CIRCULAR

Reference:	Adm/Strata Healthcare
Contact person:	Danie Kolver
Tel:	012 431 0509
E-mail:	d.kolver@medicalschemes.com
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CIRCULAR 23 OF 2016: CMS REFUSED TO RENEW THE ACCREDITATION OF STRATA HEALTHCARE MANAGEMENT (PTY) LTD AS AN ADMINISTRATOR

Strata Healthcare Management (Pty) Ltd ("Strata") applied for renewal of its accreditation during 2015 in terms of the Medical Schemes Act (the Act), 131 of 1998 and Regulations published in terms thereof.

Council resolved not to renew the accreditation of the entity, as Strata was found not to be fit and proper to render administration services. The Council for Medical Schemes (CMS) communicated the reasons for the decision of Council to the management of Strata. The effect of the decision taken is that Strata is not accredited as an administrator and is legally incompetent to render administration services in terms of the provisions of Regulation 17(2)(f)(i) of the Act.

Discussions have since taken place with the management of Medihelp Medical Scheme to give effect thereto and to assist the Board of Trustees and Principal Officer to revert the administration function back to the scheme in order to avoid acting unlawfully.

The process of re-incorporating the administration to Medihelp should not disrupt any service delivery requirements in terms of the Act or the scheme's obligations to its members. It is also confirmed that the re-incorporation of the administration into Medihelp does not in any way affect the financial position of the scheme or its ability to pay claims in terms of its registered rules. We wish to assure members that Medihelp remains financially sound and all interested parties have no reason for concern and should continue with conduct of business as usual.

Danie Kolver
General Manager: Accreditation
Council for Medical Schemes