



PRESS RELEASE

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PRESS RELEASE 8 OF 2011: REGULATOR DEREGISTERS GETMED MEDICAL SCHEME

The Office of the Registrar for Medical Schemes has taken the decision to cancel the registration of GetMed Medical Scheme in terms of section 27 of the Medical Schemes Act, 131 of 1998.

During 2009 the Office of the Registrar for Medical Schemes became aware of GetMed Health Protection Plan, an unregistered product operating within the medical schemes industry, through various complaints received from its members. GetMed Health Protection Plan started off as a range of benefit options for the sick fund of the Bargaining Council for the Building Industry, Kimberley. GetMed (Pty) Ltd is a company that administers these benefit options on behalf of the Bargaining Council.

However, GetMed (Pty) Ltd expanded the GetMed Health Protection Plan product outside the bargaining council environment by marketing the product as a medical scheme. They marketed their product all over the country at an attractive price to members of the public and more specifically to corporate entities for their employees. The Registrar for Medical Schemes determined that this product clearly fell within the definition of “doing the business of a medical scheme” as defined by the Medical Schemes Act, 131 of 1998.

During this Office's engagement with GetMed (Pty) Ltd it was established that more than 2 500 members had enrolled onto the GetMed Health Protection Plan product. The directors of GetMed (Pty) Ltd acknowledged the fact that their product fell within the confinements of the Medical Schemes Act and indicated their eagerness to register as a medical scheme.

The Office of the Registrar conditionally registered GetMed Medical Scheme on 17 December 2010 as a medical scheme in order to afford protection to the large quantity of members already on the books of GetMed Health Protection Plan. The following conditions were imposed:

- (i) To provide a financial guarantee as required by the Medical Schemes Act for all medical schemes;
- (ii) To pay the application fees for the accreditation of the administration and managed care organisations;
- (iii) To provide further documentation to the Accreditation Unit of the Office of the Registrar for Medical Schemes based on the initial evaluations done on their administration and managed care organisations; and
- (iv) To provide a reinsurance contract for evaluation by the Office of the Registrar.

Despite various correspondence and meetings in this regard, GetMed Medical Scheme failed to comply with the conditions set out above. After numerous attempts by this Office to get GetMed Medical Scheme to comply with the conditions and after receiving a spike in complaints relating to payment of claims by members of GetMed Medical Scheme, the Registrar concluded that GetMed Medical Scheme would not be able to fulfill the conditions of its registration.

In the interest of the members of GetMed Medical Scheme specifically and the medical scheme industry in general, the Registrar wrote a letter to GetMed Medical Scheme on 17 August 2011 cancelling its registration as a medical scheme in terms of Section 27 of the Medical Schemes Act. The Registrar ordered the scheme to immediately cease and desist from operating its business as a medical scheme. GetMed Medical Scheme was asked to confirm its adherence to this order but failed to respond to this request.

GetMed Medical Scheme is no longer a registered medical scheme and the Council for Medical Schemes (CMS) cannot offer the members of the scheme the same protection as members of other medical schemes registered and regulated by the CMS. In fact, based on the numerous complaints recently received by this Office, the Registrar is concerned whether GetMed Medical Scheme will be able to honour the claims of their members.

Members and corporate clients of GetMed Medical Scheme are advised to urgently seek advice on their medical cover as the Office of the Registrar of Medical Schemes will not be able to resolve their complaints. The Registrar regrets that even after the leniency afforded to GetMed Medical Scheme to assure its compliance to the Medical Schemes Act, the scheme has failed to do so.