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CIRCULAR LETTER 21 OF 2002

AMENDMENTS TO THE MODEL RULES IN TERMS OF THE MEDICAL SCHEMES AMENDMENT ACT NO. 55 OF 2001

Appended hereto, please find the amendments made to the model rules in terms of the Medical Schemes Amendment Act No. 55 of 2001.

Trustees are requested to submit the relevant rule amendments, marked in red for your convenience, within 60 days from date hereof, to be effective from the commencement date of the Amendment Act.

After commencement and until rule changes are made, provisions of the Amendment Act will prevail over inconsistencies contained in the rules.

This document is also available on the website of Council under www.medicalschemes.com

Yours sincerely

HEAD: REGISTRATION AND ACCREDITATION

**MODEL RULES FOR
MEDICAL SCHEMES REGISTERED UNDER THE
MEDICAL SCHEMES ACT, 1998 (ACT NO. 131 OF 1998)**

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MODEL RULES

1. **NAME** {Sec 23}

The name of the Scheme is, hereinafter referred to as the "Scheme".

The abbreviated name is (*if applicable*)

2. **LEGAL PERSONA** {Sec 26}

The Scheme, in its own name, is a body corporate, capable of suing and of being sued and of doing or causing to be done all such things as may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of the Medical Schemes Act and regulations and these rules.

3. **REGISTERED OFFICE** {Sec 26(10)}

The registered office of the Scheme is situated at (...*physical address in the Republic.....*), but the Board may transfer such office to any other location in the Republic of South Africa, should circumstances so dictate.

4. **DEFINITIONS**

In these rules, a word or expression defined in the Medical Schemes Act (Act 131 of 1998) bears the meaning thus assigned to it and, unless inconsistent with the context—

- (a) a word or expression in the masculine gender includes the feminine;
- (b) a word in the singular number includes the plural, and *vice versa*; and
- (c) the following expressions have the following meanings:

4.1 **"Act",**

the Medical Schemes Act (Act No 131 of 1998), and the regulations framed thereunder.

- 4.2 "Approval",**
prior written approval.
- 4.3 "Auditor",**
an auditor registered in terms of the Public Accountants' and Auditors' Act, 1991, (Act No. 80 of 1991).
- 4.4 "Beneficiary"**
a member or a person admitted as a dependant of a member
- 4.5 "BHF"**
The Board of Healthcare Funders of Southern Africa.
- 4.6 "Board",**
the Board of Trustees constituted to manage the Scheme in terms of the Act and these rules.
- 4.7 "Child",** {Sec 1: Definition of dependant; Sec 28 }
a member's natural child, or a stepchild or legally adopted child or a child who has been placed in the custody of the member or his spouse or partner.
- 4.8 "Condition specific waiting period"**
a period during which a beneficiary is not entitled to claim benefits in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for membership was made.
- 4.9 "Continuation member",**
a member who retains his membership of the Scheme in terms of rule 6.2 or a dependant who becomes a member of the Scheme in terms of rule 6.3.
- 4.10 "Contribution",**
in relation to a member, the amount, exclusive of interest, paid by or in respect of the member and his registered dependants if any, as membership fees.

4.11 Cost", in relation to a benefit, the net amount payable in respect of a relevant health service

4.12 Creditable coverage" means any period of verifiable medical scheme membership of the applicant or his or her dependant, but excluding membership as a child dependant, terminating two years or more before the date of the latest application for membership;

4.13 "Dependant" {Sec 1(1); Sec 28 of the Act and Sec 1 of the Regulations}

4.13.1 a member's spouse or partner who is not a member or a registered dependant of a member of a medical scheme;

4.13.2 a member's child who is not a member or a registered dependant of a member of a medical scheme.

4.13.3 the immediate family of a member in respect of whom the member is liable for family care and support; {Council interprets "immediate family" to be, at a minimum, blood relatives of the member}

4.13.4 any other person who is recognised by the Board as a dependant for purposes of these Rules.

4.14 "Dependent"

in relation to a child, a child under the age of 21 {*a scheme may specify an age older than 21 for purposes of this definition*} who is not in receipt of a regular remuneration of more than the maximum social pension per month. {*A scheme may insert an amount greater than the maximum social pension if it so desires*} or a child who, due to a mental or physical disability, is dependent upon the member.

4.15 "Employee",

a person in the employment of an employer

4.16 "Employer", {*name the employer and associated employers, if any, in the case of a restricted membership scheme*}

a participating employer who has contracted with the Scheme for purposes of admission of its employees as members of the Scheme (*in the case of any other scheme*);

4.17 “General waiting period”

a period in which a beneficiary is not entitled to claim any benefits

4.18 “Guide”,

the guide/s to fees determined by the respective health care professions;

4.19 “Income”,

for the purposes of calculating contributions in respect of —

4.19.1 a member who is an employee - gross monthly salary/ pensionable earnings;

4.19.2 an individual member - gross monthly earnings; *{Schemes may elect to base contributions upon his income or his gross income or a combination of both}*

4.19.3 a member who registers a spouse or partner as a dependant — the higher of member or spouse’s or partner’s salary or earnings;

4.19.4 a continuation member - gross monthly earnings. *{Schemes may elect to base contributions upon his pensionable income or his gross income or a combination of both}*

4.20 “Member”,

any person who is admitted as a member of the Scheme in terms of these rules;

4.21 “Member family”,

the member and all the registered dependants;

4.22 “Minimum benefits”

the benefits in respect of relevant health services as prescribed by the Minister in terms of section 67(1)(g) of the Act;

4.23 “Partner”

a person with whom the member has a committed and serious relationship akin to a marriage based on objective criteria of mutual dependency and a shared and common household, irrespective of the gender of either party.

4.24 “Pre-existing sickness condition”

means a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for membership was made;

4.25 “Registrar”,

the Registrar or Deputy Registrar/s of Medical Schemes appointed in terms of section 18 of the Act.

4.26 “Scale of benefits”,

the scale of benefits in respect of relevant health services determined and published by BHF from time to time.

4.27 “Social pension”

the appropriate maximum basic social pension prescribed by regulations promulgated in terms of the Social Pensions Act, 1973 (Act No. 37 of 1973).

4.28 “Spouse”,

the spouse of a member to whom the member is married in terms of any law or custom.

5. OBJECTS {Definition: “*business of a medical scheme*” }

The objects of the Scheme are to undertake liability, in respect of its members and their dependants, in return for a contribution or premium —

- (a) to make provision for the obtaining of any relevant health service;

- (b) to grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service; and/ or
- (c) to render a relevant health service, either by the Scheme itself, or by any supplier or group of suppliers of a relevant health service or by any person in association with, or in terms of an agreement with, the Scheme.

6. MEMBERSHIP

6.1 Eligibility

Subject to rule 8, membership is open to any person or group of persons.

{NOTE: In the case of a restricted membership scheme use the following wording}:

Subject to rule 8, membership of the Scheme is restricted to :

- ♦ employment or former employment by the employer or his predecessor or successor in title as defined in these rules, and is either voluntary or compulsory, depending on the employee's conditions of employment *{or whatever criteria under the definition of restricted membership scheme is applicable}*.

6.2 Retirees {Sec 29(1)(s); Reg 14}

6.2.1 A member shall retain his membership of the Scheme with his registered dependants, if any, in the event of his retiring from the service of his employer or his employment being terminated by his employer on account of age, ill-health or other disability.

6.2.2 The Scheme shall inform the member of his right to continue his membership and of the contribution payable from the date of retirement or termination of his employment. Unless such member informs the Board in writing of his desire to terminate his membership, he shall continue to be a member.

{Where a scheme requires that continuation membership in terms of section 29(1)(s) of the Act is subject to a qualifying period, the scheme should use the following clause to make provision for this}:

6.2.3 Notwithstanding the provisions of rules 6.2.1 and 6.2.2 above, a member shall not qualify as a continuation member of the Scheme where that member's period of membership of the Scheme is less than 5 *{*note that the scheme may alter this period to a lesser period as it deems fit}* years and the member has not been a member of any other medical Scheme for any period which could complete the qualifying 5* year membership period: *Provided that a member, whose period of membership of any medical scheme is not sufficient for him to qualify as a continuation member in terms of this rule, shall qualify as a continuation member upon payment to the Scheme of the contributions for the balance of the qualifying period in respect of which he falls short.*

6.3 Dependants of deceased members { Sec 29(1)(t) }

6.3.1 The dependants of a deceased member who are registered with the Scheme as his dependants at the time of such member's death, shall be entitled to membership of the Scheme without any new restrictions, limitations or waiting periods.

6.3.2 The Scheme shall inform the dependant of his right to membership and of the contributions payable in respect thereof. Unless such person informs the Board in writing of his intention not to become a member, he shall be admitted as a member of the Scheme.

6.3.3 Such a member's membership terminates if he becomes a member or a dependant of a member of another medical scheme.

{Where the scheme requires a qualifying period before the dependants of the deceased member may become members of the Scheme, the Scheme should use the following rule to make provision for this}:

6.3.4 Notwithstanding the provisions of rules 6.3.1 and 6.3.2 above, a dependant of a deceased member shall not qualify for continued membership of the Scheme where the said member or dependant has been a member of the Scheme for a period of less than 5* years and whose period of membership of any other medical scheme cannot complete the qualifying 5* year period : *Provided that the dependant of a deceased member shall qualify for continued membership if the contributions for the balance of the qualifying period in respect of which the dependant falls short, are paid to the Scheme*

6.3.5 Where a child dependant/s has been orphaned, the eldest child may be deemed to be the member, and any younger siblings, the child dependant/s

7. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

{Sec 28; Def. "dependant"}

7.1 REGISTRATION OF DEPENDANTS

7.1.1 A member may apply for the registration of his dependants at the time that he applies for membership in terms of Rule 8.

7.1.2 If a member applies to register a new born or newly adopted child within 30 days of the date of birth or adoption of the child, such child shall thereupon be registered by the Scheme as a dependant. Increased contributions shall then be due as from the first day of the month following the month of birth or adoption and benefits will accrue as from the date of birth or adoption. No such child shall qualify for benefits until such time as the member qualifies for benefits.

7.1.3 If a member who marries subsequent to joining the Scheme, applies within 30 days of the date of such marriage to register his spouse as a dependant, his spouse shall thereupon be registered by the Scheme as a dependant. Increased contributions shall then be due as from the first day of the month following the month of marriage and benefits will accrue as from the date of marriage. The spouse shall not qualify for benefits until such time as the member qualifies for benefits.

7.1.4 In the event of any person becoming eligible for registration as a dependant other than in the circumstances set out in Rules 7.1.1 to 7.1.3, the member may apply to the Scheme for the registration of such person as a dependant, whereupon the provisions of Rule 8 shall apply *mutatis mutandis*.

7.2 De-registration of Dependants

7.2.1 A member shall inform the Scheme within 30 days of the occurrence of any event which results in any one of his dependants no longer satisfying the conditions in terms of which he may be a dependant.

7.2.2 When a dependant ceases to be eligible to be a dependant, he shall no longer be deemed to be registered as such for the purpose of these Rules or entitled to receive any benefits, regardless of whether notice has been given in terms of these Rules or otherwise.

8. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP {Sec 29(1)(n)}

8.1 A minor may become a member with the consent of his parent or guardian.
{Sec 30(1)(f)}

8.2 No person may be a member of more than one medical scheme or a dependant:

8.2.1 of more than one member of a particular medical scheme; or

8.2.2 of members of different medical schemes or;

8.2.3 claim or accept benefits in respect of himself or any of his dependants from any medical scheme in relation to which he is not a member.
{Sec 28 }

8.3 Prospective members shall, prior to admission, complete and submit the application forms required by the Scheme, together with satisfactory evidence in respect of himself and his dependants, of age, income, state of health and of any prior membership or admission as dependant of any other medical

scheme. The Scheme may require an applicant to provide the Scheme with a medical report in respect of any proposed beneficiary in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for membership was made. {Reg 12(1)}

8.4 Waiting periods

8.4.1 The Scheme may impose upon a person in respect of whom an application is made for membership or admission as a dependant, and who was not a beneficiary of a medical scheme for a period of at least 90 days preceding the date of application—

8.4.1.1 a general waiting period of up to three months; and

8.4.1.2 a condition-specific waiting period of up to 12 months.

8.4.2 The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme for a continuous period of up to 24 months, terminating less than 90 days immediately prior to the date of application—

8.4.2.1 a condition-specific waiting period of up to 12 months, except in respect of any treatment or diagnostic procedures covered within the prescribed minimum benefits;

8.4.2.2 in respect of any person contemplated in this subrule, where the previous medical scheme had imposed a general or condition-specific waiting period, and such waiting period had not expired at the time of termination, a general or condition-specific waiting period for the unexpired duration of such waiting period imposed by the former medical scheme.

8.4.3 The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme for a

continuous period of more than 24 months, terminating less than 90 days immediately prior to the date of application, a general waiting period of up to three months, except in respect of any treatment or diagnostic procedures covered within the prescribed minimum benefits. {Sec 29A}

8.5 No waiting periods may be imposed on:

8.5.1 a person in respect of whom application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme, terminating less than 90 days immediately prior to the date of application, where the transfer of membership is required as a result of-

8.5.1.1. change of employment; or

8.5.1.2. an employer changing or terminating the medical scheme of its employees, in which case such transfer shall occur at the beginning of the financial year, or reasonable notice must have been furnished to the scheme to which an application is made for such transfer to occur at the beginning of the financial year.

Where the former medical scheme had imposed a general or condition specific waiting period in respect of persons referred to in this rule, and such waiting period had not expired at the time of termination of membership, the Scheme may impose such waiting period for the unexpired duration of a waiting period imposed by the former medical scheme.

8.5.2 a beneficiary who changes from one benefit option to another within the scheme unless that beneficiary is subject to a waiting period on the current benefit option in which case the remaining period may be applied;

8.5.3 a child dependant born during the period of membership;

8.6 The registered dependants of a member must participate in the same benefit option as the member

8.7 Every member will, on admission to membership, receive a detailed summary of these rules which shall include contributions, benefits, limitations, the member's rights and obligations. Members and their dependants, and any person who claims any benefit under these Rules or whose claim is derived from a person so claiming are bound by these Rules as amended from time to time. {Sec 30(2) and 32 }

8.9 A member may not cede, transfer, pledge or hypothecate or make over to any third party any claim, or part of a claim or any right to a benefit which he may have against the Scheme. The Scheme may withhold, suspend or discontinue the payment of a benefit to which a member is entitled under these rules, or any right in respect of such benefit or payment of such benefit to such member, if a member attempts to assign or transfer, or otherwise cede or to pledge or hypothecate such benefit. {Sec 34}

8.10 The Scheme shall in no circumstances be obliged to re-establish membership of a member whose membership has been terminated in terms of rule 12.4 or 12.5.

9. TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME
{Sec 29(1)(u) }

If the members of a medical scheme who are members of that scheme by virtue of their employment by a particular employer, terminate their membership of such scheme with the object of obtaining membership of this Scheme, the Board will admit as a member, without a waiting period, any member of such first-mentioned scheme who is a continuation member by virtue of his past employment by the particular employer and admit any person who has been a registered dependant of such member, as a dependant.

10. MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP {Reg 3}

10.1 Every member shall be furnished with a membership card, containing such particulars as may be prescribed. This card must be exhibited to the supplier of a service on request. It remains the property of the Scheme and must be returned to the Scheme on termination of membership.

10.2 The utilisation of a membership card by any person other than the member or his registered dependants, with the knowledge or consent of the member or his dependants, is not permitted and is construed as an abuse of the privileges of membership of the Scheme.

10.3 On termination of membership or on de-registration of a dependant, the Scheme must, within 30 days of such termination, furnish such person with a certificate of membership and cover, containing such particulars as may be prescribed.

11. CHANGE OF ADDRESS OF MEMBER

A member must notify the Scheme within 30 days of any change of address. The Scheme shall not be held liable if a member's rights are prejudiced or forfeited as a result of the member's neglecting to comply with the requirements of this rule.

12. TERMINATION OF MEMBERSHIP

12.1 Resignation

12.1.1 A member who, in terms of his conditions of employment is required to be a member of the Scheme, may not terminate his membership while he remains an employee without the prior written consent of his employer.

12.1.2 A member who resigns from the service of the participating employer (*in a restricted membership scheme*) shall, on the date of such termination, cease to be a member and all rights to benefits shall thereupon cease, except for claims in respect of services rendered prior thereto

12.2 Voluntary termination of membership {Voluntary membership – The scheme may stipulate a notice period which may not exceed 3 months.

12.2.1 A member, who is not required in terms of his conditions of employment to be a member, may terminate his membership of the Scheme on giving months written notice. All rights to benefits cease after the last day of membership.

12.2.2 Such notice period shall be waived in substantiated cases where membership of another medical scheme is compulsory as a result of a condition of employment.

12.2.3 A participating employer may terminate his participation with the Scheme on giving months written notice .

12.3 Death

Membership of a member terminates on his death.

12.4 Failure to pay amounts due to the Scheme

If a member fails to pay amounts due to the Scheme, his membership may be terminated as provided in these rules. {Sec 29 (2)(b) }

12.5 Abuse of privileges, False claims, Misrepresentation and Non-disclosure of Factual information {Sec 29 (2) and 66}

The Board may exclude from benefits or terminate the membership of a member or dependant whom the Board finds guilty of abusing the benefits and privileges of the Scheme by presenting false claims or making a material misrepresentation or non-disclosure of factual information. In such event he may be required by the Board to refund to the Scheme any sum which, but for his abuse of the benefits or privileges of the Scheme, would not have been disbursed on his behalf.

13. CONTRIBUTIONS {It is important that an Annexure, to be attached by each medical scheme, clearly determines the basis as contemplated in Sec 29(1)(n)}

13.1 The total monthly contributions payable to the Scheme by or in respect of a member are as stipulated in Annexure A.

13.2 Contributions shall be due monthly in (Insert whether in advance or arrears) and be payable by not later than the 3rd day of each month. Where contributions or any other debt owing to the scheme, have not been paid

within thirty (30) days of the due date, the Scheme shall have the right to suspend all benefit payments which have accrued to such member irrespective of when the claim for such benefit arose, and to give the member and/or employer notice that if contributions or such other debts are not paid up to date within fourteen (14) days, membership may be cancelled. {Section 26(7)}

- 13.3** In the event that payments are brought up to date, benefits shall be reinstated without any break in continuity subject to the right of the Scheme to levy a reasonable fee to cover any expenses associated with the default and to recover interest at the prime overdraft rate of the Scheme's bankers. If such payments are not brought up to date, no benefits shall be due to the member from the date of default and any such benefit paid may be recovered by the Scheme.
- 13.4** Unless specifically provided for in the rules in respect of savings accounts, no refund of any assets of the scheme or any portion of a contribution shall be paid to any person where such member's membership or cover in respect of any dependant terminates during the course of a month. {Sec 26(2) & (9) }
- 13.5** The balance standing to the credit of a member in terms of any option which provides for personal medical savings accounts shall, at all times remain the property of the member.

14. LIABILITIES OF EMPLOYER AND MEMBER

- 14.1** The liability of the employer towards the Scheme is limited to any amounts payable in terms of any agreement between the employer and the Scheme.
- 14.2** The liability of a member to the scheme is limited to the amount of his unpaid contributions together with any sum disbursed by the Scheme on his behalf or on behalf of his dependants which has not been repaid to the Scheme.
- 14.3** In the event of a member ceasing to be a member, any amount still owing by such member is a debt due to the Scheme and recoverable by it.

15. CLAIMS PROCEDURE {Reg 6.}

15.1 Every claim submitted to the Scheme in respect of the rendering of a relevant health service as contemplated in these Rules, must be accompanied by an account or statement as prescribed.

15.2 If an account, statement or claim is correct or where a corrected account, statement or claim is received, as the case may be, a Medical Scheme must, in addition to the payment contemplated in Section 59 (2) of the Act, dispatch to the member a statement containing at least the following particulars-

- (a) The name and the membership number of the member;
- (b) The name of the supplier of service;
- (c) The final date of service rendered by the supplier of service on the account or statement which is covered by the payment;
- (d) The total amount charged for the service concerned; and
- (e) The amount of the benefit awarded for such service.

15.3 In order to qualify for benefits, any claim must, unless otherwise arranged, be signed and certified as correct and must be submitted to the Scheme not later than the last day of the fourth month following the month in which the service was rendered.

15.4 Where a member has paid an account, he shall, in support of his claim, submit a receipt.

15.5 Accounts for treatment of injuries or expenses recoverable from third parties, must be supported by a statement, setting out particulars of the circumstances in which the injury or accident was sustained.

15.6 Where the Scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Scheme shall notify the member or the health care provider), whichever is applicable, accordingly within 30 days after receipt thereof. The Scheme shall state the reasons why such claim is erroneous or unacceptable and afford such member or provider the opportunity to return such corrected claim to the Scheme within four months of the notice.

16. BENEFITS {An Annexure, styled annexure B, which sets out the benefits offered by the scheme must be attached. Benefits offered in terms of different benefit options must be contained in separately
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Files\OLKA1\Modelrules revised feb02.doc

identifiable Annexures B., e.g. Annexures B1, B2, B3 etc, (Section 29(1)(q) of the Act) – See examples in Annexure B to these Model Rules.}

- 16.1** Members are entitled to benefits during a financial year, as per Annexure B, and such benefits extend through the member to his registered dependants. A member must, on admission, elect to participate in any one of the available options, detailed in Annexure B.
- 16.2** A member is entitled to change from one to another benefit option subject to the following conditions:
- 16.2.1** The change may be made only with effect from 1 January of any financial year. The Board may, in its absolute discretion, permit a member to change from one to another benefit option on any other date.
- 16.2.2** Application to change from one benefit option to another must be in writing and lodged with the principal officer by not later than 30 September prior to the year upon which it is intended that the change will take place: provided that the member has had at least 30 days prior notification of any intended changes in benefits or contributions for the next year. {Regulation 4(3)} {Council ruling in terms of section 7(f)}
- 16.3** The Scheme shall, where an account has been rendered, pay any benefit due to a member, either to that member or to the supplier of the relevant health service who rendered the account, within 30 days of receipt of the claim pertaining to such benefit. { Sec 59(2) }
- 16.4** Any benefit option offered in Annexure B covers in full the cost of the prescribed minimum benefits rendered by a State hospital.
- 16.5** The Scheme may exclude services from benefits as set out in Annexure C. {exclusions may be set out in Annexure C – see example in Annexure C}

17. PAYMENT OF ACCOUNTS

- 17.1 Payment of accounts is restricted to the maximum amount of the benefit entitlement in terms of the applicable benefit and option elected.
- 17.2 The Scheme may, whether by agreement or not with any supplier or group of suppliers of a service, pay the benefit to which the member is entitled, directly to the supplier who rendered the service.
- 17.3 Where the Scheme has paid an account or portion of an account or any benefit to which a member is not entitled, whether payment is made to the member or to the supplier of service, the amount of any such overpayment is recoverable by the Scheme.
- 17.4 Notwithstanding the provisions of this rule, the Scheme has the right to pay any benefit directly to the member concerned.

18. GOVERNANCE { Sec 29(1)(a); Sec 57 }

- 18.1 The affairs of the Scheme must be managed according to these Rules by a Board consisting of at least five persons who are fit and proper to be trustees.

{The following 2 clauses must be used when registering a new scheme.}

- 18.2 A steering committee of five persons, duly appointed by {..... the applicant}, must deal with all matters relating to the registration of the Scheme. For that purpose, they are authorised to sign and execute all documents and to perform the duties of the Board in accordance with these rules until the election of the Board at the first general meeting of members.
- 18.3 The Board must ratify and adopt all contracts entered into and actions performed by the steering committee of the Scheme.
- 18.4 At least half of such trustees must be elected by members from amongst members to serve terms of office of three years each.
- 18.5 The following persons are not eligible to serve as members of the Board:
 - 18.5.1 A person under the age of 21 years;

18.5.2 An employee, director, officer, consultant, or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator; (sec 57(3))

18.5.3 a broker; {Section 57(3)}

18.5.4 the principal officer of the Scheme; and

18.5.5 the auditor of the Scheme.

18.6 Retiring members of the Board are eligible for re-election.

18.7 Nominations to fill vacancies, signed by the candidate signifying his consent to stand for election, must be submitted to the Scheme by 31 March of the year concerned and the election must be carried out by the members present at the annual general meeting of the Scheme.

18.8 The Board may fill by appointment by the remaining members of the Board, any casual vacancy, which occurs during its term of office. A person so appointed must retire at the first ensuing annual general meeting and that meeting must fill the vacancy for the unexpired period of office of the vacating member of the Board;

18.9 The Board may co-opt a knowledgeable person to assist it in its deliberations provided that such person shall not have a vote

18.10 Half of the members of the Board plus one is a quorum at meetings of the Board.

18.11 The Board must elect from its number the chairperson and vice-chairperson.

18.12 In the absence of the chairperson and vice-chairperson, the Board members present must elect one of their numbers to preside.

18.13 Matters serving before the Board must be decided by a majority vote and in the event of an equality of votes, the chairperson has a casting vote in addition to his deliberative vote.

18.14 A member of the Board may resign at any time by giving written notice to the Board.

18.15 A member of the Board ceases to hold office if —

18.15.1 he becomes mentally ill or incapable of managing his affairs;

18.15.2 he is declared insolvent or has surrendered his estate for the benefit of his creditors;

18.15.3 he is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or perjury;

18.15.4 he is removed by the court from any office of trust on account of misconduct;

18.15.5 he is disqualified under any law from carrying on his profession;

18.15.6 he ceases to be an appointee by a participating employer, or being a Board member elected by members of the Scheme, he ceases to be a member of the Scheme;

18.15.7 he absents himself from three consecutive meetings of the Board without the permission of the Chairperson; or

18.15.8 he is removed from office by the Council in terms of Section 46 of the Act.

18.15.9 The provisions of rules 18.15.1 – 18.15.5 apply *mutatis mutandis* to the principal officer.

18.16 The Board must meet at least once every two months or at such intervals as it may deem necessary.

18.17 The chairperson may convene a special meeting should the necessity arise. Any (*scheme to insert number, which should not be less than two*) members of the Board may request the chairperson to convene a special meeting of the Board, stating the matters to be discussed at such meeting.

18.18 Members of the Board may be reimbursed for all reasonable expenses incurred by them in the performance of their duties as trustees.

18.19 An honorarium as may from time to time be determined at the annual general meeting may be paid to members of the Board. { Sec 29(1)(c) }

alternative

members of the Board are not entitled to any remuneration, honorarium or any other fee in respect of services rendered in their capacity as members of the Board.

alternative

members of the Board may be remunerated as determined from time to time at the annual general meeting.

19. DUTIES OF BOARD OF TRUSTEES {Sec 57(4)}

19.1 The Board is responsible for the proper and sound management of the Scheme, in terms of these rules.

19.2 The Board must act with due care, diligence, skill and in good faith.
{Sec 57(6)(b)}

19.3 Members of the Board must avoid conflicts of interests, and must declare any interest they may have in any particular matter serving before the Board.
{Sec 57 (6)(c)}

19.4 The Board must apply sound business principles and ensure the financial soundness of the Scheme.

- 19.5** The Board shall appoint a principal officer who is fit and proper to hold such office and may appoint any staff which in its opinion are required for the proper execution of the business of the Scheme, and shall determine the terms and conditions of service of the principal officer and of any person employed by the Scheme; {Sec 57(4)(a)}
- 19.6** The chairperson must preside over meetings of the Board and ensure due and proper conduct at meetings.
- 19.7** The Board must cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper functioning of the Scheme. {Sec 26(9) & 57(4)(b)}
- 19.8** The Board must ensure that proper control systems are employed by and on behalf of the scheme. {Sec 57(4)(c)}.
- 19.9** The Board must ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the Rules. {Sec 57(4)(d)}
- 19.10** The Board must take all reasonable steps to ensure that contributions are paid timeously to the scheme in accordance with the act and the Rules. {Section 57(4)(e)}
- 19.11** The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance. {Section 57(4)(f)}.
- 19.12** The Board must obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board may lack sufficient expertise. {Section 57(4)(g)}.
- 19.13** The Board must ensure that the Rules and the operation and administration of the scheme comply with the provisions of the Act and all other applicable laws. {Section 57(4)(h)}

19.14 The Board must take all reasonable steps to protect the confidentiality of medical records concerning any member or dependant's state of health.
{Section 57(4)(l)}

19.15 The Board must approve all disbursements.

19.16 The Board must cause to be kept in safe custody, in a safe or strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme. {Sec 29(1)(e)}

19.17 The Board must make such provision as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme.

19.18 The Board shall disclose annually in writing to the Registrar, any payment or considerations made to them in that particular year by the Scheme. {sec 57(8)}

20. POWERS OF BOARD {Sec 29(1)(b) & (c)}

The Board has the power —

20.1 to cause the termination of the services of any employee of the Scheme;

20.2 to take all necessary steps and to sign and execute all necessary documents to ensure and secure the due fulfillment of the Scheme's obligations under such appointments;

20.3 to appoint a subcommittee consisting of such Board members and other experts as it may deem appropriate.

20.4 to appoint a duly accredited administrator on such terms and conditions as it may determine, for the proper execution of the business of the Scheme. The terms and conditions of such appointment must be contained in a written

contract, which complies with the requirements of the Act and the regulations. {Sec 58 & 67 (1)(j); Chapter 6 of Regulations}

- 20.5** to appoint, compensate and contract with any accredited broker for the introduction or admission of a member to the Scheme {Sec 65 (1); Chapter 7 of the regulations};
- 20.6** to contract with managed health care organisations subject to the provisions of the Act and its regulations;
- 20.7** to purchase movable and immovable property for the use of the Scheme or otherwise, and to sell it or any of it {Sec 26(1)(a)};
- 20.8** to let or hire movable or immovable property;
- 20.9** to provide administration services to other medical schemes;
- 20.10** in respect of any monies not immediately required to meet current charges upon the Scheme and subject to the provisions of the Act, and in the manner determined by the Board, to invest or otherwise deal with such moneys upon security and to realise, re-invest or otherwise deal with such monies and investments; {Sec 29(1)(g)}
- 20.11** with the prior approval of the Council, to borrow money for the Scheme from the Scheme's bankers against the security of the Scheme's assets for the purpose of bridging a temporary shortage;
- 20.12** subject to the provisions of any law, to cause the Scheme, whether on its own or in association with any person, to establish or operate any pharmacy, hospital, clinic, maternity home, nursing home, infirmary, home for aged persons or any similar institution, in the interests of the members of the Scheme;
- 20.13** to donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the beneficiaries; {Sec 30(1)(a)}

20.14 to grant repayable loans to members or to make *ex gratia* payments on behalf of members in order to assist such members to meet commitments in regard to any matter specified in Rule 5; {Sec 30(1)(b)}

20.15 to contribute to any fund conducted for the benefit of employees of the Scheme; {Sec 30(1)(d)}

20.16 to reinsure obligations in terms of the benefits provided for in these rules. {Sec 20(2)-(7) }

20.17 to authorise the principal officer and /or such members of the Board as it may determine from time to time, and upon such terms and conditions as the Board may determine, to sign any contract or other document binding or relating to the Scheme or any document authorising the performance of any act on behalf of the Scheme; {Sec 26(1)(a) and 29 (1)(d) & 57(4)(a)}

20.18 to contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes; {Sec 30(1)(c)}

20.19 in general, do anything, which it deems necessary or expedient to perform its functions in accordance with the provisions of the Act and these rules.

21. DUTIES OF PRINCIPAL OFFICER AND STAFF {Sec 29(1)(b)}

21.1 The staff of the Scheme must ensure the confidentiality of all information regarding its members.

21.2 The principal officer is the executive officer of the scheme and as such shall ensure that:

21.2.1 the decisions and instructions of the Board are executed without unnecessary delay;

21.2.2 where necessary, there is proper and appropriate communication between the Scheme and those parties, affected by the decisions and instructions of the Board;

21.2.3 he keeps the Board sufficiently and timeously informed of the affairs of the Scheme which relate to the duties of the Board as stated in section 57(4) of the Act;

21.2.4 he keeps the Board sufficiently and timeously informed concerning the affairs of the Scheme so as to enable the Board to comply with the provisions of section 57(6) of the Act;

21.2.5 he does not take any decisions concerning the affairs of the Scheme without prior authorisation by the Board and that he at all times observes the authority of the Board in its governance of the scheme.

21.3 The principal officer shall be the accounting officer of the Scheme charged with the collection of and accounting for all moneys received and payments authorised by and made on behalf of the Scheme.

21.4 The principal officer shall ensure the carrying out of all of his duties as are necessary for the proper execution of the business of the Scheme. He shall attend all meetings of the Board, and any other duly appointed subcommittee where his attendance may be required, and ensure proper recording of the proceedings of all meetings.

21.5 The principal officer shall be responsible for the supervision of the staff employed by the Scheme unless the Board decides otherwise.

21.6 The principal officer shall keep full and proper records of all moneys received and expenses incurred by, and of all assets, liabilities and financial transactions of the Scheme.

21.7 The principal officer shall prepare annual financial statements and shall ensure compliance with all statutory requirements pertaining thereto.

21.8 The following persons are not eligible to be a principal officer:

21.8.1 An employee, director, officer, consultant or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator.

21.8.2 A broker. {sec57(7)}

21.9 “Any person who, immediately prior to commencement of the Medical Schemes Amendment Act, 2001, was a principal officer of a medical scheme in contravention of section 57(7) of this Act, will be deemed to comply with that section for the period terminating on 1 January 2004.”

22. INDEMNIFICATION & FIDELITY GUARANTEE {Sec 57(4)(f)}

22.1 The Board and any officer of the Scheme must be indemnified by the Scheme against all proceedings, costs and expenses incurred by reason of any claim in connection with the Scheme, not arising from their negligence, dishonesty or fraud.

22.2 The Board must ensure that the Scheme is insured against loss resulting from the dishonesty or fraud of any of its officers (including members of the Board) having the receipt or charge of moneys or securities belonging to the Scheme.

23. FINANCIAL YEAR OF THE SCHEME {Sec 1(1) Definition: "Financial Year"}

The financial year of the Scheme extends from the first day of January to the 31st day of December of that year.

24. BANKING ACCOUNT {Sec 26 (1)(c)}

The Scheme must maintain a banking account with a registered commercial bank. All moneys received must be deposited to the credit of such account and all payments must be made either by electronic transfer, tape exchange or by cheque under the joint signature of not less than two persons duly authorised by the Board.

25. AUDITOR & AUDIT COMMITTEE {Sec 29(1)(f); Sec 36}

25.1 An auditor (who must be approved in terms of section 36 of the Act) must be appointed by resolution at each annual general meeting, to hold office from the conclusion of that meeting to the conclusion of the next annual general meeting.

25.2 The following persons are not eligible to serve as auditor of the Scheme—

- 25.2.1 a member of the Board;
 - 25.2.2 an employee, officer or contractor of the Scheme;
 - 25.2.3 an employee, director, officer or contractor of the Scheme's administrator, or of the holding company, subsidiary joint venture or associate of the administrator;
 - 25.2.4 a person not engaged in public practice as an auditor;
 - 25.2.5 a person who is disqualified from acting as an auditor in terms of the Companies Act, 1973.
- {Sec 36(3)}

25.3 Whenever for any reason an auditor vacates his office prior to the expiration of the period for which he has been appointed, the Board must within 30 days appoint another auditor to fill the vacancy for the unexpired period.

25.4 If the members of the Scheme at a general meeting fail to appoint an auditor required to be appointed in terms of this rule, the Board must within 30 days make such appointment, and if it fails to do so, the Registrar may at any time do so.

25.5 The auditor of the Scheme at all times has a right of access to the books, records, accounts, documents and other effects of the Scheme, and is entitled to require from the Board and the officers of the Scheme such information and explanations as he deems necessary for the performance of his duties.

25.6 The auditor must report to the members of the Scheme on the accounts examined by him and on the financial statements laid before the Scheme in general meeting.

25.7 The Board must appoint an audit committee of at least five members of whom at least two must be members of the Board.

{Schemes may motivate to Council for the omission of this rule in terms of section 36(13) of the Act}.

26. GENERAL MEETINGS {Sec 29(1)(m); Only members of the Scheme may constitute a quorum and vote at such meetings}

26.1 Annual general meeting

- 26.1.1** The annual general meeting of members must be held not later than 30th April of each year.
- 26.1.2** The notice convening the annual general meeting, containing the agenda, the annual financial statements, auditor's report and annual report, must be furnished to members at least 21 days before the date of the meeting. The non-receipt of such notice by a member does not invalidate the proceedings at such meeting.
- 26.1.3** At least 15 members of the Scheme present in person constitute a quorum. If a quorum is not present after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting must be postponed to a date determined by the Board, and members then present constitute a quorum.
- 26.1.4** The financial statements and reports specified in rule 26.1.2 must be laid before the meeting.
- 26.1.5** Notices of motions to be placed before the annual general meeting must reach the principal officer not later than seven days prior to the date of the meeting.

26.2 Special general meeting {Sec 29 (1)(m) }

- 26.2.1** The Board may call a special general meeting of members if it is deemed necessary.
- 26.2.2** On the requisition of at least 5 members of the Scheme, the Board must cause a special general meeting to be called within 30 days of the deposit of the requisition. The requisition must state the objects of the meeting and must be signed by all the requisitionists and deposited at the registered office of the Scheme. Only those matters forming the objects of the meeting may be discussed.

26.2.3 The notice convening the special general meeting, containing the agenda, must be furnished to members at least 14 days before the date of the meeting. The non-receipt of such notice by a member does not invalidate the proceedings at such a meeting.

26.2.4 At least 30 members present in person constitute a quorum. If a quorum is not present at a special general meeting after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting is regarded as cancelled..

27. VOTING AT MEETINGS {Sec 29(1)(m) }

27.1 Every member who is present at a general meeting of the Scheme and whose contributions is not in arrears, has the right to vote, or may, subject to this rule, appoint another member of the Scheme as proxy to attend, speak and vote in his stead.

27.2 The instrument appointing the proxy must be in writing, in a form determined by the Board and must be signed by the member and the person appointed as the proxy.

27.3 The chairperson must determine whether the voting must be by ballot or by a show of hands. In the event of the votes being equal, the chairperson, if he is a member, has a casting vote in addition to his deliberative vote.

28. COMPLAINTS AND DISPUTES { Sec 29(1)(j); Sec 48 }

28.1 Members may lodge their complaints, in writing, to the Scheme. The Scheme or its administrators shall also provide a dedicated toll free telephone number which may be used for dealing with telephonic complaints.

28.2 All complaints received in writing will be responded to by the Scheme in writing within 30 days of receipt thereof.

28.3 A disputes committee of three members, who may not be members of the Board, employees of the administrator of the Scheme or officers of the

Scheme, must be appointed by the Board annually to serve a term of office of 3 years. At least one of such members shall be a person with legal expertise.

- 28.4** Any dispute, which may arise between a member, prospective member, former member or a person claiming by virtue of such member and the Scheme or an officer of the Scheme, must be referred by the principal officer to the disputes committee for adjudication.
- 28.5** On receipt of a request in terms of this rule, the principal officer must convene a meeting of the disputes committee by giving not less than 21 days notice in writing to the complainant and all the members of the disputes committee, stating the date, time, and venue of the meeting and particulars of the dispute.
- 28.6** The disputes committee may determine the procedure to be followed.
- 28.7** The parties to any dispute have the right to be heard at the proceedings, either in person or through a representative.
- 28.8** An aggrieved person has the right to appeal to the Council for Medical Schemes against the decision of the disputes committee. Such appeal must be in the form of an affidavit directed to Council and shall be furnished to the Registrar not later than three months after the date on which the decision concerned was made. .
- 28.9** A member may appeal to the Council against a decision of a review panel established in terms of Chapter 5 of the regulations to the Act.

29. TERMINATION OR DISSOLUTION {Sec 53; Sec 29(1)(h)}

- 29.1** The Scheme may be dissolved by order of a competent court or by voluntary dissolution. { Sec 64; Sec 29 (1)(i) }
- 29.2** Members in general meeting may decide that the Scheme must be dissolved, in which event the Board must arrange for members to decide by ballot whether the Scheme must be liquidated. Unless the majority of members

decide that the Scheme must continue, the Scheme must be liquidated in terms of section 64 of the Act.{section 64}

29.3 Pursuant to a decision by members taken in terms of rule 29.2 the principal officer must, in consultation with the Registrar, furnish to every member a memorandum containing the reasons for the proposed dissolution and setting forth the proposed basis of distribution of the assets in the event of winding up, together with a ballot paper.

29.4 Every member must be requested to return his ballot paper duly completed before a set date. If at least 50 per cent of the members return their ballot papers duly completed and if the majority thereof is in favour of the dissolution of the Scheme, the Board must ensure compliance therewith and appoint, in consultation with the Registrar, a competent person as liquidator.

30. AMALGAMATION AND TRANSFER OF BUSINESS {Sec 63 and Council Ruling}

30.1 The Scheme may, subject to the provisions of section 63 of the Act, amalgamate with, transfer its assets and liabilities to, or take transfer of assets and liabilities of any other medical scheme or person. The Board must arrange for members to decide by ballot whether the proposed amalgamation should be proceeded with or not.

30.2 If at least 50 per cent of the members return their ballot papers duly completed and if the majority thereof is in favour of the amalgamation or transfer then, subject to section 63 of the Act, the amalgamation or transfer may be concluded. {Council ruling}

31. RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS

{Sec 41}

31.1 Any **beneficiary** must on request and on payment of a fee of R . { Scheme to specify the amount. Note that this fee may not exceed the reasonable cost of making the copy}per copy, be supplied by the Scheme with a copy of the following documents:

31.1.1 The rules of the Scheme;

31.1.2 the latest audited annual financial statements, returns, Trustees reports and auditors report of the Scheme; and

31.1.3 the management accounts in respect of the scheme and all of its benefit options.

31.2 A **beneficiary** is entitled to inspect free of charge at the registered office of the Scheme any document referred to in rule 31.1 and to make extracts therefrom.

32. AMENDMENT OF RULES { Sec 31; Sec 20(1)(k) and (l) }

{The second paragraph of 32.1 is an entrenched clause which only members may rescind or amend; Retrospective implementation of rule amendments may pose serious legal arguments and is therefore discouraged }.

32.1 The Board is entitled to alter or rescind any rule or annexure or to make any additional rule or annexure.

No alteration, rescission or addition which affects the objects of the Scheme or which increases the rates of contribution or decreases the extent of benefits of the scheme or of any particular benefit option by more than twenty five percent during any financial year, is valid unless it has been approved by a majority of members present in a general meeting or a special meeting or by ballot.

32.2 Members must be furnished with a copy of such amendment within 14 days after registration thereof. Should a member's rights, obligations, contributions or benefits be amended, he/she shall be given 30 days advance notice of such change.

32.3 Notwithstanding the provisions of rule 32.1 above, the Board must, on the request and to the satisfaction of the Registrar, amend any rule that is inconsistent with the provisions of the Act.

ANNEXURE A

(Rates of contribution in terms of rule 13 must be indicated by the medical scheme concerned. See section 29(1)(n) of the Act)

1. Example:

Member	Rx
Adult dependant	Rx
Child dependant (under the age of 21 years)	Rx

(An income grid plus number of dependants may also be utilised.)

2. Premium penalties for persons joining late in life.

Premium penalties will be applied in respect of persons over the age of 35 years, who were without medical scheme cover for the period indicated hereunder after the age of 30 years as follows ~

5-9 years	@	1.05	multiplied by the relevant contribution in 1 above
10-19 years	@	1.25	multiplied by the relevant contribution in 1 above
20-29 years	@	1.5	multiplied by the relevant contribution in 1 above
30+	@	1.75	multiplied by the relevant contribution in 1 above

“credible coverage” means any period of verifiable medical scheme membership of the applicant or his or her dependant, but excluding membership as a child dependant, terminating two years or more before the date of the latest application for membership;

Any years of credible coverage which can be demonstrated by the applicant or his or her dependant shall be subtracted from his or her current age in determining the applicable penalty.

ANNEXURE B

(Benefit schedules and options must be indicated by the medical scheme concerned. See section 29(1) q of the Act)

ANNEXURE B**EXAMPLE A - COMPREHENSIVE PACKAGE**

SUBJECT TO THE PROVISIONS OF THESE RULES MEMBERS AND THEIR REGISTERED DEPENDANTS ARE ENTITLED TO THE FOLLOWING BENEFITS (UNLESS EXCLUDED AS PROVIDED FOR IN ANNEXURE C)

	SERVICE	% BENEFIT	ANNUAL LIMITS	CONDITIONS/ REMARKS
A.	STATUTORY PRESCRIBED MINIMUM BENEFITS	100%	No limit	Services rendered by Public Hospitals at Scale of Benefits or cost, whichever is the lesser
			Overall annual limit M R..... M+ R.....	Limits are prorated calculated from the date of admission to the end of the financial year.
B.	PRIVATE & PUBLIC HOSPITALS, REGISTERED UNATTACHED OPERATING THEATRES and DAY CLINICS: 1. Accommodation in a general ward, high care ward and intensive care unit. 2. Theatre fees. 3. Medicines, materials and hospital equipment. 4. Visits by medical practitioners. 5. Outpatient services. 6. Confinement and midwives.	100%	Overall Annual Limit.	<ol style="list-style-type: none"> 1 Authorisation shall be obtained from the scheme/scheme's designated agent before a beneficiary is admitted to a hospital or day clinic (except in the case of emergency) failing which a co-payment of R..... per admission shall apply. 2 In the event of an emergency the Scheme shall be notified of such emergency within one working day after admission failing which the co-payment shall apply. 3 Accommodation in a private ward is subject to certification by the attending practitioner as essential for the recovery of the patient.

	SERVICE	% BENEFIT	ANNUAL LIMITS	CONDITIONS/ REMARKS
C.	SURGICAL PROCEDURES INCLUDING MAXILLO FACIAL SURGERY	100%	Overall Annual Limit.	Excludes Osseo-integrated implants (see General paragraph 5.)
D.	SPECIALIST SERVICES: 1. Consultations and visits (out of hospital) 2. All other services unless stated otherwise in this annexure.	100% Consultations PB or R PMF	To be recommended by a general practitioner with the exception of services by an ophthalmologist or gynecologist.
E.	GENERAL PRACTITIONER SERVICES: 1. Consultations and visits (out of hospital). 2. All other services unless stated otherwise in this annexure.	100% consultations PB or R PMF	
F.	CLINICAL TECHNOLOGISTS	100%	Overall Annual Limit.	

	SERVICE	% BENEFIT	ANNUAL LIMITS	CONDITIONS/ REMARKS
G.	DENTAL SERVICES 1. Conservative and Restorative dentistry (includes plastic dentures). 2. Special dentistry. (Including metal base dentures)	100%	M R M+ R M R M+ R	1. Dentures shall be limited to one set PB per two consecutive financial year period. All orthodontic services are subject to prior approval by the Board. 2. General anaesthetic and hospitalisation for conservative dental work excluded except in the case of trauma, patients under the age of seven years and impacted 3rd molars.
H.	PRESCRIBED MEDICINE AND INJECTION MATERIAL: 1. Acute sickness conditions. 2. Pharmacy advised therapy.(PAT) 3. Chronic sickness conditions.	100% Levy 100% Preferred provider 100% Non-preferred provider 80%	M R M+ R R..... per prescription M R M+ R R PBPA	1. Prescribed by a person legally entitled to prescribe. Includes medicines given to a patient to take home (TTO). 2. Subject to prior application and approval by the Board. Only authorised medication for the treatment of approved chronic illness.

	SERVICE	% BENEFITS	ANNUAL LIMITS	CONDITIONS/ REMARKS
I.	RADIOLOGY 1. X-Rays 2. Scopes – Diagnostic 3. Scans - MRI and CAT 4. Scans - Ultra Sound 5. Angiography	100%	Overall Annual Limit <i>Maximum scans per pregnancy</i>	1. MRI and CAT Scans must be authorised by or on behalf of the scheme except in emergencies failing which a co payment of R..... per procedure shall apply. In the event of an emergency the Scheme shall be notified on the first working day following the procedure.
J.	PATHOLOGY and MEDICAL TECHNOLOGY	100%	Overall Annual Limit	
K.	CHEMOTHERAPY, RADIOTHERAPY, ORGAN TRANSPLANTS and KIDNEY DIALYSIS	100%	Overall Annual Limit	Subject to <u>the approval of the Board prior to the commencement of treatment or to the operation.</u>
L.	PSYCHOLOGICAL and PSYCHIATRIC TREATMENT	100%	R PMF	All services included in limit.
M.	PHYSIOTHERAPY	100% Treatments PB or R PMF	To be recommended by a medical practitioner

	SERVICE	% BENEFIT	ANNUAL LIMITS	CONDITIONS/ REMARKS
N.	BLOOD TRANSFUSIONS	100%	Overall Annual Limit	Includes the cost of blood, blood equivalents, blood products and the transport of blood.
O.	AMBULANCE SERVICES (Road and Air)	100%	Scheme's preferred provider – none Other providers R..... PMF	Such transport is to be certified by a medical practitioner as being essential.
P.	ALTERNATIVES TO HOSPITALISATION: 1. Registered Frail Care Facilities 2. Step-down Nursing Facilities 3. Private Nursing 4. Hospice	100 %	Combined Limit R PMF	Subject to the approval of the Board.
Q.	AUXILIARY SERVICES 1. Audiology 2. Occupational therapy 3. Speech therapy 4. Chiropody/ Podiatry 5. Dieticians 6. Homeopaths 7. Naturopaths 8. Chiropractors 9. Orthoptists	100%	Combined Limit M R M+ R	To be recommended by a medical practitioner.

	SERVICE	% BENEFIT	ANNUAL LIMITS	CONDITIONS/ REMARKS
R.	PROSTHESES Internal and External	100%	Combined Limit R PMF	
S.	MEDICAL and SURGICAL APPLIANCES: 1. Hearing Aids 2. Wheelchairs 3. Oxygen, cylinders 4. Nebulisers/ Glucometers 5. Colostomy kits; and 6. Diabetic equipment	100%	Combined Limit R PMF	Subject to the approval of the Board.
T.	OPTICS 1. Frames, Lenses, contact lenses and disposable contact lenses 2. Eye examinations 3. Refractive surgery	100% 100% 100%	R..... PB R PMF	3. All services included in limit.
UV.				
W.				
XYZ.				

	GENERAL	% BENEFIT	ANNUAL LIMITS	CONDITIONS/ REMARKS
1.	ACQUIRED IMMUNE DEFICIENCY SYNDROME and RELATED ILLNESS	Benefits payable in terms of the relevant paragraphs above	R PMF	All services included in limit
2.	ALCOHOLISM AND DRUG DEPENDANCY	Benefits payable in terms of the relevant paragraphs above	R PMF	All services included in limit
3.	INFERTILITY	Benefits payable in terms of the relevant paragraphs above	R PMF	All services included in limit Benefit in respect of Investigation and Treatment only.
4.	COCHLEAR IMPLANTS	Benefits payable in terms of the relevant paragraphs above	R PMF	All services included in limit
5.	OSSEO-INTEGRATED IMPLANTS	Benefits payable in terms of the relevant paragraphs above	R PMF	All services included in limit

Legend:

% Benefit = Scale of Benefits/ Guide/ Cost {whichever is applicable or the lesser}.

PB = Per Beneficiary

PMF = Per Member Family

M = Single Member

M+ = Member with dependants.

EXAMPLE 2

SERVICE	M.H.C. % BENEFIT	SUB LIMIT
A. STATUTORY PRESCRIBED MINIMUM BENEFITS	100%	Services rendered by Public Hospitals at Scale of Benefits or cost, whichever is the lesser. No limit.
B. GENERAL PRACTITIONER SERVICES		
1. Consultative	100%	PMSA
2. Non-Surgical Treatments	100%	PMSA
3. Surgical Procedures	100%	
4. Anaesthetics	100%	
C. SPECIALIST SERVICES		
1. Consultative	100%	PMSA
2. Non-surgical Treatments	100%	PMSA
3. Surgical Procedures	100%	
4. Pre-op Assessment	100%	
5. Anaesthetics	100%	
B&C		
1. Visits by medical practitioners in hospital	100%	X visits P.M.P.A.
D. MEDICATION AND REMEDIES		
1. Chronic - for specified illness conditions, see General, paragraph B.	100%	R X P.B.P.A
2. Other		PMSA

SERVICE	M.H.C. % BENEFIT	SUB LIMIT
E. DENTAL SERVICES		
1. Consultative	100%	PMSA
2. Surgical Procedures	100%	
3. Orthodontics	100%	RX P.B.P.A.
4. Non-Surgical Procedures	100%	RX P.B.P.A. RX P.M.P.A.
5. Dental Technicians Fees	100%	Included in D4
6. Dentures	100%	Included in D4 Limited to one set P.B.P.2
F. HOSPITALS		
F1 PRIVATE		
1. Ward Fees	100%	
2. Theatre Fees	100%	
3. Drugs Material and Equipment	100%	
4. Out-Patient Fees	100%	PMSA
F2 PROVINCIAL		
5. Ward Fees	100%	
6. Theatre Fees	100%	
7. Drugs, Material and Equipment	100%	
8. Out-patient Fees	100%	PMSA
F3 DAY CLINICS		
9. Ward Fees	100%	
10. Theatre Fees	100%	
11. Drugs, Material and Equipment	100%	
F4 OTHER		
12. Fixed Fee Procedures	100%	
13. Prostheses		
a) Internal and Implantable	100%	RX P.M.P.A.
b) External	100%	Included in 13(a)
Dentures, Dental Implants and Prostheses specified elsewhere are excluded.		

SERVICE	M.H.C. % BENEFIT	SUB LIMIT
G. RADIOLOGY 1. X-Rays 2. Scopes – Diagnostic 3. Scans - MRI and CAT 4. Scans - Ultra Sound	100% 100% 100% 100%	Maximum of X scans per pregnancy
H. PATHOLOGY	100%	
I. RADIOTHERAPY, CHEMOTHERAPY and KIDNEY DIALYSIS	100%	
J. OTHER 1. Medical and Surgical Appliances a) Hearing Aids b) Diabetic equipment c) Orthoptics d) Nebulisers/ Glucometers e) Oxygen Cylinders f) Incontinence Equipment	100% 100% 100%	Combined limit of RX P.B.P.A. RX P.M.P.A.
2. Blood Transfusion	100%	
3. Psychiatric/ Psychology a) Consultation b) Therapy	100% 100%	PMSA RX P.M.P.A.
4. Speech Therapy a) Consultation b) Therapy and treatment	100% 100%	PMSA PMSA
5. Audiology a) Consultation b) Assessment	100% 100%	PMSA PMSA
6. Orthoptists	100%	PMSA
7. Ambulance a) Road and Air	100%	Limit RX P.M.P.A..

SERVICE	M.H.C. % BENEFIT	SUB LIMIT
8. Chiropodist		
a) Consultation	100%	PMSA
b) Treatment	100%	PMSA
9. Occupational Therapy		
a) Consultation	100%	PMSA
b) Treatment and Therapy	100%	PMSA
10. Home Nursing	100%	Limit RX P.M.P.A. Board approval required
11. Clinical Services	100%	PMSA
12. Opticians		
a) Eye Test		PMSA
b) Optical Wear (Lenses and frames, including contact lenses)	100%	R X P.B.P.2
13. Clinical Technologists	100%	
14. Chiropractic and Osteopathic Services	100%	PMSA
a) Consultation	100%	PMSA
b) Treatment		
15. Homeopathic and Naturopathic Services	100%	PMSA
16. Physiotherapy	100%	Limited to maximum of X treatments P.B.P.A.
17. OVERALL Annual Limit		
M		R X P.A.
M +		R X P.A.

Legend:

% Benefit	=	Scale of Benefits /Scale of Fees/ Cost (whichever is applicable)	P.M.P.A.	=	Per Member per annum Personal Member's Savings Account
P.B.P.A.	=	Per Beneficiary per annum	PMSA	=	
M	=	Member without dependants	M.H.C.	=	Major Health Care
M+	=	Members with dependants	P.B.P.2.	=	Per beneficiary per two consecutive financial year period
P.A.	=	Per Annum			

Example 2 (continued.....)**PERSONAL MEDICAL SAVINGS ACCOUNT (PMSA)** (Reg 10)

1. On admission to the Scheme, a PMSA account, held by the Scheme, shall be established in the name of the member concerned into which the contributions payable in respect of the PMSA component shall be credited and benefits in respect thereof, shall be debited.
2. Subject to sufficient funds being available at the date on which a claim is processed, members shall be entitled to claim for all health care services indicated under PMSA on the schedule, at 100% of the cost, *(as well as any co-payments or shortfalls the member is responsible for)*.
3. Any balance in the PMSA account at the end of a financial year remains the property of the member and accumulates in his name.
4. Upon the death of the member, the balance due to the member will be transferred to his dependants who continue membership of the Scheme or paid into his estate in the absence of such dependants.
5. On transfer to another option of the Scheme, which does not provide for such an account, any balance in the PMSA account will be refunded to the member, 5 months after such transfer and subject to applicable laws.
6. Should a member terminate membership of the Scheme and not be admitted as a member of another medical scheme or be admitted to membership of another medical scheme which does not provide for a PMSA account, the balance due to the member must be refunded to the member 5 months after termination of membership, and subject to applicable laws.
7. Should a member be admitted to membership of another medical scheme, which provides for a similar account, the balance due to the member must be transferred to such scheme within 5 months after termination of membership.

ANNEXURE C

EXAMPLE OF EXCLUSIONS AND LIMITATIONS

(With due regard to the prescribed minimum benefits which are payable without limitation, the medical scheme concerned must list the exclusions and limitations which they intend to apply)

EXCLUSIONS

1. Unless otherwise provided for or decided by the Board, expenses incurred in connection with any of the following will not be paid by the Scheme:
 - 1.1 All costs of whatsoever nature incurred for treatment of sickness conditions or injuries sustained by a member or a dependant and for which any other party may be liable, unless the Board is satisfied that there is no reasonable prospect of the member or dependant recovering adequate damages from the other party. Where such a claim, after deliberation, is repudiated by the parties concerned, the member is entitled to such benefits as would have applied under normal conditions, irrespective of the lapse of time.
 - 1.2 All costs in respect of injuries arising from professional sport, speed contests and speed trials.
 - 1.3 All costs for operations, medicines, treatment and procedures for cosmetic purposes.
 - 1.4 Holidays for recuperative purposes.
 - 1.5 **Purchase of:**
 - Patent medicines and proprietary preparations;
 - applicators, toiletries and beauty preparations;
 - bandages, cotton wool and other consumable items;
 - patented foods, including baby foods;
 - tonics, slimming preparations and drugs as advertised to the public; and
 - household and biochemical remedies.

1.6 All costs that are more than the annual maximum benefit to which a member is entitled in terms of the rules of the Scheme.

1.7 Charges for appointments which a member or dependant of a member fails to keep.

1.8 Costs for services rendered by —

1.8.1 persons not registered with a recognised professional body constituted in terms of an Act of Parliament; or

1.8.2 any institution, nursing home or similar institution except a state or provincial hospital not registered in terms of any law.

2. LIMITATION OF BENEFITS

2.1 The maximum benefits to which a member and his dependants are entitled in any financial year are limited as set out in Annexure B.

2.2 Members admitted during the course of a financial year are entitled to the benefits set out in the third column of Annexure B, with the maximum benefits being adjusted in proportion to the period of membership calculated from the date of admission to the end of the particular financial year.

2.3 Unless otherwise decided by the Board, benefits in respect of medicines obtained on a prescription are limited to one month's supply for every such prescription or repeat thereof.