BEFORE THE APPEAL COMMITTEE OF THE COUNCIL FOR MEDICAL SCHEMES (SECTION 48 APPEAL)

HELD VIA MICROSOFT TEAMS VIDEO AND AUDIO-CONFERENCING TECHNOLOGY.

(Instituted in terms of the Medical Schemes Act No 131 of 1998)

In the matter between	**Ref number: CMS 84983**
Medihelp Medical Scheme	**Appellant**
And	
The Registrar of Medical Scheme	**First Respondent**
Mrs A	**Second Respondent**

Panel: Dr K. Chetty; Dr T. Mabeba; Ms P. Beck; Dr S Naidoo.

Date of hearing: 7 August 2025.

Date of ruling: 29 September 2025.

RULING AND REASONS

THE PARTIES

1. The Appellant is Medihelp Medical Scheme (The “Appellant or the “Scheme”), registered and regulated under the Medical Schemes Act, Act 131 of 1998 (the “MSA” or “Act”).
2. Ms T, Legal Advisor for Medihelp appeared for the Appellant.’
3. Ms S, Divisional Head of Contributions Team at Medihelp was also present at the hearing.
4. The First Respondent, the Registrar of the Council for Medical Schemes, was not present and he indicated that he will abide by the Appeal Committee decision.
5. The Second Respondent is Ms. A (The “Respondent”).
6. The 2nd Respondent was represented by Mr. B, her brother who is an attorney in Cape Town.

BACKGROUND

7. The 2nd Respondent, Ms. A was a member of the Medihelp Medical Scheme on the MedVital Elect benefit option since 3rd August, 2019. along with her minor daughter.
8. Her membership was terminated by Medihelp due to non-payment of the June 2023 subscription.
9. The dispute began with the rejection of the May 2023 debit order payment. Medihelp initiated its recovery process, notifying A via SMS and a letter dated June 4, 2023, that the outstanding balance of R2472.00 must be paid by July 19, 2023, to avoid termination. Angela made a payment of R2472.00 on July 3, 2023, which was allocated to the May 2023 subscription.
10. However, Medihelp claimed that the June 2023 subscription remained unpaid and terminated her membership effective May 31, 2023. She was subsequently denied reinstatement, being asked to reapply for membership instead.

11. Ms. A argued that the termination was procedurally unfair, as Medihelp failed to provide proper notice for the June 2023 subscription and acted in contradiction to its own letter granting a grace period until July 19, 2023.
12. She lodged a formal complaint with the Council for Medical Schemes (CMS), seeking reinstatement of her membership.
13. The Registrar of CMS investigated the matter and found that Medihelp did not adhere to its own rules, and ruled that the termination was procedurally flawed and directed Medihelp to reinstate Angela's membership, provided she brought all outstanding premiums up to date.
14. Medihelp appealed the Registrar's ruling, arguing that it had complied with its rules and provided adequate notice of the arrears. Medihelp maintained that the termination was lawful and consistent with its contractual obligations.

THE REGISTRAR'S RULING

15. The Registrar's Ruling was issued on 11th November 2024.
16. The Registrar of the Council for Medical Schemes (CMS) ruled that the Respondent's termination of the complainants membership was procedurally flawed. The Respondent did not fully comply with its own rule 11.6, particularly regarding proper notice for the June 2023 premium. Therefore, the termination of the Complainants membership is deemed procedurally invalid. The Respondent is directed to reinstate the Complainant's membership, on the condition that she brings all outstanding premiums up to date.
17. The Appellant is now appealing this decision in terms of Section 48 Appeal submitted on 11th February 2025.

APPLICATION TYPE AND RELIEF SOUGHT

18. This is an appeal under section 48(1) of the Medical Schemes Act (the "MSA or the Act").[1] This section provides that:

[1] Medical Schemes Act 131 of 1998 as amended by Act 55 of 2001; Section 48(1); Proc 13/GG 19725/19990129

a. *“(1) Any person who is aggrieved by any decision relating to the settlement of a complaint or dispute may appeal against such decision to the Council”.*

19. The Appeals Committee heard the appeal on 7 August 2025 via an audio and video conferencing link.

RELEVANT STATUTORY AND REGULATORY PROVISIONS

20. The relationship between the Scheme and the 2nd Respondent is governed by the terms of the contract (“the schemes rules”) the Scheme concluded with the 2nd Respondent. The contract in turn is governed by the “MSA” and the regulations (as amended) made in terms of the Act.
21. This is a wide appeal. The Appeals Committee may consider the matter afresh and is not restricted to the record of proceedings that were before the Registrar.
22. The burden of proof rests on the Appellant who must prove on a balance of probabilities that the appeal should succeed.

THE ISSUE IN DISPUTE

23. The issue in dispute centres on whether Medihelp followed its rules regarding notification and termination processes, and whether the termination was procedurally fair.

APPELLANTS SUBMISSION

24. The Appellant states that Mrs. A is enrolled on the MedVital Elect benefit option, and has been a member of Medihelp Medical Schemes since 3rd May, 2019 and her subscriptions were payable in arrears, at the end of each calendar month for the month in question, in accordance with rule 13.1 of the Scheme’s registered rules. They further state that Rule 13.1.2 of the Schemes Rules provides that when paying subscription in arrears, the amount shall be paid not later than the first working day following the end of each calendar month.

25. The Appellant states that the complainant subscription for May 2023 was due on 1st May 2023 but payable no later than 1st June 2023, in accordance with the registered Rules. The complainant's subscription for June 2023 whilst also due on 1st June 2023 but not yet payable, as the same was only payable no later than 1st July 2023.
26. The Complainants May 2023 subscription, in the amount of R2472 was requested by debit order on 1st June 2023, however it was returned unpaid on 4th June 2023.
27. On 4th June 2023, the Complainant was notified that a subscription is in arrears in the amount of R2472 and should their rear amount not be received before 19 July 2023 or if any other subscription is outstanding at the time, Medihelp will have no choice but to terminate membership.
28. The Appellant states that on or about 1st July 2023 an amount of R4944 was due to Medihelp. The June 2023 subscription, amounting to R2472 was requested by debit order on 3rd July 2023, the first working day and was received successfully. The remaining debt of R2472 payable had to be received by Medihelp before 19 July 2023 to prevent the termination of membership.
29. The Appellant states that the Registrar was of the view that although the Scheme complied with its rules regarding the May 2023 subscription by sending a letter to the complainant on 4th June 2023, there is no evidence that the Scheme sent another letter when the June subscription was due.
30. The Registrar found that the Scheme failed to follow due process in relation to the June 2023 subscription and it advised the Scheme cannot consolidate multiple outstanding premiums in one letter of the due dates that are different unless that was expressed explicitly.
31. Medihelp argued that it fully complied with its registered Rule 11.6, which governs the recovery of arrears and termination of membership. The rule allows for the suspension of benefits and eventual termination of membership if arrears are not settled within 30 days of suspension. Medihelp emphasized that the rule applies to "subscription arrears and/or any other amount due," and does not require separate notifications for each new debt incurred during the recovery process.
32. Medihelp contended that it provided sufficient notice to Ms. A regarding her arrears. The scheme sent a letter on June 4, 2023, informing her of the

outstanding May 2023 subscription and the consequences of non-payment. Additionally, SMS notifications were sent on July 5 and July 6, 2023, reminding her of the arrears and warning of potential termination. Medihelp argued that these communications constituted proper notice for the June 2023 subscription.

33. Medihelp clarified that the payment received on July 3, 2023, was allocated to the May 2023 subscription, as it was the oldest debt. Consequently, the June 2023 subscription remained unpaid, and the membership was terminated effective May 31, 2023, in accordance with the Scheme's Rules.

34. Medihelp submitted that the Registrar erred in interpreting Rule 11.6. The scheme argued that the rule does not require separate notifications for each outstanding subscription but allows for the consolidation of arrears under a single recovery process. Medihelp emphasized that the rule explicitly states that "any other amount due" must also be paid within the 30-day period to prevent termination.

35. Medihelp submitted that it acted within the framework of its rules and the Medical Schemes Act, and that the termination of A's membership was justified. The scheme appealed the Registrar's ruling on these grounds.

RESPONDENTS SUBMISSION

36. The 2nd Respondent Ms. A, represented by Mr B submitted that the termination of her membership was unfair and procedurally flawed. She argued that Medihelp failed to follow due process before terminating her membership.

37. The 2nd Respondent highlighted that Medihelp's letter dated June 4, 2023, provided a grace period until July 19, 2023, to pay the outstanding June 2023 subscription. She made a payment on July 3, 2023, as per Medihelp's SMS notification, yet her membership was terminated on July 19, 2023, effective May 31, 2023. She argued that this termination contradicted the grace period provided in the June 4 letter.

38. The 2nd Respondent emphasised that the payment made on July 3, 2023, was within the grace period specified in Medihelp's June 4 letter. She argued that

Medihelp failed to account for this payment properly and proceeded with termination despite her compliance.

39. The 2nd Respondent argued that Medihelp did not issue a separate notification for the June 2023 subscription when it became due. She contended that Medihelp cannot consolidate multiple outstanding premiums in one letter unless explicitly stated, as required by Rule 11.6.

40. Ms. A requests the reinstatement of her membership, arguing that Medihelp's termination was procedurally invalid and did not comply with its own rules.

41. The Respondent noted her financial difficulties as a single mother and self-employed clinical psychologist. She argued that Medihelp should have considered her circumstances and provided clearer communication regarding her arrears.

DISCUSSION AND ANALYSES

The Appeals Committee considered papers filed in this appeal; the further submissions the party's made; the relevant provisions of the Medical Schemes Act; and the Rules of the Scheme.

42. It is common cause that:
    a. The 2nd Respondent was a member of Medihelp since 2019 on the MedVital Elect benefit option.
    b. A debit order for May, 2023 did not go through.
    c. On 3 July, 2023 a payment of R2472 was made, which was allocated by the Scheme for the May payment.

43. Section 29(2) of the Medical Schemes Act[2] states:

> A medical scheme shall not cancel or suspend a member's membership or that of any of his or her dependents, except on the grounds of –
>
> (a) failure to pay within the time allowed on the medical scheme's rules, the membership fees required in such rules;
> (b) failure to repay any debt due to the medical scheme;
> (c) submission of fraudulent claims;

[2] Medical Schemes Act 131 of 1998

(d) committing any fraudulent act; or

(e) the non-disclosure of material information

44. The Scheme relied upon the registered rule 11.6 which provides as follows:

> *11.6. If a member fails to pay subscriptions and/or any other amount due to Medihelp on the date in which it became due, Medihelp shall notify such member and participating employer thereof and inform the member and/or participating employer that if it is not settled on the date indicated in the letter, benefits shall be suspended in respect of claims which arose during the period of default and that membership may be terminated if their arrears subscription and/or amount due is not submitted within 30 days from the date of suspension: provided that interest will be charged at the prime rate of Medihelp's bankers on the arrears subscription and/or other amounts due in terms of the individual credit agreement between many help and the member.*[3]

45. The Appellant emphasizes that this rule clearly contemplates both subscription arrears and any other amount due which qualifies as grounds for suspension and termination.

46. The Appellant relies heavily on the argument that any other amount due within the 30 day period from the suspension of benefits must also be received to prevent termination of members of membership.

47. The Scheme sent a letter to the Complainant dated 4th June 2023, with regards to the outstanding May, 2023 payments. The letter outlines specific dates when benefits will be suspended and termination of membership.

48. A debit order was processed on 3rd July 2023, which was allocated to the May, 2023 payment.

49. The letter dated 4th June 2023 is clearly referring to the arrears with regard to the May, 2023 payment.[4]

[3] Page 43 of bundle

[4] Page 48 of the bundle.

50. On 19th July 2023 the membership was terminated with the Scheme stating "*Medihelp's letter dated 20230604 refers. Your membership was terminated with effect from 20230531 due to subscriptions in arrears."*[5]

51. The Scheme's rule allows for "*that membership may be terminated if their arrears subscription and/or amount due is not submitted within 30 days from the date of suspension".* According to this rule the member's subscription will only be in arrears at the end of July (i.e. outstanding payment more than 30 days), and should have received written notification of the arrears amount.

52. The Scheme utilises the phrase "and/or amount due" to designate June subscriptions that are neither in arrears or represent outstanding amounts payable.

FINDING

53. The Appeal Committee finds that the Scheme failed to follow due process in relation to the June 2023 subscription by sending a letter indicating when the June subscription was due.

54. The Appeal Committee agrees with the Registrars finding that the Scheme cannot consolidate multiple outstanding premiums in one letter if due dates are different unless that was expressed explicitly.

55. The Appeal Committee finds that the Scheme's decision to terminate membership of Ms. A was procedurally flawed by not providing proper notice for the June 2023 subscription.

ORDER

56. Having considered the matter the Appeals Committee orders that:

    b. The appeal is dismissed.
    c. The decision of the Registrar is upheld.
    d. There is no order to costs.

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Dated at Johannesburg on 29th September2025

Dr KS Chetty (For and on behalf of the Appeals Committee)

Concurring:

Dr T. Mabeba.

Ms P. Beck

Dr S Naidoo.