

THE COUNCIL FOR MEDICAL SCHEMES

APPEAL COMMITTEE

In the matter between:

GPZ

Appellant

and

RESOLUTION HEALTH

Respondent

APPEAL RULING

1. On 8 August 2006 the Respondent accepted the Appellant's application for membership. In its letter of acceptance it imposed a 12 (twelve) month condition specific waiting period in respect of diabetes and hypertension, and a 3 (three) month general waiting period to apply to the member and her dependants.

2. Paragraph 5.2 of the Respondent's acceptance letter recorded as follows:

“A condition specific waiting period of twelve months shall apply to a member and his/her registered dependants (beneficiaries), from the date of admission, for any pre-existing sickness condition, other than a condition that qualifies for treatment in accordance with the prescribed minimum benefits.”(our emphasis).

3. Clause 6 of the acceptance letter read as follows:

“In addition a three month general waiting period will be imposed in accordance with the stipulations of Rule 8.4 of the rules of the scheme. (No waiting period shall apply to any member and his/her registered dependants in respect of the prescribed minimum benefits (PMB), nor will any waiting period be imposed on a child dependant born during a member’s membership as set out in Rule 8.5)”. (our emphasis)

4. On 13 February 2006 the Appellant was admitted to a private clinic for hypertension and discharged on the same day. On 14 February 2006 she was again admitted to the clinic for hyperglycaemia and was discharged the following day.
5. The Respondent has refused to grant authorisation for the two admissions to the clinic and to meet the costs incurred in relation thereto.
6. In its letter to the Council dated 12 April 2006 the Respondent confirmed that it had declined to meet the above expenses on the basis that a waiting period, during which the exclusion of PMB’s was permissible, had been validly imposed on the Appellant as a consequence of her not having belonged to a medical scheme for more than ninety days preceding her membership of the Respondent.
7. At the hearing before the Appeal Committee, Mr van der Merwe, who appeared on behalf of the Respondent, conceded both that the Appellant’s admission to the clinic on the 13th and 14th of February 2006 was in respect of an emergency condition, and that as such, the emergency condition was included in the prescribed minimum benefits.

8. The Appeal Committee is of the view that the decision of the Respondent to refuse to meet the costs in questions can be faulted on two bases.
9. In the first instance the general waiting period that had been imposed on the Appellant as a result of her non-membership of another medical scheme prior to joining the Respondent was the three month general waiting period referred to in the acceptance letter. That waiting period commenced on 16 August 2005 (the date upon which the Appellant signed the Respondent's counter offer), and had expired at the date on which the emergency treatment was sought by the Appellant.
10. The second problem with the Respondent's decision lies in the terms of its own letter of acceptance. That letter states, unequivocally, that the waiting period would not apply to prescribed minimum benefits. Thus the terms of the contract between the Respondent and the Appellant, which terms were determined by the Respondent, specifically stated that the treatment of prescribed minimum benefits would not be excluded during either of the waiting periods imposed.
11. In the circumstances there was no legal basis for the Respondent to decline to meet the hospitalisation costs in question, and the scheme is ordered to reimburse the Appellant for these costs. The appeal consequently succeeds.

DATED at JOHANNESBURG this 30th day of MAY 2007

P R JAMMY

Member

For: Appeal Committee