

COUNCIL FOR MEDICAL SCHEMES BRIEFING TO THE PORTFOLIO COMMITTEE ON HEALTH

23 APRIL 2025

Dr Thandi Mabeba – Chairperson
Dr Musa Gumede – Chief Executive & Registrar
Ms Victoria Letswalo – Acting CFO



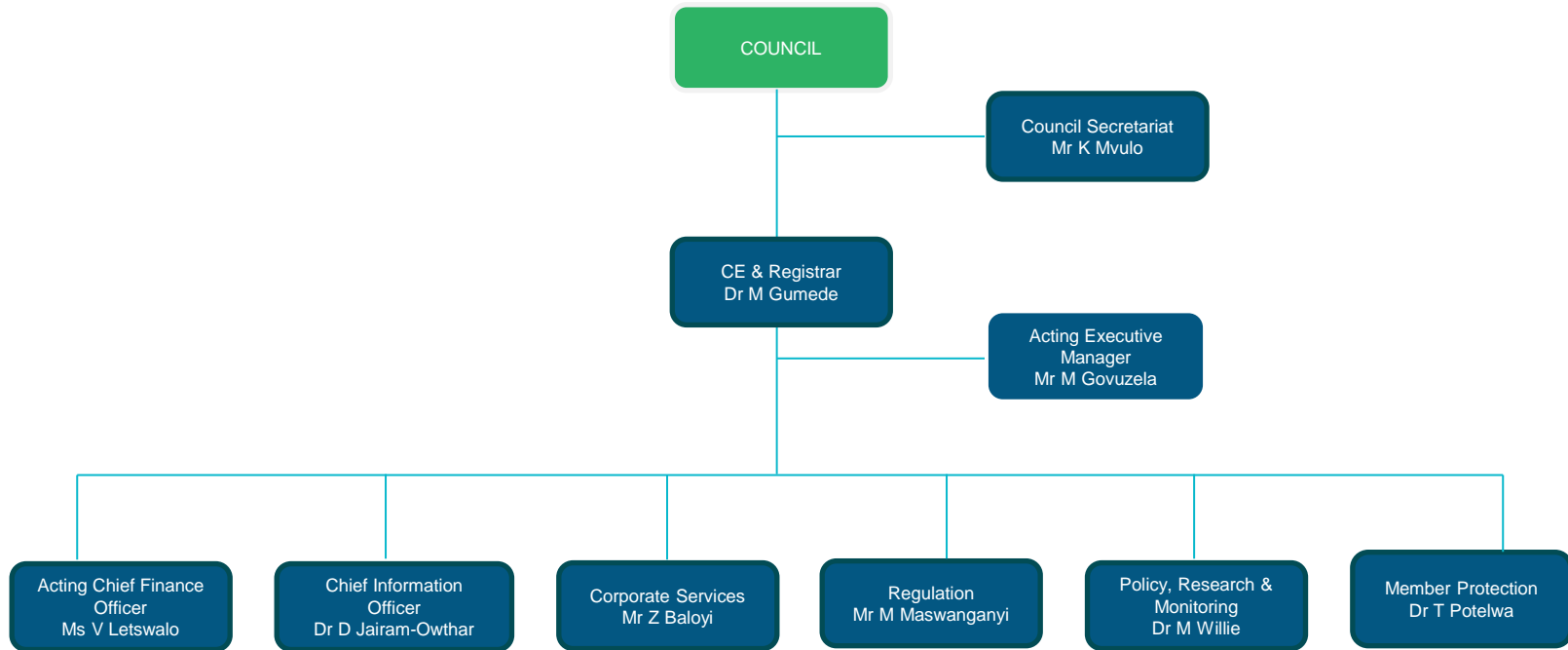
DELEGATION OF THE COUNCIL FOR MEDICAL SCHEMES

1. **Dr. Thandi Mabeba** – **Chairperson of Council**
2. **Dr. Musa Gumede** – **Chief Executive & Registrar**
3. **Ms. Victoria Letswalo** – **Acting Chief Financial Officer**

COUNCIL MEMBERS

- ❖ Dr Thandi Mabeba – Chairperson
- ❖ Dr Honours Mukhari – Deputy Chairperson
- ❖ Dr Karmani Chetty
- ❖ Dr Sugan Naidoo
- ❖ Dr Nombeko Mbava
- ❖ Mr AbdulQadir Chogle
- ❖ Mr Mabalane Mfundisi
- ❖ Mr Moremi Nkosi
- ❖ Ms Matshego Ramagaga
- ❖ Ms Penelope Anne Beck
- ❖ Mr Siyabonga Jikwana
- ❖ Mr Tjaart Esterhuyse
- ❖ Dr Xolani Ngobese
- ❖ Adv. Tlhoriso Maphike

ORGANISATIONAL STRUCTURE



OUTLINE OF THE PRESENTATION

- ▶ INTRODUCTION
 - ▶ Mandate of the Council for Medical Schemes
 - ▶ Constitutional & Legislative Mandate
 - ▶ Vision & Mission
 - ▶ Regulatory Philosophy & shared values
 - ▶ Medical Schemes Industry
- ▶ STRATEGIC PLAN 2025 – 2030
 - ▶ Strategic Outcomes
- ▶ KEY POLICY ISSUES
- ▶ ANNUAL PERFORMANCE PLAN 2025/26
- ▶ OVERVIEW OF 2025/26 BUDGET & MTEF ESTIMATES

**Briefing to the Portfolio
Committee on Health
23 April 2025**

INTRODUCTION

**Dr T Mabeba
Chairperson
Council for Medical Schemes**



INTRODUCTION

- ▶ The Council for Medical Schemes (CMS) is South Africa's statutory body responsible for regulating the medical schemes industry.
- ▶ Established under the Medical Schemes Act (No. 131 of 1998), CMS oversees the private health financing sector to ensure that medical schemes operate in a fair, transparent, and financially sound manner, safeguarding the interests of beneficiaries.
- ▶ Without adequate regulation, only private interests would prevail, reducing access and accountability.
- ▶ Section 7 outlines the functions of COUNCIL

Constitutional & Legislative Mandate

1

Constitutional Mandate

Chapter 2: Section 27

2

Legislative Mandate

- Medical Schemes Act, 131 of 1998
- National Health Act, 61 of 2003
- Financial Advisory and Intermediary Services Act (FAIS), 2001
- Promotion of Access to Information Act, 2 of 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, 4 of 2000

3

Policy Development

- South African Government's Programme of Action
- National Development Goals 2030
- Strategic Goals of the National Department of Health (NDoH)

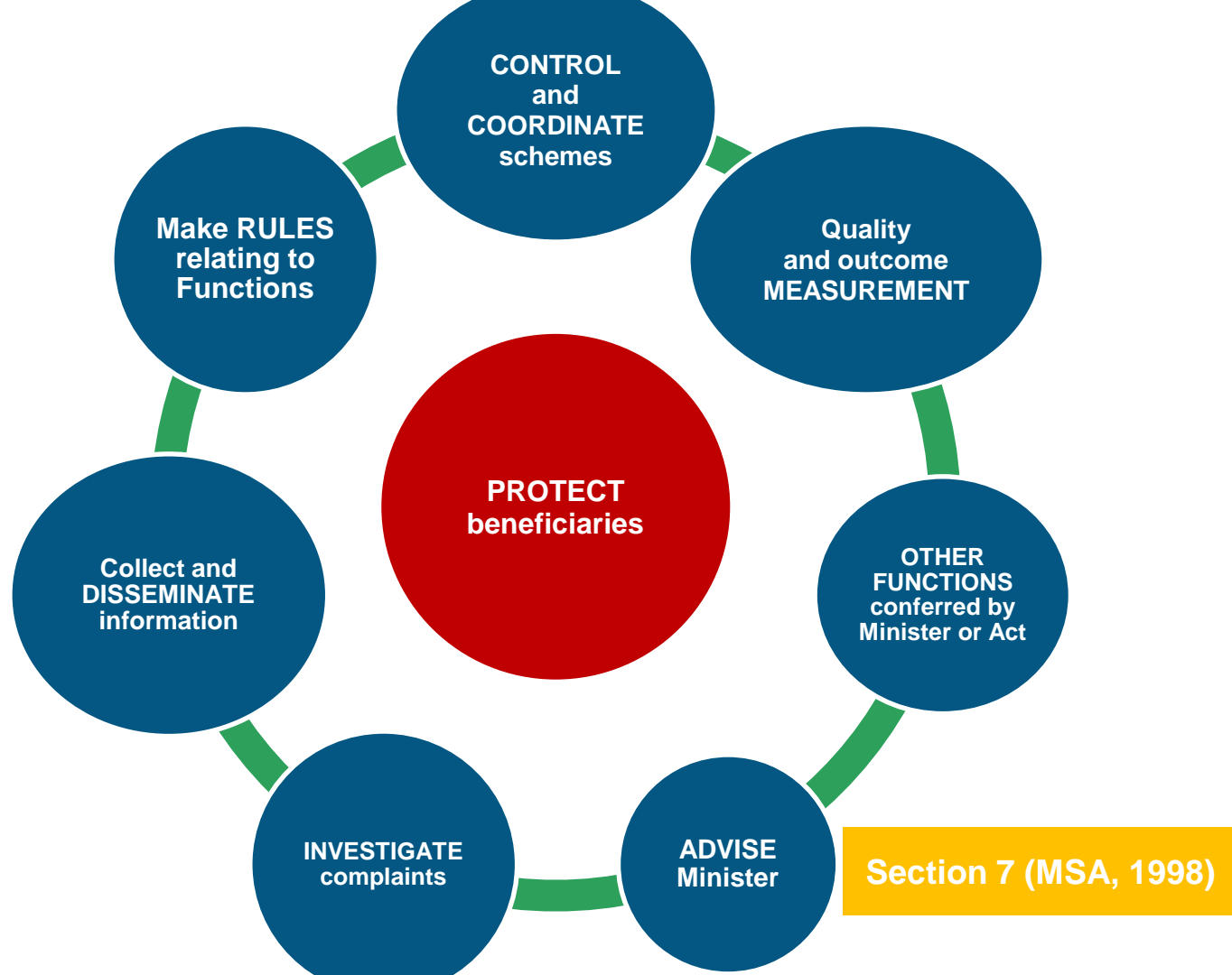
The Council for Medical Schemes (CMS) is a regulatory authority responsible for overseeing the medical schemes industry in South Africa. It administers and enforces the Medical Schemes Act, No. 131 of 1998.

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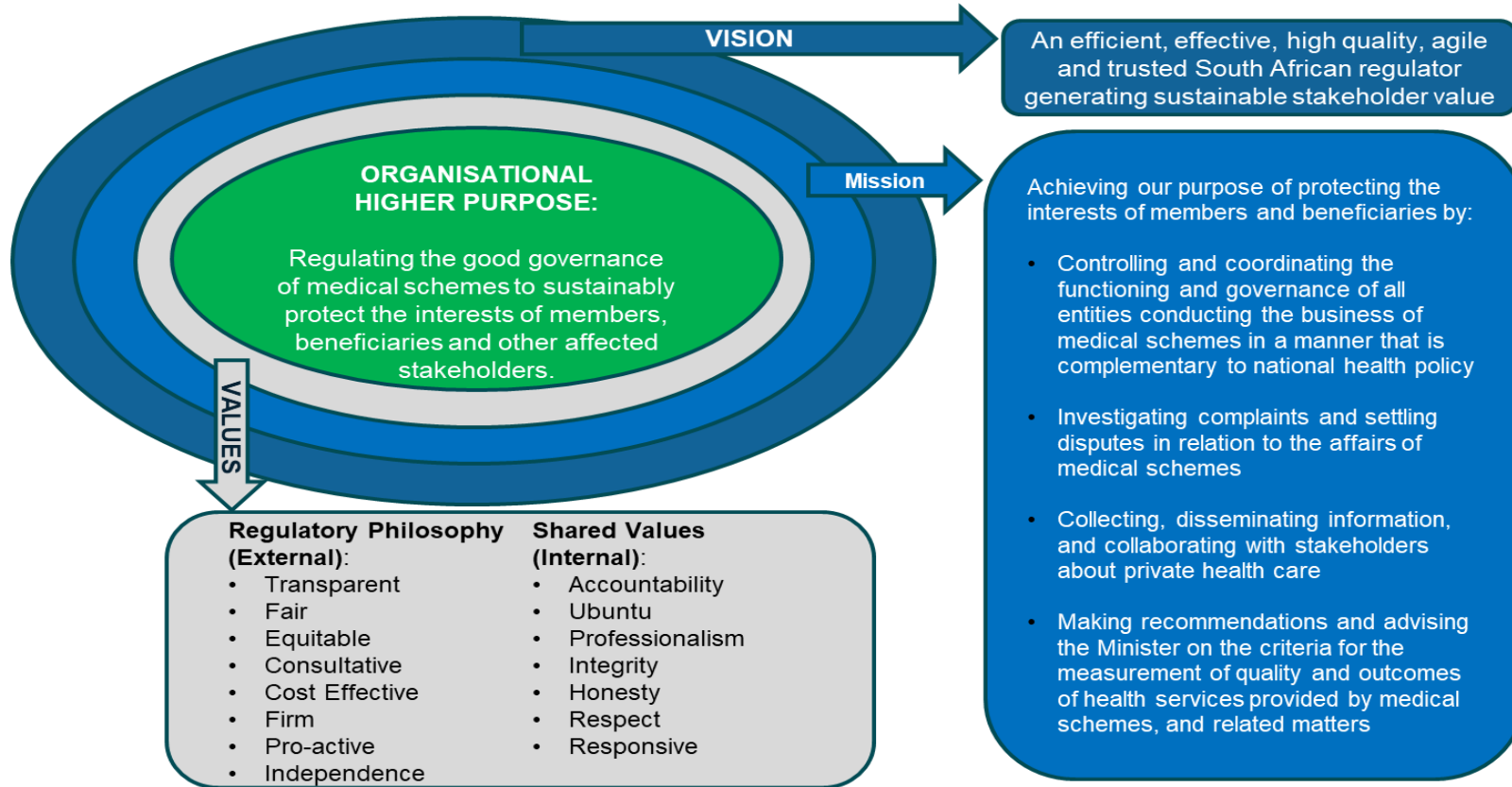
CMS Functions

Section 7 of the Medical Schemes Act

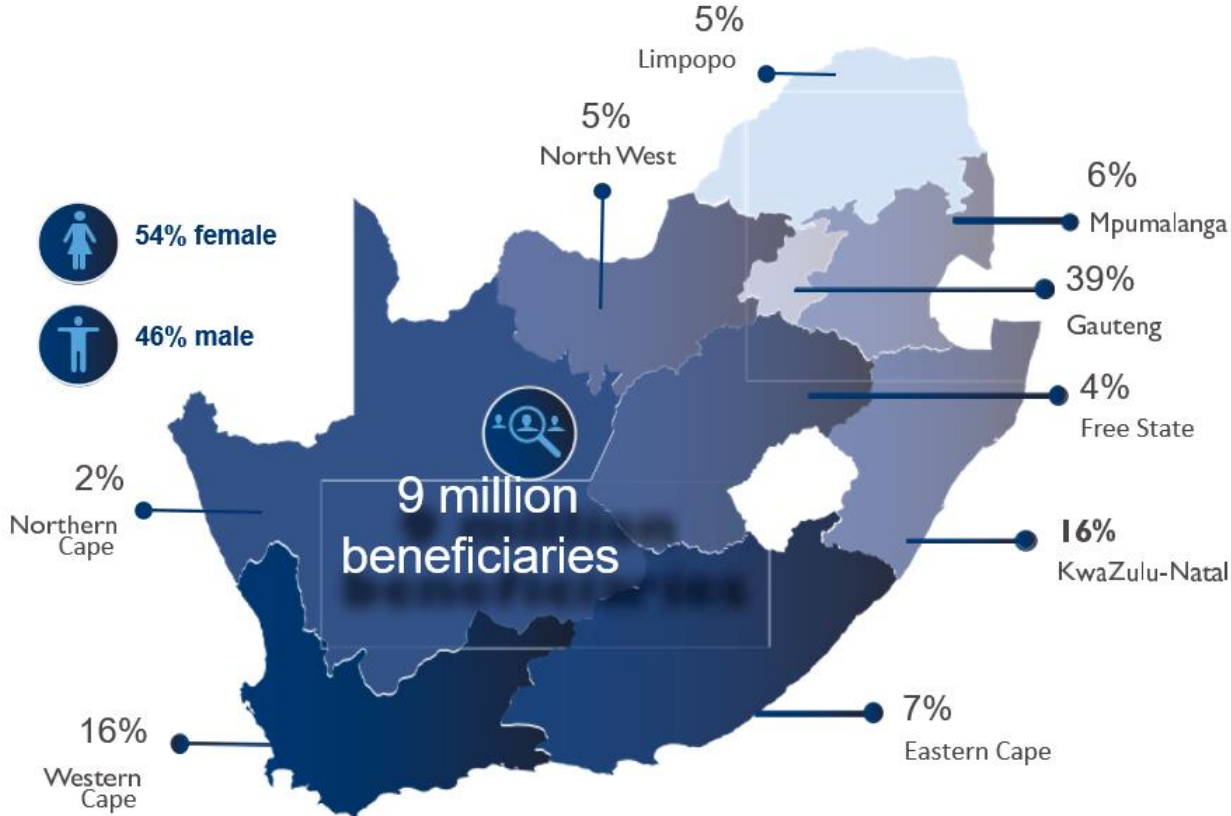
- (a) **Protect** the interests of the members at all times;
- (b) **Control and co-ordinate** the functioning of medical schemes in a manner that is complementary with the national health policy;
- (c) **Make recommendations to the Minister on criteria for the measurement of quality and outcomes** of the relevant health services provided for by medical schemes, and such other services as the Council may from time to time determine;
- (d) **Investigate complaints and settle disputes** in relation to the affairs of medical schemes as provided for in this Act;
- (e) **Collect and disseminate information** about private health care;
- (f) **Make rules, not inconsistent with the provisions of this Act** for the purpose of the performance of its functions and the exercise of its powers;
- (g) **Advise the Minister** on any matter concerning medical schemes; and
- (h) **Perform any other functions** conferred on the Council by the Minister or by this Act.



VISION, MISSION & VALUES



OUR BENEFICIARIES 2023/24



REGULATED INDUSTRY 2023/24

**71 Medical
Schemes
(16 Open | 55
Closed)**

**34
Administrators**

**42 Managed
Care
Organisations**

**7 718 Healthcare
Brokers**

**3 193 Healthcare
Brokerages**

**Insurance revenue
of R226.94 billion**

**Net relevant
healthcare
expenditure –
R217.59 billion**

**Industry
Solvency –
43.45%**

Past Achievements Highlights

- ❑ Unqualified Audit Outcome
- ❑ 89.47% Overall Organisational Performance
- ❑ 27 Areas of over-achievement and 8 Areas of under-achievement
- ❑ 22 467 Customer Care Calls.
- ❑ 1 200 Clinical Complaints & Opinions.
- ❑ 3 017 Complaints Resolved.
- ❑ 72 Consumer Education Outreach Sessions.
- ❑ 39 Appeals Resolved.
- ❑ 10 CMS Script Newsletters Published.
- ❑ 5 PMB definition guidelines
- ❑ 4 Research Studies & 3 Published Research Papers
- ❑ 6 FWA Engagements.
- ❑ 52 Annual General Meetings Observed.
- ❑ 3 Governance Interventions (curatorship & statutory management)

MEMBERS ARE AT THE HEART



Beneficiary

Principal Member | Dependent Member

Medical Schemes Act (131 of 1998)
Schedule 3A organisation

Regulatory supervision of
private health financing
through medical schemes
Section 7 of the MSA



Medical Schemes

Not-for-profit
Open | Restricted

Board of Trustees

Section 57(6)(a) of the MS Act



Administrators

Profit-driven

Regulator: CMS | Representative bodies: BHF, HFA, Non-affiliated



Managed Care Organisation (MCO)

Profit-driven

Regulator: CMS | No representative bodies: Affiliation with BHF, HFA



Brokers & Brokerages

Profit-driven

Regulator: CMS, FSCA | Representative bodies: FIA, FPI

Independent advisors
(member & employer agents)

Marketing agents for schemes
and administrators



Healthcare Providers

Public/Private | DSP or non-DSP
Representative bodies | Regulators

KEY POLICY ISSUES

1. Public comments invited on Draft Healthcare Interim Block Exemption	A block exemption is a legislative tool aimed at facilitating and enabling coordination or cooperation in an industry or sector that would otherwise constitute a contravention of the Competition Act for public interest purposes.
2. Low-cost Benefit Options	<p>The Department of Health has opened the LCBO report for public comment, inviting stakeholders to submit their inputs by May 12, 2025.</p> <p>The Gauteng High Court dismissed the BHF's application that sought to compel the CMS and Ministry of Health to implement LCBOs.</p>
3. Demarcation Regulations	<p>The Demarcation Regulations delineate the boundary between health insurance products and medical schemes.</p> <p>The Demarcation Exemption Renewal Framework has been extended for an additional two years.</p>
4. PMB Review	The CMS is actively engaged in a comprehensive review of Prescribed Minimum Benefits (PMBs) to ensure that all medical scheme members have access to essential healthcare services, while at the same time ensuring alignment with the HMI (Basic Benefit Package) and National Health Insurance.

KEY POLICY ISSUES

5. Alternative Funding Model	A more strategic approach is essential to ensure the organisation's long term financial sustainability.
6. CMS Visibility	CMS marketing efforts to increase visibility will include digital marketing, online advertising, roadshows, member focused publications, increased media presence and participation in industry events.
7. Section 59 Report	<p>Panel Expert Analysis was completed.</p> <p>CMS is waiting for the final report.</p>
8. Medical Schemes Amendment Bill	Aimed at amending the Medical Schemes Act (No. 131 of 1998) to improve healthcare financing, enhance consumer protection, and ensure the sustainability of medical schemes.

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CMS STRATEGIC PLAN 2025-2030

**Dr T Mabeba
Chairperson
Council for Medical Schemes**



STRATEGIC OUTCOMES



Strategic Outcomes – 2025 - 2030

Outcome 1: Regulating entities in compliance with National Policy, the Medical Schemes Act and other legislation

Outcome statement

The processes of registering and accrediting all entities involved in the medical scheme business, reviewing and approving scheme rules, managing complaints, conducting compliance inspections, and monitoring the financial soundness of these entities will be streamlined to ensure effective regulation in accordance with the Medical Schemes Act, National Policy, and other relevant legislation. This is all aimed at providing scheme members with the protection they need.

Outcome Indicator

- Compliance with MSA and applicable legislation
- Regulatory Interventions

Strategic Outcomes – 2025 - 2030

Outcome 2: To promote access to quality, cost-effective, and affordable private healthcare financing and related private healthcare

Outcome statement	Outcome Indicator
In terms of Section 7 (e) of the Medical Schemes Act, one of the key functions of the Council is to collect and disseminate information about private health care	<ul style="list-style-type: none">Resolve complaints with the aim of protecting beneficiaries of medical schemes

Strategic Outcomes – 2025 - 2030

Outcome 3: To encourage risk pooling and innovation for the effective functioning of the private healthcare financing sector

Outcome statement	Outcome Indicator
By standardizing scheme options consolidating medical schemes with less than 6000 members, consolidating government-funded schemes, and developing and implementing a comprehensive Primary Health Care benefit package, the CMS will ensure effective risk pooling. This work will be done through a consultative approach, taking into account the risks to scheme members, employers, trade unions, and other key stakeholders.	<ul style="list-style-type: none"> • A new base benefits package for PMBs • Enable consolidation in the medical schemes industry • Number of draft benefit definition guidelines

Strategic Outcomes – 2025 - 2030

Outcome 4: Stakeholder engagement at local, regional and international level

Outcome statement

The establishment of formalised agreements, attendance of regular meetings and scheduled visits to local, regional and international regulatory authorities will ensure that the CMS is recognised by key regulators as an effective and efficient regulator.

Outcome Indicator

- Visibility and awareness

Strategic Outcomes – 2025 - 2030

Outcome 5: Good governance and ethical leadership

Outcome statement

Through the review, updating, development and implementation of policies, strategies and standard operating procedures for the Office of the CEO, Office of the CFO, Information Communication and Technology (ICT), Human Resources (HR), Finance, and Legal support sub-programmes, the effectiveness and efficiency of the organisation will be improved. CMS will promote ethical and effective leadership through training, policies and

Outcome Indicator

- Consistently improved audit outcomes towards a Clean Audit
- Fraud, corruption and consequence management cases

Strategic Outcomes – 2025 - 2030

Outcome 6: Conducting policy-driven research, monitoring and evaluation of the medical schemes industry to facilitate decision-making and policy recommendations to the Health Ministry

Outcome statement

The refocussing of our research efforts and aligning them with the policy developments in the public and private health sectors will ensure that this Outcome is achieved. There will be a need to reprioritise the outputs of the Research and Monitoring, as well as the Strategy office programmes to gain synergies on the one hand and avoid duplications, on the other hand. These research efforts should through partnership with other research institutions support both internal and external stakeholders in understanding the strategic trajectory of the CMS.

Outcome Indicator

- Knowledge and thought leadership generation and dissemination

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CMS ANNUAL PERFORMANCE PLAN 2025/26

**Dr Musa Gumede
CE & Registrar
Council for Medical Schemes**



STRUCTURE AND COMPOSITION OF CMS PROGRAMMES

Programme 1:

Administration

CEO & Registrar

Office of the CFO

ICT & KM

Corporate Services

Council Secretariat

Programme 2:

Regulation

Accreditation: Administrators & MCO

Accreditation: Brokers

Benefits Management

Compliance & Investigations

Financial Supervision

Programme 3:

Member Protection

Complaints Adjudication

Clinical Consulting Services

Education & Training

Customer Care

Programme 4:

Policy, Research & Monitoring

Sub-Programme 1.1 (CEO and Registrar)									
Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium Term Target		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
Outcome 4: Stakeholder engagement at local, regional and international level	Output 1 Maintaining existing Memoranda of Understanding	1.1 Percentage of MoUs signed and or maintained	New indicator	New indicator	New indicator	New indicator	80%	80%	80%
Outcome 5: Good Governance and Ethical Leadership	Output 2: Reported information is in accordance with the Revised Framework for Strategic Plans and Annual Performance Plans	2.1 Ensure the Review and Development of a Strategic Plan and Annual Performance Plan is done for Council's consideration by the 31 st January each year	1	1	1	1	1	1	1
		2.2 Ensure the overall performance of the entity is 80% and above of the predetermined objectives	83.33%	89.19%	86%	80%	80%	80%	80%
		2.3 Ensure that an Annual Performance Information report produced is reliable, accurate and complete by the 31st July each year in line with the statutory requirements	1	1	1	1	1	1	1



Sub-programme 1.2: Office of the CFO



Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium Term target		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Outcome 5: Good Governance and Ethical Leadership	Output 3: Audit outcome	3.1 Audit outcome	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Clean audit opinion	Clean audit opinion
	Output 4: Effective financial management	4.1 Review, develop, and implement a funding model that considers the long-term strategic outcomes of the CMS by the end of each year	New Indicator	1	1	1	1	1	1
		4.2 Produce a budget for approval by Council by the 31st of January each year	1	1	1	1	1	1	1

Sub-programme 1.3: ICT & KM



Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium term target		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Outcome 5: Good governance and ethical leadership	Output 5: IT Service Availability	5.1 Percentage of network uptime	99%	97%	99%	95%	95%	95%	95%
		5.2 Percentage of IT security incidents (breaches) on our Firewalls	5%	5%	0%	<5%	<5%	<5%	<5%
		5.3 Number of successful IT Disaster Recovery tests	2	2	2	2	2	2	2
		5.4 Number of successful backups tested	New Indicator	2	2	2	2	2	2
		5.5 ICT Engagements to enable Digital Transformation and mature the Digital Culture of CMS: Percentage of total respondents who satisfied overall	New Indicator	New Indicator	New Indicator	60%	60%	60%	60%
	Output 6: Software applications portfolio and Performance	6.1 Modernise the ICT applications portfolio by delivering on the prioritised projects per the ICT Digital Strategy	New Indicator	New Indicator	New Indicator	60%	60%	60%	60%
		6.2 Design and Implement ICT Governance per ICT policies	New Indicator	New Indicator	New Indicator	4	4	4	4

Sub-programme 1.4: Corporate Services



Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium term target		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Outcome 5: Good governance and ethical leadership	Output 7	7.1 Percentage of written and verbal legal opinions provided to internal and external stakeholders attended to within 14 days	95%	100%	100%	100%	100%	100%	100%
	Output 8: Defending decisions of the Council and the Registrar	8.1 Percentage of court and tribunal appearances in legal matters received and action initiated by the Unit within 14 days	100%	100%	100%	100%	100%	100%	100%
	Output 9: Competent and skilled employees	9.1 Percentage staff turnover rate per annum	9.5%	13.82%	10.48%	<15%	<15%	<15%	<15%
		9.2 Percentage of vacancies filled within 90 working days of the vacancy existing	New Indicator	New Indicator	New Indicator	90%	90%	90%	90%

Sub-programme 1.4: Corporate Services



Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium Term Target		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Outcome 5: Good governance and ethical leadership	Output 10: Maintained high levels of performance	10.1 Percentage of employee performance agreements are signed by 31st May each year.	100%	96%	99%	95%	95%	95%	95%
		10.2 Percentage of employees' performance assessment concluded bi-annually.	99.72%	95.16%	97%	95%	95%	95%	95%
	Output 11: Enhanced visibility of the CMS	11.1 Number of stakeholder awareness activities conducted	67	30	51	50	50	50	50
	Output 12: Annual Report	12.1 Number of CMS Annual Reports submitted to the Executive Authority by 31 August.	1	1	1	1	1	1	1

Sub-programme 1.5 Council Secretariat



Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium term target		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Outcome5: Good governance and ethical leadership	Output 13: Corporate governance, Secretariat & Board administration Support and Legal Services for effective governance by the Accounting Authority	13.1 Council and Committees meeting packs to be circulated at least 7 days before the meeting (Excluding Special Meetings)	New Indicator	New Indicator	20%	80%	80%	80%	80%
		13.2 Minutes of Council and Committees meetings to be included in the meeting pack of the subsequent meeting.	New Indicator	New Indicator	90%	80%	80%	80%	80%
		13.3 Percentage of Communicated Council resolutions within 3 days of the meeting to the affected internal stakeholders	New Indicator	100%	100%	100%	100%	100%	100%

Sub-programme 1.5 Council Secretariat



Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium Term Target		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
Outcome 5: Good governance and ethical leadership	Output 13: Corporate governance, Secretariat & Board administration Support and Legal Services for effective governance by the Accounting Authority	13.4 Number of training sessions held for Council and/or Committee/s	New Indicator	1	1	2	2	2	2
		13.5 Percentage of signed annual declaration of financial interest by Council Members (excluding Council Members out of office on extended absence)	New Indicator	100%	86%	90%	90%	90%	90%
	Output 14: Support Dispute Resolution Forums in furtherance of Council and MSA objectives	14.1 Support the publication of rulings of the Appeals Committee and the Appeal Board within 14 days of receipt from the Presiding Officers.	75%	100%	100%	75%	100%	100%	100%

Programme 2: Regulation



Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium Term Target		
			2021/22	2022/23	2023/24		2025/26	2026/27	2027/28
Outcome:1 Regulating entities in compliance with national policy, the Medical Schemes Act and other legislation	Output 15: Broker Accreditation.	15.1 Percentage of broker and broker organisation applications accredited within 30 working days per quarter on receipt of complete information.	92.6%	86.50%	88.39%	85%	85%	85%	85%
	Output 16: Managed care services accreditation.	16.1 Percentage of managed care organisations and schemes providing own managed care services' applications analysis completed within three months of receipt of complete information.	100%	100%	100%	100%	100%	100%	100%
	Output 17: Administration services accreditation.	17.1 Percentage of administrators and self-administered schemes' applications analysis completed within three months of receipt of complete information.	100%	100%	100%	100%	100%	100%	100%

Programme 2: Regulation



Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium Term Target		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Outcome:1 Regulating entities in compliance with national policy, the Medical Schemes Act and other legislation	Output 18: Medical scheme rules comply with the MSA	18.1 Percentage of interim rule amendments processed within 30 working days of receipt of all information.	97.5%	82.2%	70.40%	80%	80%	80%	80%
		18.2 Percentage of annual rule amendments processed before 31 December of each year.	100%	97.1%	100%	90%	90%	90%	90%
		18.3 Number of Contributions and Benefits Changes Guidance Notes published as a Circular annually.	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator
		18.4 Number of Model Rules reviewed and published	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator

Programme 2: Regulation



Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium Term Target		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Outcome:1 Regulating entities in compliance with national policy, the Medical Schemes Act and other legislation	Output 18: Medical scheme rules comply with the MSA	18.4 Number of Model Rules reviewed and published	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator
	Output 19: Routine inspection reports	19.1 Percentage of routine inspections conducted and draft reports issued, as identified through the risk-based approach framework	New Indicator	10	10	10	80%	80%	80%
	Output 20: Commissioned inspection reports	20.1 Percentage of warranted commissioned inspections initiated during the year.	New Indicator	100%	80%	60%	60%	60%	60%

Programme 2: Regulation



Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium Term Target		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Outcome:1 Regulating entities in compliance with national policy, the Medical Schemes Act and other legislation	Output 24: Education and Training Interventions	24.1 Number of stakeholder education and training sessions	25	66	76	60	60	60	60
	Output 25: Customer care interventions	25.1 Percentage of customer care interventions resulting from calls and e-mailed queries and walk-in consultations handled by the customer care centre	100%	100%	100%	90%	85%	85%	85%
	Output 26: Complaints resolution	26.1 Percentage of complaints older than 120 calendar days adjudicated during the reporting period in accordance with complaints standard operating procedures (SOP).	New Indicator	84.3%	85.5%	75%	75%	75%	75%
		26.2 Percentage of category 2 complaints adjudicated within 120 calendar days and in accordance with complaints standard operating procedures (SOP).	New Indicator	New indicator	85.9%	75%	75%	75%	75%
		26.3 Percentage of category 1 complaints adjudicated within 60 calendar days and in accordance with complaints standard operating procedures (SOP).	New Indicator	New indicator	97.5%	75%	75%	75%	75%

Programme 3: Member Protection



Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium Term Target		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Outcome 2 To promote access to quality, cost-effective, and affordable private healthcare financing and related private healthcare	Output 27: CMS Scripts published	27.1 The number of CMS Scripts published.	New Indicator	New indicator	10	10	10	10	10
	Output 28: Clinical opinions	28.1 Percentage of category 1 clinical opinions provided within 30 working days of receipt of a request from Complaints Adjudication Sub-programme.	100%	99.62%	99.53%	90%	90%	90%	90%
		28.2 Percentage of category 2 clinical opinions provided within 60 working days of receipt of a request from Complaints Adjudication sub-programme.	100%	100%	100%	95%	95%	95%	95%
		28.3 Percentage of category 3 clinical opinions provided within 90 working days of receipt of a request from Complaints Adjudication sub-programme.	100%	100%	100%	98%	95%	95%	95%
		28.4 Percentage of clinical enquiries received via e-mail or telephone and responded to within 7 days.	100%	100%	100%	98%	95%	95%	95%

Programme 4: Policy, Research and Monitoring



Outcome	Output	Output Indicator	Audited/Actual Performance			Estimated Performance	Medium Term Target		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Outcome: 3 To encourage risk pooling and innovation for the effective function of the private health financing sector.	Output 29: Standardisation of options implementation report.	29.1 Number of standardisation of options implementation reports.	New Indicator	New indicator	New indicator	New indicator	1	1	1
	Output 30: PMB Review report.	30.1 Number of PMB Review Reports on PMB review activities and progress.	New Indicator	New indicator	New indicator	New Indicator	1	1	1
	Output 31: Report on the consolidation of schemes with a membership base of less than 6 000	31.1 Number of reports on the consolidation of medical schemes with a membership base of less than 6 000	New Indicator	New indicator	New indicator	New indicator	1	1	1
	Output 32: Draft PMB definition guideline development	32.1 The number of draft benefit definition guidelines developed	10	10	5	10	10	10	10
Outcome:6 Conducting policy-driven research, monitoring and evaluation of the medical	Output 33: Conduct research to inform appropriate national health policy interventions	33.1 Number of research projects and support projects published in support of the National Health Policy	12	17	17	12	12	12	12
	Output 34: Monitoring trends to improve regulatory policy and practice	34.1 Non-financial report submitted for inclusion in the annual report (industry report)	1	1	1	1	1	1	1

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OVERVIEW OF 2025/26 BUDGET AND MTEF ESTIMATES

**Ms Victoria Letswalo
Acting Chief Financial Officer
Council for Medical Schemes**



2025/26 BUDGET AND MTEF ESTIMATES ASSUMPTIONS

Revenue

- ▶ Proposed Levy increase for 2025/26 is 6%
- ▶ Tariff revenue based on rates as per amended Regulations 31 and 32.
- ▶ Grant revenue based on the allocation from NDoH: 3% increase for 2025/26

Compensation of Employees

- ▶ General Cost-of living adjustment for 2025/26
 - Executives 4% (CPI)
 - Other employees 5% (CPI + 1%)
- ▶ Performance based increase: 1% per annum
- ▶ Notch progression: 1.5% per annum
- ▶ A phased approach has been employed in the filling of vacancies. In the 2025/26 financial year, 3 new positions that are budgeted for.

Goods and Services

- ▶ Inflationary projections - CPI as 4% for 2025/26, 4.6% for 2026/27 and 4.5 for 2027/28

2025/26 BUDGET AND MTEF ESTIMATES CONSOLIDATED

Programme Nr	Consolidated expenditure - Per Programme	BUDGET				
		Main Budget 2024/25	Adjusted Budget 2024/25	2025/2026	2026/27	2027/28
1	ADMINISTRATION	120 127 567	145 348 214	134 056 863	141 396 009	147 816 958
1.1	OFFICE OF THE CEO AND REGISTRAR	12 071 054	21 424 400	11 300 809	11 913 989	12 461 320
1.2	OFFICE OF THE CFO	17 990 089	15 262 742	14 207 018	15 004 299	15 735 859
1.3	OFFICE OF THE ICT & KM	29 675 323	32 235 641	32 867 173	34 607 591	35 678 211
1.4	CORPORATE SERVICES	50 607 800	66 438 704	65 972 897	69 946 736	73 835 668
1.5	COUNCIL SECRETARIAT	9 783 302	9 986 727	9 708 966	9 923 393	10 105 899
2	REGULATION	48 906 929	48 592 736	52 006 361	54 865 164	57 977 072
3	MEMBER PROTECTION	30 128 158	30 596 519	32 883 244	34 845 416	36 588 068
4	POLICY, RESEARCH AND MONITORING	17 157 065	15 691 875	15 732 791	16 627 934	17 415 067
	OPERATING CASH EXPENDITURE	216 319 719	240 229 343	234 679 259	247 734 523	259 797 165
	CAPITAL EXPENDITURE	14 500 000	18 914 248	4 000 000	2 684 151	5 062 686
	TOTAL CASH REQUIREMENT	230 819 719	259 143 591	238 679 259	250 418 674	264 859 851
	SURPLUS FUNDS	-11 880 000	-27 820 000			
	ACCREDITATION FEES	-8 997 653	-8 997 653	-9 048 718	-9 048 718	-9 455 910
	REGISTRATION FEES	-466 944	-466 944	-335 616	-466 944	-487 956
	INTEREST RECEIVED	-3 323 208	-8 891 818	-8 671 956	-7 346 144	-7 676 720
	GOVERNMENT GRANT	-6 151 000	-6 151 000	-6 320 000	-6 615 000	-6 912 675
	OTHER INCOME	-316 883	-5 068 942	-331 776	-346 376	-361 962
	SKILLS GRANT		-96 610			
	LEVIES ON MEDICAL SCHEMES	-199 684 031	-201 650 625	-213 971 193	-226 595 493	-239 964 627
	TOTAL INCOME	-230 819 719	-259 143 592	-238 679 259	-250 418 674	-264 859 852
	(SURPLUS) / DEFICIT	-0	-0	0	-0	-0

2025/26 BUDGET AND MTEF ESTIMATES REVENUE

Consolidated revenue	BUDGET				
	Main Budget 2024/25	Adjusted Budget 2024/25	2025/2026	2026/27	2027/28
SURPLUS FUNDS	-11 880 000	-27 820 000			
ACCREDITATION FEES	-8 997 653	-8 997 653	-9 048 718	-9 048 718	-9 455 910
REGISTRATION FEES	-466 944	-466 944	-335 616	-466 944	-487 956
INTEREST RECEIVED	-3 323 208	-8 891 818	-8 671 956	-7 346 144	-7 676 720
GOVERNMENT GRANT	-6 151 000	-6 151 000	-6 320 000	-6 615 000	-6 912 675
OTHER INCOME	-316 883	-5 068 942	-331 776	-346 376	-361 962
SKILLS GRANT		-96 610			
LEVIES ON MEDICAL SCHEMES	-199 684 031	-201 650 625	-213 971 193	-226 595 493	-239 964 627
TOTAL INCOME	-230 819 719	-259 143 592	-238 679 259	-250 418 674	-264 859 852

2025/26 BUDGET AND MTEF ESTIMATES EXPENDITURE

Consolidated expenditure - Economic Classification	BUDGET				
	Main Budget 2024/25	Adjusted Budget 2024/25	2025/2026	2026/27	2027/28
Compensation of employees	152 635 272	162 251 374	170 889 265	180 967 263	190 836 203
Goods and services	63 684 447	77 977 969	63 789 994	66 767 260	68 960 962
Capital expenditure	14 500 000	18 914 248	4 000 000	2 684 151	5 062 686
TOTAL	230 819 719	259 143 591	238 679 259	250 418 674	264 859 851
Head count	135	140	143	143	143

2025/26 BUDGET AND MTEF ESTIMATES

ECONOMIC CLASSIFICATION

Consolidated expenditure - Economic Classification	BUDGET				
	Main Budget 2024/25	Adjusted Budget 2024/25	2025/2026	2026/27	2027/28
Compensation of employees	152 635 272	162 251 374	170 889 265	180 967 263	190 836 203
Salaries and wages	148 155 710	157 066 825	165 553 206	175 343 282	184 913 884
Social contributions	4 479 562	5 184 549	5 336 059	5 623 981	5 922 319
Goods and services	63 684 447	78 047 969	63 789 994	66 767 260	68 960 962
Agency and support / outsourced services	89 404	4 337 050	2 025 414	2 118 583	2 216 038
Communication	3 329 465	1 645 109	1 665 109	1 741 704	1 741 704
Computer services	6 034 013	8 094 454	8 153 382	8 528 437	8 619 858
Consultants	11 429 886	8 003 499	3 914 075	4 040 146	3 928 023
Lease payments	9 993 638	15 477 138	16 269 701	17 082 456	17 927 041
Advertising and marketing	733 600	1 930 446	1 562 206	1 634 067	1 634 067
Audit costs	1 048 000	948 000	1 048 000	1 096 208	1 127 387
Bank charges	125 924	85 924	95 924	100 336	98 893
Board costs	5 030 400	5 483 400	5 030 400	5 030 400	5 030 400
Legal fees	6 199 700	13 249 321	5 599 700	5 857 286	6 476 789
Non life insurance	838 400	679 400	738 400	772 366	772 366
Other unclassified expenditure	3 012 289	4 854 903	4 582 550	4 793 348	4 870 333
Printing and publication	715 143	554 920	484 920	507 226	507 226
Property payments	5 777 422	6 419 422	6 538 355	6 853 072	7 162 204
Staff cost note	3 561 471	357 451	357 451	373 893	373 893
Venue and facilities	656 985	1 041 470	681 727	713 086	714 048
Repairs and maintenance	1 124 770	752 370	872 370	912 500	902 876
Training and staff development	2 511 045	2 496 655	2 661 045	3 033 453	3 278 641
Travel and subsistence	1 472 892	1 637 038	1 509 265	1 578 691	1 579 172
OPERATING CASH EXPENDITURE	216 319 719	240 299 343	234 679 259	247 734 523	259 797 165
Capital expenditure	14 500 000	18 914 248	4 000 000	2 684 151	5 062 686
TOTAL CASH REQUIREMENT	230 819 719	259 213 591	238 679 259	250 418 674	264 859 851

Thank you!



Presentation by

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Chairperson of Council

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