



RULINGS ISSUED BY THE OFFICE OF THE REGISTRAR

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M v DISCOVERY HEALTH MEDICAL SCHEME

Declined authorisation due to active waiting periods

The complaint concerns the Scheme's decision to decline funding for the complainant's pregnancy related claims due to active waiting periods. The complainant was aggrieved by the Scheme's refusal to authorise her admission for the delivery of her baby. She further claimed that her membership was terminated, and upon rejoining, she was not adequately informed about the waiting period or the broader implications of reinstatement.

The complaint was referred to the Scheme for its response. In its response, the Scheme confirmed that the complainant's membership commenced on 1 December 2024. It also indicated that failure to pay contributions results in suspension of membership, and if two consecutive payments are missed, the membership is withdrawn and backdated to the date of the last confirmed payment.

On the facts submitted, the complainant had a history of multiple memberships, most of which were either never activated or withdrawn due to unpaid premiums. Notably, the 16th membership policy was withdrawn and backdated after the complainant defaulted on contributions, which led to cost recovery of previously paid claims. Following the membership withdrawal, the complainant attempted to reinstate or reapply for membership multiple times. At the time of her re-application for the 18th membership, she disclosed that she was pregnant and as a result, the membership was activated with a 3-month general waiting period and a 12-month condition-specific waiting period for pregnancy and related care.

According to the Scheme, the complainant requested hospital authorisation on the day following her membership activation and the request was declined due to active waiting periods. The Scheme stated that it had identified a pattern of anti-selective behaviour by the complainant, citing past instances where membership was maintained only during times of medical need, followed by non-payment. It concluded that the complainant's current membership was subsequently suspended due to unpaid premiums.

The issue which fell for determination is whether the Scheme was justified in declining authorisation for the complainant's scheduled admission and delivery of her baby.

In investigating this complaint, the provisions of the Medical Schemes Act, and the scheme's registered rules were considered. Section 29A(1) permits the imposition of a general waiting period of up to 3 months and a condition-specific waiting period of up to 12 months if an applicant has not been a member of a medical scheme for a period of at least 90 days preceding the date of application. In this case, the Complainant had not been a member of a medical scheme for a period of over a year and she was six months pregnant at the time of her application. Therefore, the Scheme was within its rights to lawfully apply these waiting periods.

The complainant argued she was not informed of the waiting periods and expected her pregnancy-related claims to be covered. However, evidence confirmed that she was notified of the waiting periods in the membership offer letter and when the authorisation was declined. While pregnancy qualifies as a Prescribed Minimum Benefit (PMB) condition, the law allows for waiting periods to be applied even to PMBs if the member has no prior creditable cover. Furthermore, the Complainant's membership was suspended due to unpaid premiums, which is legally permissible under Section 29(2)(a) of the Act. Her history of joining and discontinuing coverage was indicative of anti-selective behaviour, undermining the risk-pooling and social solidarity principles on which medical schemes are grounded. As such, the Scheme was found to have acted within the law, and the complainant could not reasonably expect benefits without meeting her payment obligations.

Ultimately, a ruling was issued confirming that there was no legal obligation on the Scheme to fund the pregnancy, antenatal and post-natal care as well as confinement costs during the waiting periods imposed under Section 29A (1) of the Act or during the suspension of membership. Accordingly, the complaint was dismissed.