



PRESS RELEASE
FOR IMMEDIATE RELEASE

Reference : COMMED "solvent and stable"
To : Media
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**PRESS RELEASE 19 OF 2010: COMMUNITY MEDICAL AID SCHEME (COMMED)
"SOLVENT AND STABLE"**

The Council for Medical Schemes (CMS) would like to expand on its press release of 26 November 2010 regarding the Community Medical Aid Scheme (COMMED) (www.medicalschemes.com/files/Press%20Releases/PressRelease16Of2010_20101126.pdf).

Beneficiaries of the scheme, healthcare service providers and brokers can rest assured that neither the current Principal Officer nor the current Board of Trustees is implicated in the alleged misconduct at the scheme. It was in fact the current Board who decided to further investigate the findings of the 2009 CMS inspection and who laid fraud charges against the implicated former officials of the scheme. The ongoing investigations by the scheme and the CMS relate only to former employees of the scheme and the former acting Registrar of the CMS.

The scheme is also financially healthy.

"COMMED is solvent and stable," the Registrar of Medical Schemes, Dr Monwabisi Gantsho, said today. "The ongoing investigations have nothing to do with its financial soundness. The scheme is perfectly capable of honouring its claims going forward."

We would like to confirm our original statement that the inspection which we carried out in 2009 found "no corporate governance issues worthy of further investigation", but that suspicions were raised regarding the award of a R14.5 million contract to Brandnue in 2006 – years before the current Board took over.

"The current Board of COMMED and we as the regulator are doing our best to ensure the recovery of losses that may have been suffered by the beneficiaries of the scheme," Dr Gantsho said. "The

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investigations are meant to address the regulatory, civil and criminal concerns allegedly instigated by former officials at the scheme to refer them to the relevant judicial arms of government.”

The CMS will publish more information once the investigations have been concluded.

The CMS Customer Care Centre can provide further clarity on this matter; please feel free to contact one of our consultants on 0861 123 267 or information@medicalschemes.com.

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