

**THE COUNCIL FOR MEDICAL SCHEMES**  
**APPEAL COMMITTEE**

In the matter between:

**P H**

Appellant

and

**DISCOVERY HEALTH MEDICAL SCHEME**

Respondent

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**APPEAL RULING**

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1. The Appellant's complaint is that the amounts that were collected by the Respondent from her as a contribution to her Medical Savings Account ("MSA") in 2004 and 2005 were determined by the Respondent without consultation with her or her consent. This, she alleges, resulted in a reduction in the amount available in her MSA, and that in turn had the effect that she was obliged to self-fund certain medical expenses when the funds available in her MSA were exhausted..

2. The Respondent alleges that at the end of every year it corresponds with its members and informs them of the benefit options and contribution choices available to them. This includes the choice of the amounts to be contributed to the MSA by each member.
3. The Respondent alleges that where it receives no instructions from its members with regards to these choices, the Respondent determines a level of contribution to the MSA that it believes to be in the member's best interest, and applies this determination as a default position.
4. The Respondent contends that in the 2003/2004 year end period it determined the appropriate monthly MSA contribution for the Appellant to be R114.00 per month, and in the 2004/5 period it determined the appropriate amount to be R120.00 per month.
5. In each instance, according to the Respondent, it received no feedback from the Appellant to the correspondence that it sent to the Appellant and all of its other members.

6. The Appellant's complaint is that she did not receive this correspondence. She submits that the fact that she did not receive the correspondence is proof of the fact that the Respondent did not send it, or in the alternative, that the onus is on the Respondent to prove receipt of the correspondence on her part.
7. According to the Respondent it has close to two million members. It corresponds with its members by post, and sends correspondence to the address that it has on record in respect of each member. The Respondent contends that it is impossible to require it to prove delivery and receipt of such correspondence.
8. The Appeal Committee is of the view that communication by a medical scheme with its members, by way of correspondence sent by post to an address provided by the member, is satisfactory. The Appeal Committee accepts that it would be impractical to expect a scheme to prove receipt of such correspondence by its members. It is not suggested that the Respondent had not sent out annual year-end revision correspondence to any of its members, and there is no plausible

reason why it would specifically have excluded the Appellant from the members to whom it sent such correspondence.

9. In any event, the Appeal Committee is of the view that the Appellant has suffered no prejudice. Expenditure from a MSA is on a Rand for Rand basis. This means that medical expenses not covered from the Respondents risk pool are charged against the member's MSA, until such time as that account is exhausted, whereafter the member self-funds his expenses independently of the Respondent.
10. Increasing the member's contribution to a medical savings account would have had the effect that the savings account was exhausted later, and the member would have had more funds available in the savings account before he or she was required to self-fund, but the member would have had to pay the increased contribution to the MSA in the equivalent amount to the funds that would consequently have been available.
11. Therefore in this case, the fact that the MSA funds were exhausted earlier than the Appellant would have wished had no

practical financial effect on the Appellant's finances. There may be an argument that if the contributions to the MSA had been higher, a portion thereof may have been met by the Appellant's employer, but no evidence of the basis of the employer's contribution was put before the Committee.

12. For the reasons set out above the appeal is dismissed.

DATED at JOHANNESBURG on the 13th day of MARCH 2008

**P R JAMMY**

For: Appeal Committee