



BEFORE THE APPEALS COMMITTEE OF THE COUNCIL FOR MEDICAL
SCHEMES

HELD IN CENTURION, PRETORIA

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

REF. CMS NO: 84721

In the matter between:

W

Appellant

and

The Office of the Registrar

First Respondent

Bankmed Medical Scheme

Second Respondent

RULING AND REASONS

INTRODUCTION

1. The Appellant is Mr W, a member of the Bankmed Medical Scheme (the “member”).
2. The First Respondent is the Registrar for Council for Medical Schemes (the “Registrar”).
3. The Second Respondent is Bankmed Medical Scheme (“Bankmed” or the “Scheme”), a Medical Scheme duly registered and regulated under the Medical Schemes Act, Act 131 of 1998 (the “MSA”).
4. This is an appeal under section 48(1) of the MSA, providing that –

“(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.”

5. The Appellant, Mr W, represented himself.
6. Miss S accompanied by Dr B appeared for the Second Respondent.
7. The First Respondent did not appear but indicated that the Registrar will abide by the Appeals Committee’s decision.
8. The Appeals Committee heard the Appeal on 09 July 2025 *via* audio and video conferencing link.

BACKGROUND

9. Mr. W , had been a member of the Bankmed Medical Scheme effective 1973.
10. According to the Scheme, the Appellant’s membership was terminated following prolonged non-payment of contributions. The brief chronology of events is as follows:

- 10.1 The Appellant failed to make contributions for July and August and September 2023.
 - 10.2 The Scheme emailed the Appellant stating that the Appellant's membership could only be reactivated upon payment of the outstanding premiums totalling R17,800.00 .
 - 10.3 The Scheme issued multiple written notices of default in accordance with the Scheme Rules, advising that failure to pay would result in termination.
 - 10.4 When no payment was received after the prescribed period, the Scheme terminated the Appellant's membership effective 31 July 2023.
 - 10.5 Subsequently, the Appellant approached the Scheme requesting reinstatement, citing temporary financial hardship and a willingness to settle the arrears.
 - 10.6 Around September 2023, the Scheme offered the Appellant an opportunity to reinstate his membership subject to payment of all arrears through a payment arrangement. The Appellant failed to meet this condition and did not make full payment by the due date.
 - 10.7 The Scheme accordingly advised that the offer had lapsed, and reinstatement could not proceed.
 - 10.8 Dissatisfied, the Appellant lodged a complaint with the Registrar in May 2024.
11. The Registrar investigated the complaint and issued a ruling on 13 June 2024, finding that the Scheme acted lawfully and in accordance with its registered Rules and the MSA. The Registrar dismissed the complaint.

12. The Appellant thereafter lodged an appeal to the Appeals Committee in terms of Section 48(1) of the MSA, contesting the Registrar's decision and seeking reinstatement of membership.

GROUND OF APPEAL

13. The Appellant's grounds of appeal may be summarised as follows:

- 13.1 The Registrar erred in finding that the Scheme had complied with its Rules, as the Appellant contends he had expressed willingness to pay and therefore should have been reinstated.

- 13.2 The Appellant argues that the Scheme failed to exercise discretion compassionately or equitably, taking into account his previous good standing and the financial circumstances leading to default.

- 13.3 The Appellant asserts that the Registrar failed to consider the principles of fairness and legitimate expectation, given that reinstatement was discussed between the parties.

REGISTRAR'S RULING

14. The Registrar's decision of 13 June 2024 found that:

- 14.1 The Scheme acted in full compliance with its registered Rules by terminating the Appellant's membership after the required notice period due to non-payment.

- 14.2 The Scheme had afforded the Appellant an opportunity to settle his arrears and be reinstated, which the Appellant did not utilise.

- 14.3 There was no evidence of procedural unfairness, discrimination, or arbitrary conduct by the Scheme.

- 14.4 The Appellant's complaint was accordingly dismissed.

MERITS OF THE APPEAL

15. Wide appeal

15.1 Appeals before the Appeals Committee are wide appeals. The Appeals Committee may consider the matter afresh and is not restricted to the records of proceedings that was before the Registrar.

15.2 The burden of proof rest on the Appellant who must prove on the balance of probabilities that the appeal should succeed.

ISSUES IN DISPUTE

16. The crisp issues for determination are:

16.1 Whether the termination of the Appellant's membership and the Scheme's decision to decline to reinstate the Appellant was consistent with the Scheme Rules and the MSA.

16.2 Whether the Appellant was afforded reasonable opportunity to settle arrears and comply with reinstatement conditions.

16.3 Whether the Scheme acted fairly and in good faith in declining reinstatement

SUBMISSIONS BY APPELLANT

17. The Appellant submitted that his failure to pay premiums was due to financial hardship and that he made efforts to rectify the situation once he was able to.
18. He further contended that the Scheme's refusal to reinstate him was unfair given his prior contributions and membership history.
19. The Appellant requested leniency, asserting that the termination had deprived him of essential medical cover and placed him at risk.
20. Mr W argued that the Scheme acted unreasonably in refusing reinstatement after he expressed willingness to settle his account and that the Registrar's ruling failed to appreciate this willingness.
21. Accordingly, the Appellant requested that the Appeals Committee direct the Scheme to reinstate his membership retroactively.

SUBMISSIONS BY RESPONDENT

22. The Second Respondent, Bankmed Medical Scheme, submitted that the Appellant's membership was terminated in strict compliance with Rule 13.2, which provides that membership shall be terminated after failure to pay contributions within the stipulated period.
23. The Scheme emphasized that it had issued the Appellant with formal notices and extended an opportunity for reinstatement on clear conditions, which included full payment of arrears within a specific timeframe.
24. The Appellant failed to comply, and the offer accordingly lapsed.
25. The Scheme argued that reinstatement after termination is a discretionary process subject to the Board of Trustees' approval.

26. The discretion must be exercised consistently and fairly towards all members. Granting reinstatement outside the defined rules would undermine the Scheme's governance and financial stability.
27. The Scheme maintained that the Registrar's decision was correct and that the Appellant's non-compliance disqualified him from reinstatement.

LEGAL FRAMEWORK AND EVALUATION

28. Section 29(2)(a) of the MSA authorises medical schemes to determine conditions for termination of membership, including non-payment of contributions.
29. Section 32 of the MSA further binds both the scheme and its members to the provisions of the registered rules. It provides as follows :

The rules of the medical scheme and any amendments thereof shall be binding on the medical scheme concerned, its members, officers and any person who claims any benefit under the rules or whose claim is derived from a person so claiming.
30. "6.1.1. Membership to Bankmed Scheme is restricted to:
 - 6.1.1.1 *eligible persons in the service of an employer who has entered into an agreement with the Scheme in these rules.*
 - 6.1.12 *members who cease to be employees in the case of retrenchment or redundancy, in terms of rule 6.2.3.*
 - 6.1.1.3 *members who retire from the service of an employer or whose services are terminated by their employer on account of age, ill-health or other disability, in terms of rule 6.2.1.*
 - 6.1.15.4 *dependants of deceased members, in terms of rule 6.2.2; and*
 - 6.1.15 *the unexpired duration in the month in which a member resigns from his employer."*
31. The Scheme's decision to terminate the Appellant's membership for non-payment of his monthly premiums is contemplated in Rule 12.3.1 of the Scheme's registered rules which provides that -

"12.3 Involuntary Suspension and/or Termination of Membership

12.3.1 Amounts due to the Scheme

12.3.1.1 Where contributions or any debt owing to the Scheme, have not been paid within (thirty) days of the due date, the Scheme shall have the right to:

12.3.1.1.1 suspend all benefits payable in respect of claims which arose during the period of default;

12.3.1.1.2 give the member written notice at his domicilium citandi et executandi or by means of electronic means agreed upon, that if contributions or such other debts are not paid within twenty-one (21) days of posting of such a notice, membership may be cancelled."

32. *"6.2.1 Retirees*

A member shall retain his membership with the Scheme in the event of his retirement from the service of his employer or his service being terminated by his employer on account of age, ill-health or other disability.

6.2.1.1 Unless such a member informs the Board, in writing, of his desire to terminate his membership, he shall automatically continue to be a member provided he continues to pay the applicable contributions with due regards to the number of his registered dependents, according to the rate applicable to his income as defined in the rules."

33. Rule 13.2 of Bankmed's registered Rules empowers the Scheme to terminate membership for contribution defaults and provides for reinstatement only upon settlement of arrears.

34. In terms of Rule 4.25 of the registered Scheme rules, an "Eligible person" is defined as -

"any person who is in the service of an employer. "Service" for purpose of this definition, shall include working for or providing services essentially as an employee under any form of employee contract."

35. The Appeals Committee is required to determine whether the Scheme correctly applied these provisions and whether its refusal to reinstate was arbitrary or procedurally unfair.

DISCUSSION AND ANALYSIS

36. It is common cause that Mr W defaulted his monthly membership contributions with effect from August 2023, and despite making payment arrangement, he did not bring his contribution up to date.
37. It is further not in dispute that, Mr W's failure to bring his contributions up to date, resulted in the Scheme opting to terminate his membership effective from 31 July 2023.
38. The parties differ in that the Appellant contends that he should be reinstated as a member because he was willing to settle his arrears and had been a long-standing contributor to the Scheme. Conversely, the Scheme asserts that it acted lawfully and within its rights in terms of its rules and the MSA.
39. The Committee reviewed the full record, including both parties' correspondences, the Respondent's affidavit, and the Registrar's ruling.
40. The evidence demonstrates that the Appellant was given multiple written notices of default and a specific opportunity to settle his outstanding contributions.
41. The Scheme's correspondences clearly outlined that reinstatement would be contingent upon payment of all arrears. The Appellant failed to meet this obligation.
42. The Committee accepts that the Scheme exercised discretion in good faith, offering the Appellant an opportunity beyond the strict requirements of the Rules.
43. The Appellant's failure to act on this offer extinguished any legitimate expectation of reinstatement.

44. While fairness and compassion are important in the administration of medical schemes, such principles cannot override explicit legal and contractual obligations.
45. The MSA requires schemes to apply their rules equitably to all members. Granting reinstatement in contravention of the Rules would create an inconsistency detrimental to the collective membership.
46. The Committee further finds no evidence that the Registrar misdirected himself or failed to consider material facts.
47. The ruling properly applied the relevant legal principles and correctly found that the Scheme had complied with its rules and the MSA.
48. The appeal therefore lacks merit both in fact and in law.

FINDING

49. The Appeals Committee finds that:
 - 49.1 The Scheme afforded the Appellant a reasonable opportunity to settle arrears and reinstate membership, which he failed to utilise.
 - 49.2 The termination of the Appellant's membership was lawful and consistent with the Scheme's Rules and the MSA.
 - 49.3 The Registrar's ruling dated 17 June 2024 was correct and is confirmed.

ORDER

50. Having considered the matter, the Appeals Committee orders as follows:
 - 51.1 The appeal by Mr.W is dismissed.
 - 51.2 The Registrar's ruling dated 17 June 2024 is upheld.
 - 51.3 Each party shall bear its own costs.

DATED AT THIS CENTURION ON 9 July 2025.

DR THANDI MABEBA (For and on behalf of the Appeals Committee)

CONCURRING WITH-

Miss P Beck

Dr K Chetty