BEFORE THE APPEAL COMMITTEE OF THE COUNCIL FOR MEDICAL SCHEMES HELD VIA THE MICROSOFT TEAMS VIDEO AND AUDIO CONFERENCE TECHNOLOGY INSTITUTED IN TERMS OF MEDICAL SCHEMES ACT NO 131 OF (1998) - CASE NUMBER (CMS 85444)

In the matter between:

MEDIHELP	**APPELLANT**
AND	
M	**1ST RESPONDENT**
REGISTRAR	**2AND RESPONDENT**
HEARD ON:	**10 SEPTEMBER 2025**
DATE OF RULING:	**23SEPTEMBER 2025**

RULING AND REASONS

THE PARTIES.

1. The Appellant is Medihelp Medical Scheme, a registered medical scheme in terms of the Medical Schemes Act 131 of 1998, represented in these proceedings by its administrators and broker
2. The respondent is Mr M, a principal member of Medihelp Medical Scheme, who lodged this appeal on behalf of his father-in-law, Mr B

APPLICATION TYPE AND RELIEF SOUGHT

3. This is an appeal brought in terms of section 48(1) of the Medical Schemes Act. This appeal is brought in terms of section 48(1) of the Medical Schemes Act by Medihelp, the appellant, who seeks to overturn the Registrar's ruling that ordered the scheme to fund medical expenses arising from the hospital admission of Mr B, the father-in-law of the member.
4. The Registrar had directed payment on the basis of an alleged administrative error; however, Medihelp contends that in-laws are not eligible dependants under its registered rules and that the ruling improperly extended cover to a category not provided for in law.

BACKGROUND

5. On 13 May 2024, the appellant submitted applications to register his father-in-law as a dependant. The electronic application captured the dependant as "father," while the hard-copy form expressly reflected "father-in-law." Medihelp processed the application, issued a membership card, collected contributions for June 2024, and approved pre-authorisation for surgery scheduled for 24 June 2024.

6. Mr B was admitted to hospital and underwent surgery. Shortly thereafter, Medihelp retrospectively deregistered him with effect from 1 June 2024, citing its rules which exclude in-laws from dependant eligibility. The scheme repudiated hospital claims of approximately R110,000, leaving the appellant financially exposed.

REGISTRAR'S RULING

7. The Registrar found that in-laws are not eligible dependants under Medihelp's rules and that continuation of membership would contravene the Act. On the probabilities, however, Medihelp had knowledge, or ought to have had knowledge, that Mr B was a father-in-law

at the time of onboarding. Despite this, Medihelp issued credentials, accepted contributions, and approved pre-authorisation.

8. In the interest of equity, the Registrar directed that Medihelp fund the June 2024 admission as a once-off remedy, conditional upon contributions being paid, but declined to reinstate membership beyond June 2024.

ISSUE FOR DETERMINATION

9. The central issue before the Appeals Committee is whether Medihelp was legally obliged to recognise the father-in-law as a dependant, and whether the scheme can be compelled to fund the June 2024 admission notwithstanding the exclusion of in-laws under its rules.

APPELLANT'S SUBMISSION (THE SCHEME)

10. Medihelp submitted that its rules, registered with the Council for Medical Schemes, explicitly exclude in-laws from the definition of "dependant." In relation to membership categories, the Act prescribes in section 29(1)(n) that every registered scheme must include in its rules the terms and conditions applicable to the admission of a person as a member and his or her dependants. This provision ensures that schemes clearly outline the categories of membership, such as principal members, spouses or partners, child dependants, extended dependants and continuation members, including pensioners.
11. It further requires that the rules define the conditions under which such members and dependants may be admitted, continue membership, or be terminated, while also setting out the scope and level of benefits available. The intent of this provision is to safeguard fairness and transparency, ensuring that membership is not applied in an arbitrary or discriminatory manner but in accordance with the principles of the Act.
12. Medihelp contended that payment of claims outside these rules would be ultra vires and unlawful, regardless of any administrative lapse. It maintained that the retrospective cancellation of the membership was consistent with its rules and the Act.
13. The appellant submits that the appeal must fail on the basis that the application for membership was irregular and contrary to the scheme's rules. In terms of section 29(1)(n) of the Medical Schemes Act 131 of 1998, every registered scheme is required to provide in its rules for the terms and conditions applicable to the admission of a person as a member and his or her dependants. This provision ensures that categories of membership are clearly defined, thereby safeguarding fairness and transparency in the administration of schemes.

14. In compliance with the Act, Medihelp has lawfully determined its categories of dependants in its registered rules. These include spouses or life partners, children (including adopted children), and certain other expressly recognised continuation members. Nowhere do the rules provide for in-laws to be admitted as dependants. The exclusion of in-laws is not arbitrary; it reflects an actuarially determined scope of membership categories designed to maintain the integrity of the scheme's risk pool and financial sustainability.
15. The appellant accordingly contends that, to admit an in-law as a dependant would therefore be in direct contravention of the scheme's registered rules and inconsistent with the statutory framework contemplated by section 29(1)(n).
16. The appellant accordingly submits that the appeal must fail. The appellant seeks to rely on an application that purported to include an in-law as a dependant when, in fact, such a person falls outside the scope of eligibility defined by the scheme's rules and sanctioned by the Act. The Registrar and the Appeals Committee cannot override the scheme's lawfully registered rules by compelling the scheme to extend membership to a category not provided for in its rules.

RESPONDENT'S SUBMISSION (THE MEMBER).

17. The respondent, being the member, submitted that Medihelp's conduct gave rise to a legitimate expectation of cover. He argued that by issuing a membership card, accepting premiums, and granting hospital authorisation, the scheme induced him to believe that his father-in-law had been validly registered as a dependant. The respondent emphasised that he relied on these assurances in good faith when proceeding with the hospital admission, and that the subsequent repudiation of benefits caused him severe financial prejudice.
18. In advancing this argument, the respondent relied on the doctrine of legitimate expectation, contending that once the scheme had taken steps that conveyed confirmation of membership and access to benefits, it was obliged to honour those commitments. He therefore urged the Committee to uphold the Registrar's ruling, which he argued correctly applied considerations of fairness and equity to prevent manifest injustice.

19. The respondent acknowledged the scheme's reliance on section 29(1)(n) of the Medical Schemes Act, which requires that scheme rules clearly define categories of membership and eligibility of dependants, and that in-laws are not recognised as eligible dependants under Medihelp's registered rules. However, he contended that these legal provisions should not override the fairness principle in circumstances where the scheme's own

conduct, through registration processes, acceptance of contributions, and pre-authorisation, had given rise to a legitimate expectation of cover. In his view, strict reliance on section 29(1)(n) without consideration of fairness would sanction administrative inconsistency and unduly prejudice members who act in good faith.

LEGAL FRAMEWORK AND EVALUATION

20. The Medical Schemes Act 131 of 1998 sets out the requirements governing membership eligibility and the binding effect of scheme rules. In terms of section 29(1)(n), every registered medical scheme must provide in its rules for the terms and conditions applicable to the admission of a person as a member and his or her dependants, together with the scope and level of benefits. This provision reflects the statutory intention that eligibility for membership is to be clearly prescribed in advance, ensuring fairness, transparency, and consistency in the administration of schemes.
21. The Registrar and the Council have long recognised that schemes may lawfully define the scope of dependants in its rules. The scheme rules are explicit that in-laws are not included in the definition of dependants. The exclusion of in-laws is not arbitrary; it is a deliberate and lawful measure, consistent with the authority granted by section 29(1)(n), and forms part of the scheme's actuarially determined benefit and contribution structure. Admission of in-laws would distort the risk pool and financial modelling on which the scheme's sustainability is based, and would prejudice other members by extending benefits beyond those categories sanctioned in the rules.
22. Medihelp has given effect to this obligation by expressly defining in its registered rules the categories of persons who qualify as dependants. These categories are limited to spouses or life partners, children (including adopted children), and continuation members, with no provision made for in-laws. The exclusion of in-laws is not arbitrary, but a lawful application of the authority conferred by section 29(1)(n). The exclusion is also actuarially rational, as extending eligibility beyond the prescribed categories would undermine the scheme's risk pooling and financial modelling, which are carefully constructed to sustain benefits for qualifying members and dependants.

23. The binding nature of the scheme's rules is reinforced by section 32 of the Act, which provides that once registered, the rules are binding on the scheme, its members, officers, employees, and any claimant. These rules acquire statutory force and cannot be waived, set aside, or contradicted by administrative conduct. Accordingly, even if an application form, membership card, or pre-authorisation may have created the impression of cover,

such administrative actions cannot create legal entitlement where the statute and registered rules deny it.

24. Against this legal framework, the Committee is compelled to conclude that the scheme acted within its rights in excluding an in-law from dependant eligibility. Administrative oversights or missteps cannot override the statutory scheme of section 29(1)(n) read with section 32. The rules, once registered, are definitive, and both the scheme and its members are bound by them. The respondent's reliance on administrative conduct cannot substitute for the clear statutory requirement that eligibility must fall within the categories expressly prescribed in the rules.

ANALYSIS

25. The issue for determination turns on whether an in-law may lawfully qualify as a dependant under Medihelp's rules. The Medical Schemes Act, through section 29(1)(n), makes it clear that eligibility of members and dependants must be expressly provided for in a scheme's registered rules. Medihelp has complied with this statutory requirement by limiting dependants to spouses or life partners, children (including legally adopted children), and continuation members. The rules do not make provision for in-laws.

26. The binding nature of these rules is underscored by section 32, which provides that once registered, they carry statutory force and are binding on the scheme, its members, its officers, employees, and any claimant. Thus, neither administrative actions such as issuing a card, accepting contributions, or authorising a hospital admission, nor the expectations they may create, can override the explicit provisions of the Act and the registered rules. In law, administrative practice cannot confer rights that contradict statute.

27. The exclusion of in-laws from eligibility is not discriminatory in the prohibited sense, but rather an application of the legislative design that schemes may define the categories of dependants to ensure fairness, clarity, and sustainability of benefits. It is also actuarially sound, as extending cover beyond those categories would distort contribution structures and compromise the financial integrity of the scheme.

APPEALS COMMITTEE'S PERSPECTIVE

28. The Committee accepts that the respondent, being the member, may have been misled by the administrative processes of the scheme, which created the impression of valid cover for his father-in-law. However, the Committee is bound to apply the law as set out in the

Medical Schemes Act and the registered rules of Medihelp. The statutory framework is unambiguous: dependants must fall within the categories defined in the rules, and once registered, those rules acquire statutory force and are binding on both the scheme and its members. As in-laws are not included within the Medihelp rules, they cannot lawfully be admitted as dependants.

29. While the Committee is sympathetic to the respondent's personal circumstances, it cannot rewrite the scheme's rules or extend cover beyond the authority conferred by the Act. Equitable considerations, such as relief for expenses incurred in good faith, fall outside the jurisdiction of the Committee and may only be addressed, where appropriate, through the scheme's internal discretionary mechanisms, such as an application for ex gratia assistance.
30. The Committee is therefore satisfied that Medihelp, as the appellant, acted within the confines of the Medical Schemes Act and its registered rules. The Registrar's ruling cannot be sustained on either the facts or the law. The appeal accordingly succeeds, and the scheme's rules must be upheld.

FINDINGS.

31. The Committee finds that section 29(1)(n) of the Medical Schemes Act 131 of 1998 requires every registered scheme to prescribe, in its rules, the terms and conditions of admission of members and their dependants. Medihelp has complied with this obligation by defining in its registered rules the categories of persons who may qualify as dependants. These are limited to spouses or life partners, children including legally adopted children, and continuation members. In-laws are not recognised in the rules and their exclusion is therefore lawful, rational, and consistent with the statutory powers afforded to schemes to regulate eligibility.

32. The Committee further notes that section 32 of the Act gives binding force to a scheme's rules once registered. The rules are therefore enforceable against the scheme, its members, its officers, employees, and any claimant. Administrative conduct such as the issuing of a membership card, the collection of contributions, or the granting of hospital authorisation cannot override the rules or confer entitlement where none exists in law.

33. In this case, while the respondent may have been misled by administrative actions that created the appearance of cover, such actions cannot substitute for the statutory framework. The appeal falls outside the categories permitted by the rules and by the Act. The Committee is mindful of the respondent's position but recognises that it has no

authority to rewrite the rules of the scheme or to extend cover beyond what the statute provides. Any relief in such circumstances lies within the discretionary processes of the scheme, such as ex gratia assistance, rather than through the appeal mechanism.

ORDER

34. Having considered the submissions, the provisions of the Medical Schemes Act, and the registered rules of Medihelp, the Appeals Committee is satisfied that the Registrar's ruling cannot stand. The exclusion of in-laws from dependant eligibility is consistent with section 29(1)(n) of the Act and the binding effect of the scheme's rules in terms of section 32. Administrative conduct which may have created the impression of cover cannot confer a legal entitlement where the statute and the rules do not permit it.
35. Accordingly, the appeal by Medihelp is upheld, and the Registrar's ruling is set aside.
36. There is no order as to costs.

THUS, DONE AND SIGNED AT SANDTON ON THIS THE 23rd DAY OF SEPTEMBER 2025.

SIGNED
DR X NGOBESE
Presiding Member

Dr T Mabeba, Ms Penelope Beck, Advocate T Maphike and Dr H Mukhari Concurring.

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[1] 136 -141 Registrars ruling bundle and Pages 142 -146 Section 48 Notice of Appeal Affidavit by Medihelp.