

CMS Indaba

Feedback on the Medical Schemes Amendment Bill

27 November 2013

Presented by Alicia Schoeman





Contents

1. Development of the MSAB
2. Legislative drafting principles
3. Key structural changes
4. Incidental/other changes

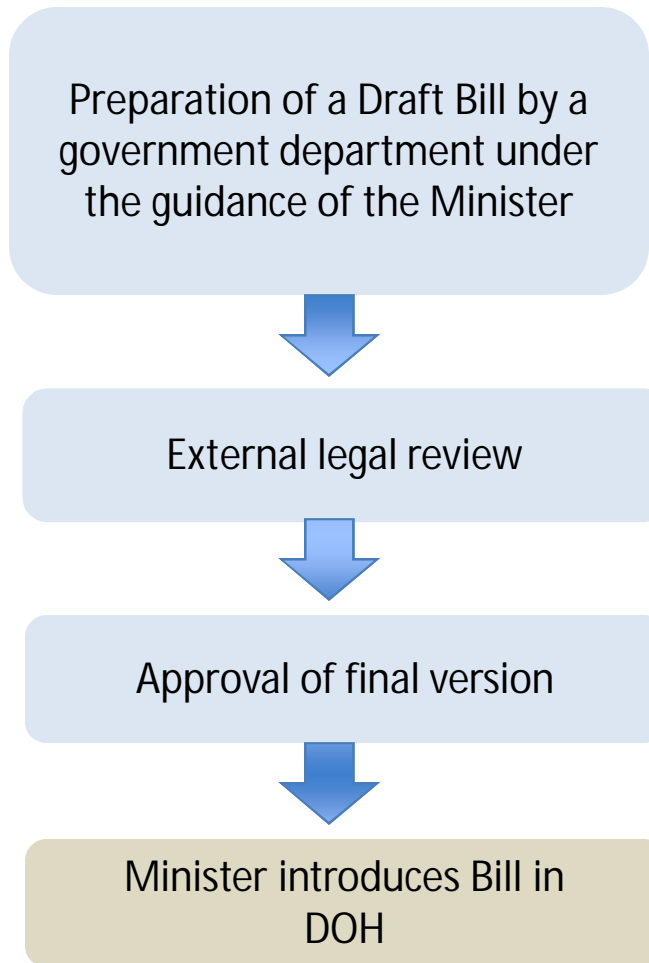




DEVELOPMENT OF THE MEDICAL SCHEMES AMENDMENT BILL



Legislative Process:



Our Progress:

- 2004: Workshop, process stalled
 - 2008-2010: Drafted a Bill internally
 - 2011: Workshop with Council
 - 2012: Legal drafter appointed and working document completed in June
-
- June 2012 -October 2012 Appointed senior counsel to review work with task team
 - 6 day workshop conducted
-
- SMM and Business Units finalized amendments
 - 29 November 2012 Approval of Bill by Full Council
-
- Final version submitted to the Minister in October 2013

The way forward



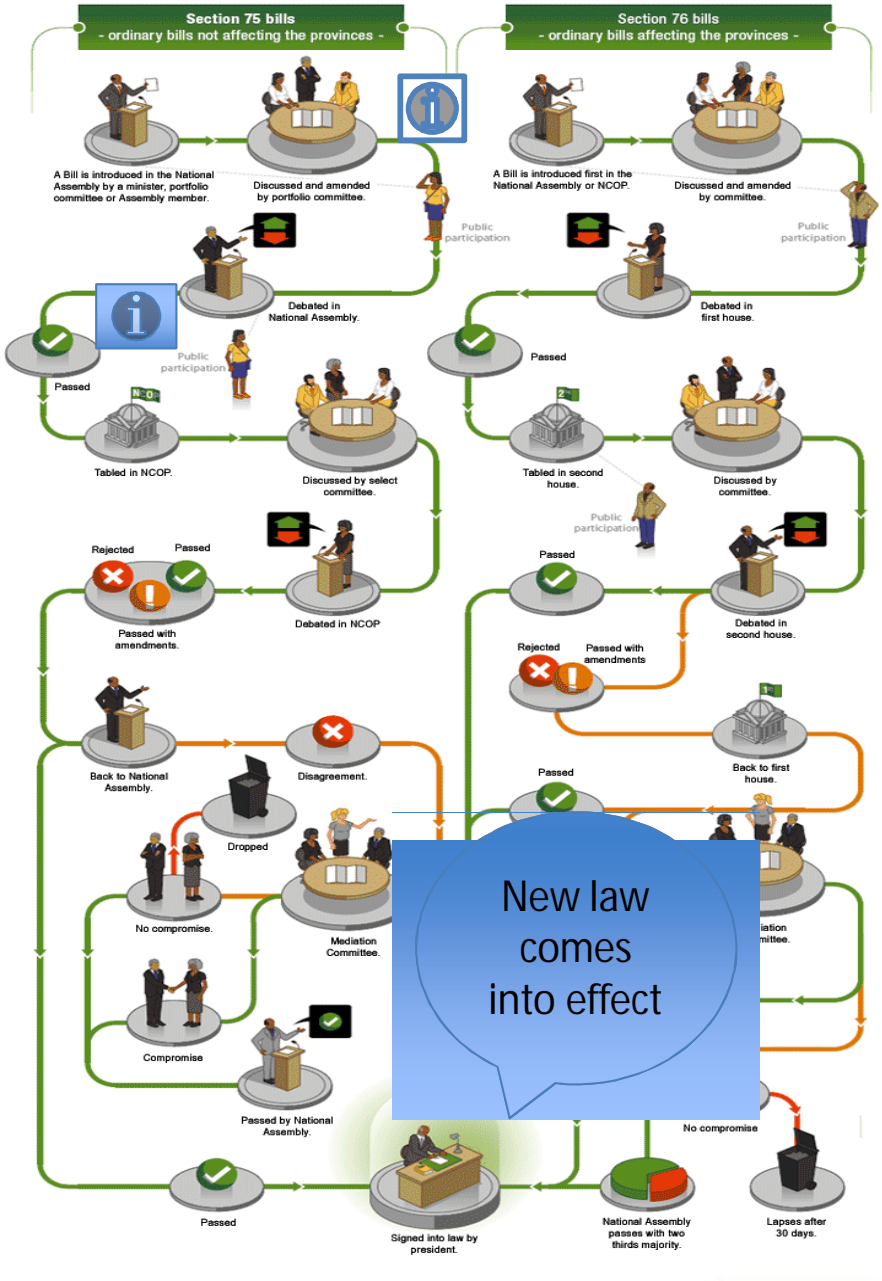
Participative consultation process:
 -Ministerial task team
 -Published in Gazette for public comments

Minister requests Bill to be introduced to Parliament

Approval by Cabinet

State law advisors refine and approve the Bill

Tabled in NA and NCOP:





LEGISLATIVE DRAFTING PRINCIPLES



- Section 11 of the Interpretation Act: Current Act remains in force as it is until the new Bill is promulgated.
- All the amendments are summarized in the Preamble to the Bill (1st page)
- Explanatory Memorandum: Purpose and objectives of each amendment
- Amendment can mean: substitution, deletion or insertion of a new word or provision.
- How to read the Bill:



GENERAL EXPLANATORY NOTE:

[] Words in **bold type** in square brackets indicate omissions from existing enactments.

 Words underlined with a solid line indicate insertions in existing enactments.



- Each amended / new section is dealt with under a separate clause in the Bill
Clause 1 does not necessarily refer to section 1

Clause numbers

Repeal of section of Act 131 of 1998, as inserted by section of Act 55 of 2001

20. Section of the principal Act is hereby repealed.

Amendment of section 30 of Act 131 of 1998, as amended by section 11 of Act 55 of 2001

21. Section 30(1) of the principal Act is hereby amended by the substitution for paragraph (b) of the following paragraph:

“(b) the granting of loans to any of its members or [to make] making *ex gratia* payments on behalf of or to members in order to assist [such members to meet] them in meeting commitments in connection with relevant health services provided to them or their dependants;”.

- Transitional arrangements will be drafted once the Bill is approved by the DOH





KEY STRUCTURAL CHANGES



Improved information management

Central Beneficiary Registry

- Computerized register: information about beneficiaries
- Purpose: Risk measurement tool



Health Services Provider Registry

- A unique practice numbering will be issued to each provider
- The system to be under the control of CMS

PCNS



New Chapters - membership

Chapter 5A

Admission of applicants and cancellation of membership



- Open enrolment
- Continuation of membership
- Waiting periods
- Termination and suspension

Chapter 5A

Contributions



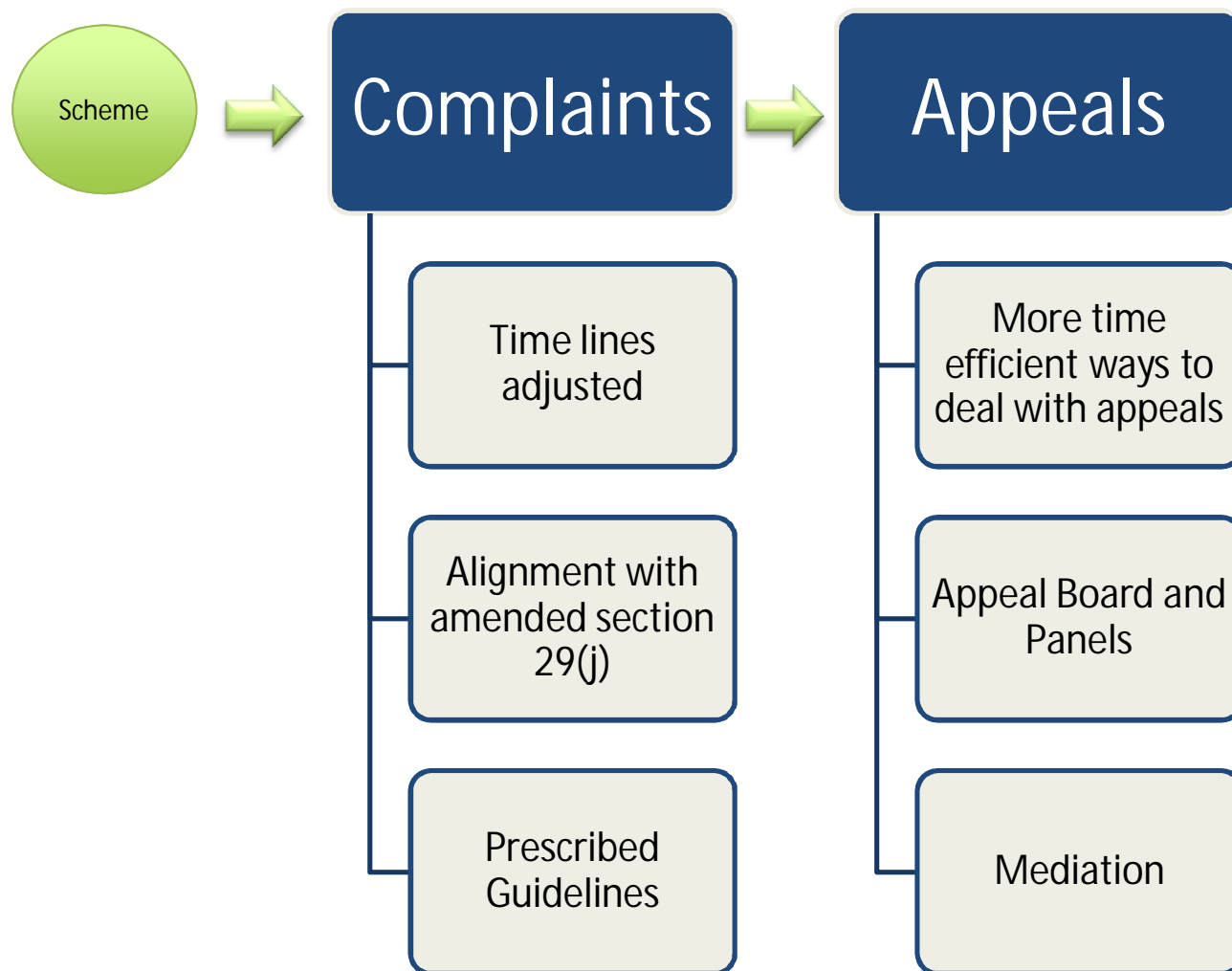
- Community rating
- Differentiation in contributions
- Discounts for using DSP's
- Contribution Tables

PMB changes to MMB

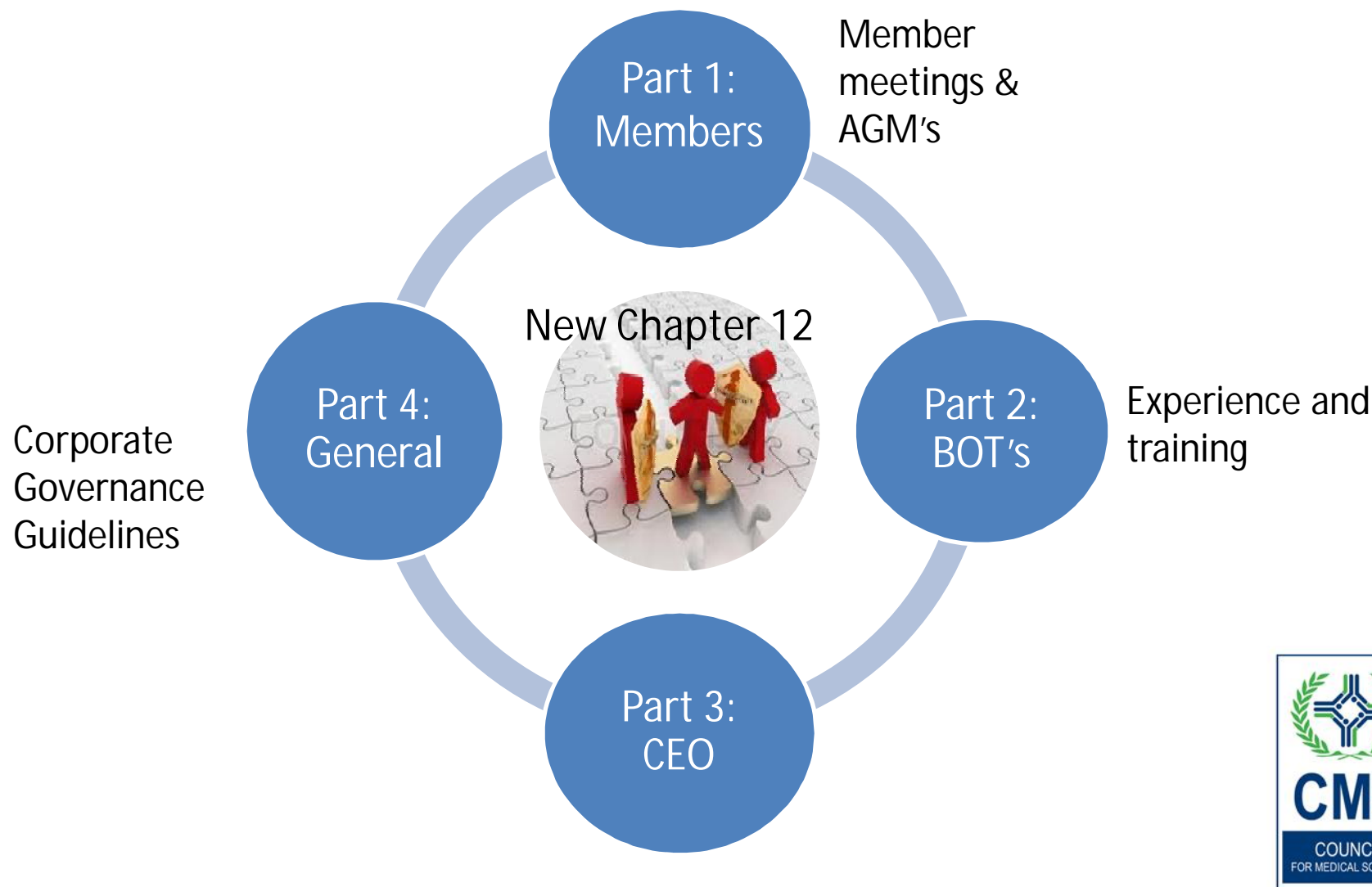
- A new section 32I is inserted to provide for the **Mandatory Minimum Benefits**
- Internationally used term
- Incorporates **sections 29 (o) and (p) and Regulation 8**
- Provides more flexibility to **update** the benefit definitions, guidelines and algorithms after a **consultation process** has been followed



Updated Processes



Enhanced system of governance





Putting everything together

INCIDENTAL / OTHER CHANGES





Definitions

Improved interpretation:

- A number of new definitions are inserted
- Definitions are moved up from the Regulations
- Existing definitions are amended

Judicial matters

Appointment of curator
Required competencies



Application to High Court
Flawed election processes

Legislation



- The Consumer Protection Act (CPA)
Not applicable to the function and actions of CMS
- Public Finance Management Act (PFMA)
Definition of the financial year of Council changes
New dates for submission of AFS's & AR
- Auditing Professions Act, 2005
Auditor and audit committee, AFS's
- New Inspection of Financial Institutions Act
Inspections and reports
Appointment of a curator
- New Companies Act
Auditor and audit committee
Judicial Management repealed



Other:

- Powers to publish guidelines
- Extended limitation of liability
- Updated fines and penalties
- Submission of reports
- Brokers
 - Aligned with Financial Services Sector
- Administrators
 - Code of conduct
 - Standards for self-administered schemes



Thank you

