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## GENERAL NOTICE

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### PROPOSED LEVIES ON MEDICAL SCHEMES ISSUED IN TERMS OF SECTION 3(a) OF THE COUNCIL FOR MEDICAL SCHEMES LEVIES ACT (ACT 58 OF 2000)

The Council for Medical Schemes referred to in Section 1 of the Council for Medical Schemes Levies Act, 2000 (Act No. 58 of 2000), hereby proposes the imposition of levies on medical schemes, as set out in this Notice. The proposed levies are due to be imposed for the purpose of meeting the general regulatory and administrative costs of the Council for Medical Schemes and the function performed by the Registrar of Medical Schemes. The quantum of the levy has been determined on the basis of the Council's budget, and is also based on the number of principal members of medical schemes. The full budget can be viewed on the Council website [www.medicalschemes.com](http://www.medicalschemes.com).

Representation on the proposed levies may be made to the Council not later than 2 January 2012. Such representation must be forwarded to the Registrar of Medical Schemes, and marked for the attention of Mr. Dan Lehutjo by post to: Private Bag X34, Hatfield, 0028, via email: [w.khan@medicalschemes.com](mailto:w.khan@medicalschemes.com) or fax (012) 431 0663.

By order of the Council for Medical Schemes



Dr. RV Simelane

Chairperson: Council for Medical Schemes

Date: 18 November 2011

## **SCHEDULE**

### **Definitions**

1. In this notice, unless the context indicates otherwise –
  - i. “Council” means the Council for Medical Schemes referred to in the Act;
  - ii. “Levy year” means the period from 01 April 2012 to 31 March 2013 and, subject to the provision of this Notice and any amendments, substitution or repeal thereof, such corresponding period in succeeding year in respect of which levies are imposed;
  - iii. “Registrar” means the Registrar of Medical Schemes, appointed in terms of Section 18 of the Medical Schemes Levies Act, 1998 (Act No. 131 of 1998);
  - iv. “The Act” means the Council for Medical Schemes Levies Act, 2000 (Act No. 58 of 2000).

### **Proposed Imposition**

2. In respect of a medical scheme registered in terms of section 20 of the Medical Schemes Act, 1998 (Act No. 131 of 1998), the proposed levy for the 2012/13 levy year shall be set at an amount of R24.35 per member per year, which shall be paid in two equal installments, the first of which shall be paid not later than 30 April of the levy year, and the second of which shall be paid not later than 30 June of the levy year.
3. In respect of the levy year, the calculation of the levy is based on the number of members referred to in item 2 shall correspond with the latest statistics furnished to the Registrar in terms of or by virtue of the Medical Schemes Act, 1998 (Act No. 131 of 1998) or with the latest certified number of members sent to the Registrar by the medical scheme. If a transfer of members is in process and not finalized on 31 December 2011, the transferor must pay the levy in respect of the members to be transferred.

### **Payment/Interest on overdue of Levies**

4. On amounts of overdue levies, interest will be charged at a rate applicable to a debt owing to the state, as determined by the Minister of Finance in terms of section 80(1)(b) of the Public Finance Management Act.
5. The levies (once finally imposed) and interest (if any) referred to in this Notice shall be paid by a medical scheme directly in the bank account of the Council, the details of which are:

Bank : ABSA  
Account Holder : Council for Medical Schemes  
Branch Name : ABSA Corporate Branch (Cnr Pretorius and Vermeulen Streets,  
Pretoria)  
Branch Code : 517 245  
Account Number : 405 116 3394

6. A deposit advice slip issued by the aforementioned Bank in respect of a deposit contemplated in item 5, received by the Council for Medical Schemes, and bearing the name of the relevant medical scheme, shall serve as *prima facie* proof of payment of a levy.

**Council for Medical Schemes**

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	2012/13	2011/12	
Notes	Operational expenses														Total	2011/12
	<b>Goods and services</b>															
1	Accreditation Cost	5,000	79,553	18,494	62,281	14,692	78,222	-	31,012	12,500	-	14,692	109,369	425,815	429,000	
2	Appeal Board	59,625	59,625	-	59,625	-	59,625	-	59,625	59,625	59,625	-	59,625	477,000	450,000	
3	Annual report	-	-	-	-	300,000	355,000	-	-	-	-	-	-	655,000	685,000	
4	Bank Charges	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	3,594	43,134	40,692	
5	Cleaning and Gardening	55,138	55,138	57,391	56,159	56,159	57,391	56,159	56,159	57,391	56,159	56,159	57,391	676,794	628,767	
6	Computer Expenses	12,500	9,000	9,000	9,500	9,000	9,000	9,500	9,000	9,000	9,500	9,000	9,500	113,500	90,103	
7	Complaints Adjudication Forum	-	-	10,000	-	-	10,000	-	10,000	-	-	10,000	-	40,000	40,000	
8	Consulting Fees	158,500	38,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	382,000	368,000	
9	Consumer Education	36,240	47,040	47,040	100,440	47,040	101,040	68,240	95,640	47,040	111,840	47,040	148,040	896,680	885,500	
10	Copy Costs	13,250	13,250	13,250	13,250	13,250	13,250	13,250	13,250	13,250	13,250	13,250	13,250	159,000	150,000	
11	Council Committees	141,667	141,667	141,667	141,667	141,667	141,667	141,667	217,140	141,667	141,667	141,667	141,667	1,775,473	1,775,473	
12	Council Members Fees	176,353	33,153	33,153	176,353	33,153	33,153	176,353	33,153	33,153	176,353	13,328	13,328	930,986	1,100,000	
13	Courier and Postage	26,667	4,167	4,167	26,667	4,167	6,667	24,167	6,667	-	24,167	4,167	4,167	140,000	190,008	
14	Donations	-	-	-	-	-	-	-	-	6,413	-	-	-	6,413	6,050	
15	Employee Benefits	110,664	110,664	110,664	110,664	110,664	110,664	110,664	110,664	110,664	110,664	110,664	110,664	1,327,968	1,272,000	
16	Employee Wellness	20,522	20,522	20,522	116,664	20,522	20,522	59,636	20,522	20,522	20,522	60,166	20,522	421,159	397,320	
17	External Audit Fees	629,542	-	-	-	-	-	-	-	-	-	-	-	629,542	593,908	
18	External Storage	18,992	18,992	18,992	18,992	18,992	18,992	18,992	18,992	18,992	18,992	18,992	18,992	227,904	215,004	
19	General Expense Admin	13,780	13,780	13,780	13,780	13,780	13,780	13,780	13,780	13,780	13,780	13,780	13,780	165,360	156,000	
20	HR Organisational Strategy	65,000	23,320	-	162,000	31,800	97,520	120,320	53,000	-	159,000	-	-	711,960	696,000	
21	Insurance	12,503	12,503	12,503	12,503	12,503	12,503	12,503	12,503	12,503	12,503	12,503	12,503	150,032	139,168	
22	Internal Audit Fees	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684	788,212	663,814	
23	Internet Expenses	29,640	29,640	29,640	29,640	29,640	29,640	29,640	29,640	29,640	30,640	29,640	29,640	356,680	321,610	
24	International Partnership Program	240,000	-	-	-	-	-	-	-	-	-	-	-	240,000	-	
25	Investigation Costs	79,500	79,500	79,500	79,500	79,500	79,500	79,500	79,500	79,500	79,500	-	-	795,000	750,000	
26	Knowledge Management	80,100	2,500	2,500	2,500	157,500	2,500	2,500	53,380	127,500	16,810	37,086	2,500	487,376	419,537	
27	Legal Fees	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	4,200,000	6,220,845	
28	Media and Promotion	18,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	112,000	125,440	
29	Motor Vehicle -Expenses	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	21,204	210,000	
30	News Letters	-	-	3,000	-	-	61,300	-	-	-	3,000	-	-	61,300	128,600	
31	Operational Planning	-	-	-	-	-	-	-	-	-	212,000	-	-	212,000	200,000	
32	Strategic projects	620,000	-	-	-	-	-	-	-	-	-	-	-	620,000	671,000	
33	Printing	5,000	-	-	-	5,300	-	-	-	-	8,465	-	-	18,765	17,986	
34	Recruitment and Relocation	-	-	270,000	-	-	216,000	-	-	224,000	-	108,000	-	818,000	850,000	
35	Refreshments	17,513	11,453	14,453	15,513	13,153	14,953	12,513	13,953	26,153	12,513	11,453	17,453	181,072	172,620	
36	Rent	407,585	407,585	441,928	441,928	441,928	441,928	441,928	441,928	441,928	441,928	441,928	441,928	5,234,447	4,524,000	
37	Rental Copiers	23,320	23,320	23,320	23,320	23,320	23,320	23,320	23,320	23,320	23,320	23,320	23,320	279,840	264,000	
38	Rental Other Assets	1,103	1,103	1,169	1,169	1,169	1,169	1,169	1,169	1,169	1,169	1,169	1,169	13,898	15,862	
39	Repairs & Maintenance	370,360	49,886	475,360	15,360	15,360	15,360	22,860	15,360	15,360	15,360	15,360	15,360	1,041,346	784,095	
40	Research Costs	-	1,000	-	-	1,000	-	-	162,800	-	-	600	-	165,400	140,000	
41	Security	91,211	1,211	51,211	41,211	51,211	1,211	51,211	1,211	1,211	1,211	1,211	1,211	294,532	143,722	
42	Software License Subscription	106,500	132,000	90,000	-	34,000	40,000	42,400	-	40,000	-	-	-	484,900	311,000	
43	Staff Training	1,576,570	28,300	37,800	85,700	90,700	48,500	234,900	24,800	10,800	11,000	37,800	-	2,186,870	1,939,476	
44	Stationery	92,967	18,249	26,248	22,967	16,109	12,248	22,967	12,248	12,248	26,828	12,248	15,686	291,016	317,403	
45	Strategic Planning Costs	-	-	-	262,500	-	-	-	-	-	-	-	-	262,500	400,000	
46	Subscriptions	34,844	-	-	-	-	45,474	20,450	-	5,000	2,550	-	-	108,318	105,860	
47	Telephone and Fax	48,685	48,685	48,685	48,685	48,685	48,685	48,685	48,685	48,685	48,685	48,685	48,685	584,220	512,892	
48	Temp Services	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	21,200	254,400	290,000	
49	Transcription Services	7,324	7,324	-	7,324	-	7,324	-	7,324	7,324	7,324	-	7,324	58,592	83,160	
50	Travel	90,378	9,128	19,128	15,378	25,128	9,128	25,378	9,128	22,043	15,378	19,128	15,128	274,455	276,455	
51	Trustee Training	-	-	39,750	-	-	39,750	-	-	39,750	-	-	39,750	159,000	190,000	
52	Water & Electricity,Rates & levies	68,500	68,500	68,500	87,375	87,375	87,375	87,375	87,375	87,375	87,375	87,375	87,375	991,875	991,875	
53	Workmen's compensation	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	200,000	
54	Team Building	-	-	-	-	-	-	-	-	84,800	-	-	-	84,800	80,000	
	<b>Compensation for employees</b>															
55	Salaries	4,915,484	5,040,681	4,915,484	4,979,240	4,915,484	4,915,484	4,915,484	4,915,484	4,915,484	4,943,883	4,915,484	9,770,687	64,058,366	55,341,193	
	<b>Non cash flow expenses</b>															
	Amortization	847,936	-	-	-	-	-	-	-	-	-	-	-	847,936	1,224,000	
	Depreciation	1,191,437	-	-	-	-	-	-	-	-	-	-	-	1,191,437	1,296,000	
	<b>Total operational expenses</b>	<b>12,962,646</b>	<b>7,091,682</b>	<b>7,617,544</b>	<b>7,709,099</b>	<b>7,533,196</b>	<b>7,749,090</b>	<b>7,356,756</b>	<b>7,157,657</b>	<b>7,276,202</b>	<b>7,383,206</b>	<b>6,785,140</b>	<b>11,780,559</b>	<b>98,402,778</b>	<b>90,483,837</b>	

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	2012/13	2011/12
	12,963	7,092	7,618	7,709	7,533	7,749	7,357	7,158	7,276	7,383	6,785	11,781	98,403	90,484
<b>Capital expenses</b>														
56 Computer Equipment - @ Cost	160,000	465,000	225,000	-	-	-	-	-	-	-	-	-	850,000	1,036,000
57 Computer Software - @ Cost	1,254,000	120,000	40,000	-	-	-	-	-	-	-	-	-	1,414,000	924,000
58 Office Equipment - @ Cost	30,000	-	-	-	-	-	-	-	-	-	-	-	30,000	30,000
59 Furniture and Fittings - @ Cost	315,000	-	-	-	-	-	-	-	-	-	-	-	315,000	522,000
Other Fixed Assets - @ Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total capital expenses</b>	<b>1,759,000</b>	<b>585,000</b>	<b>265,000</b>	<b>-</b>	<b>2,609,000</b>	<b>2,312,000</b>								
<b>Total capital and operational</b>													<b>101,011,778</b>	<b>92,795,837</b>