

# LOW COST OPTION FRAMEWORK

The way forward

12 March 2015  
CMS Indaba – Cape Town



# Common themes from presentations

- Risk-pooling
- Underwriting
- Benefit Design
- Contracting
- Solvency
- NHE
- Marketing



# Benefits of LCBOs

- Framework ensures that low cost options fall under MSA
- Possible exemption from open enrolment
- Introducing cross-subsidies to the LCBO market
- Defined and limited underwriting restrictions
- Guaranteed renewal of cover
- Opportunity for buy-up for members participating in LCBO
- Employer participation – expanding Complaints can be handled into MSA
- Benefits targeted to need and affordability



# Requirements of Regulation 8

- Exemptions are given for a defined period subject to conditions stipulated by Council
- Exemptions can also be revoked in certain circumstances where conditions not complied with or practices may undermine the principles outlined in the Act or guidelines

# Way forward

- Broad outline provided to industry for comment
- Further consultation with the industry to aide in the development of guidelines
  - Circular 9
  - Indaba 12 March 2015
  - Workshops with industry and stakeholders
  - Review of comments and refining the approach by CMS ito benefit design, etc
- Preparation of guidelines for Council adoption
- Publication of guidelines and applications process begins



**THANK YOU**

