



PRESS RELEASE

Reference : PMBs are safe and sound
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Press release 9 of 2011: Victory for regulator, members of medical schemes

The prescribed minimum benefits (PMBs) which protect members of medical schemes remain in place.

And the law which prescribes them stands.

The North Gauteng High Court handed down the ruling earlier today.

The ruling came as a result of the Board of Healthcare Funders of Southern Africa (BHF), a body representing a number of medical schemes and administrators, later joined by the South African Municipal Workers' Union National Medical Scheme (SAMWUMed), challenging Regulation 8 of the Medical Schemes Act 131 of 1998 and asking the court to pronounce on it.

Regulation 8 states that medical schemes must pay for the diagnosis, treatment and care of all PMB conditions in full, or at the price charged by the healthcare provider.

The Council for Medical Schemes (CMS) was the first respondent in the matter; there were 12 others. The CMS is the custodian of the Medical Schemes Act and has always stood by a straightforward interpretation and implementation of the provisions on PMBs.

But, in a legal process that took almost a year, the BHF and SAMWUMed were seeking to have Regulation 8 interpreted to mean that schemes must pay for PMB conditions only up to the scheme tariff, effectively changing the meaning and purpose of the PMB provisions in the Act.

"We are delighted with this ruling," said Dr Monwabisi Gantsho, Registrar of Medical Schemes and Chief Executive of the CMS who made time in his busy schedule to attend the court proceedings

this morning. “PMBs are a cornerstone of the Medical Schemes Act and they were included in legislation for a good reason: to protect beneficiaries against unforeseen ill health that may prove financially catastrophic for them. As the regulator tasked with looking after the best interests of medical scheme beneficiaries, we are happy that our courts have confirmed the need for such protection in law.”

The ruling is available on the CMS website (www.medicalschemes.com) or at this link: http://www.medicalschemes.com/files/Judgements%20on%20Appeals/BHFvsCMS_Reg8PMB.pdf.

What this means for members of medical schemes

Today's ruling effectively reaffirms the need for PMBs and the protection they offer to members of medical schemes.

The Medical Schemes Act 131 of 1998 and its provisions on PMBs remain unchanged.

Reminder: what are PMBs?

Prescribed minimum benefits (PMBs) are defined in the Medical Schemes Act 131 of 1998. They are the minimum, as opposed to maximum, level of diagnosis, treatment and care that your medical scheme is obliged by law to cover – and it must pay for all PMB conditions in full and from its risk pool, not from your savings account. There are medical interventions over and above those prescribed for PMB conditions but your scheme may choose not to pay for them.

PMBs go hand in hand with DSPs. A designated service provider (DSP) is a healthcare provider (e.g. doctor, pharmacist, hospital) that is your medical scheme's first choice when you need treatment or care for a PMB condition. You can use a non-DSP voluntarily or involuntarily but be aware that when you choose to use a non-DSP, you may have to pay a portion of the bill as a co-payment.

PMBs include 270 serious health conditions such as tuberculosis and cancer, any emergency condition, and 25 chronic diseases, including epilepsy, asthma and hypertension.

The CMS publishes an electronic newsletter on members' rights to PMBs; CMScript is available on our website (www.medicalschemes.com).

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