disclaimer

Exemptions are granted by Council in terms of section 8 (h) of the Medical Schemes Act 131 of 1998 ("MSA"). The Exemption Framework serves as a guide to facilitate the exemption application process for insurers who were providing primary health care products when the Demarcation Regulations came into effect in 2017, intended to protect the interest of the existing policyholders as at 31 March 2017, as a transitional measure. The Exemption Framework is therefore neither intended to amend, substitute nor to supplement section 8 (h) of the MSA. The Exemption Framework is also not intended to in anyway restrict or take away the right of any medical scheme or any person from applying for an exemption from complying with any provision of the MSA as provided for under section 8 (h). The CMS encourages everyone who intends to conduct the business of a medical scheme to register as a medical scheme and comply with the regulatory requirements.

Yours sincerely,

Dr Sipho Kabane
Chief Executive & Registrar
Council for Medical Schemes