



CIRCULAR

Reference: Notice of intention to declare certain business practices as undesirable

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Date: 13 March 2015

Circular 20 of 2015: Notice of intention to publish Undesirable business practice declaration in terms of section 61(2) of the Medical Scheme Act 131 of 1998, as amended

1. Section 21 and 21A of the Medical Schemes Act is definitive regarding the use of the designation “medical scheme” by unregistered persons and on the unlawfulness of marketing unregistered persons’ businesses in a manner that creates the impression that such unregistered persons can conduct the business of a medical scheme.
2. Nonetheless, it has been noted by the Registrar of Medical Schemes (hereinafter referred to as the Registrar) that some third-party services providers associated or contracted with medical schemes promote their businesses in a manner calculated to indicate, or to lead the general public to believe that such services providers carry on the business of a medical scheme.
3. The abovementioned state of affairs is evident when one takes into consideration how some associated third-party services providers brand their communication to beneficiaries of medical schemes and abuse the resources shared with medical schemes to promote their own commercial interests. This state of affairs creates the impression that there’s no arm’s length relationship between such medical schemes and their third-party services providers.

4. In this regard, a notice of the Registrar's intention to declare certain business practices as undesirable was published on 13 March 2015 in the *Government Gazette No 38545*. A copy of the notice is attached.
5. It will be apparent from the notice that comments from interested parties are invited and must be submitted within 21 (working) days of the publication of the notice. In terms of the notice the comments are required to be received no later than **Wednesday, 8 April 2015**.

This Circular is effective immediately (upon release).



STEPHEN MMATLI
GENERAL MANAGER: COMPLIANCE & INVESTIGATIONS
COUNCIL FOR MEDICAL SCHEMES

NOTICE 211 OF 2015



NOTICE OF INTENTION TO PUBLISH UNDESIRABLE BUSINESS PRACTICE DECLARATION IN TERMS OF SECTION 61(2) OF THE MEDICAL SCHEMES ACT, 1998 (ACT NO. 131 OF 1998) AS AMENDED

In terms of section 61(2) of the Medical Schemes Act, 1998 (Act No. 131 of 1998) as amended, the Registrar of Medical Schemes hereby publishes his intention to declared the business conduct contained in the Schedule hereto as undesirable business practice.

Interested persons are invited to submit written representations to reach the Registrar of Medical Schemes no later than 21 days from the date of the publication of this notice. Representations should be addressed to: The Registrar of Medical Schemes (Attention: Mr Thamsanqa Diniso), Block A Eco Glades 2 Office Park, 420 Witch-Hazel Street, Ecopark, Centurion, Pretoria, 0157; or by e-mail to: t.diniso@medicalschemes.com.

Chairperson: Prof. Y Veriava Chief Executive & Registrar: Dr M Gantsho
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DRAFT DECLARATION

The Registrar of Medical Schemes with the concurrence of the Council for Medical Schemes and the Minister of Health, hereby exercises the power conferred on him by section 61(1) of the Medical Schemes Act, 1998 (Act No. 131 of 1998) as amended, to make the declaration contained in the schedule to this notice.

SCHEDULE

It shall be undesirable business practice –

1. for any person who renders contractual, administrative or intermediary services to a medical scheme to disseminate any information to the members of a medical scheme using their own logo and/or corporate identity, if such information pertains to matters which are necessary for or incidental to the exercise of the powers of a medical scheme or the performance of that medical scheme's functions in terms of its rules and/or the provisions of the Medical Schemes Act, 1998 (Act No. 131 of 1998) as amended;
2. for any person who renders contractual, administrative or intermediary services to a medical scheme to use the same or similar name and/or brand and/or logo of a particular medical scheme if such conduct, in the view of the Registrar, is likely to create an impression to the general public that such a person carries on the business of a medical scheme.
3. for any medical scheme to use the same or similar name and/or brand and/or logo of a person who renders contractual, administrative and/or intermediary services if such conduct, in the view of the Registrar, is likely to create an impression to the general public that such a person carries on the business of a medical scheme.