



PRESS RELEASE

Reference:	CMS ready to monitor compliance on Demarcation Regulations
Contact person:	Customer Care Centre
Tel:	0861 123 267
Fax:	0866783598
E-mail:	information@medicalschemes.com
Date:	30 March 2017

Press release 5 of 2017: CMS ready to monitor compliance on Demarcation Regulations

On 1 April 2017 the long awaited Demarcation Regulations, as well as the new definition of the 'business of a medical scheme', will come into effect. For the Council for Medical Schemes (CMS), it is all systems go to monitor compliance with the Regulations.

The implementation of the Demarcation Regulations is a welcome development for the CMS as it will ensure that the social solidarity principles inherent in the medical scheme environment, are not undermined by commercially driven health insurance products. Essentially, the Regulations support an environment wherein consumers will continue to enjoy the protection emanating from the principles of open enrolment, community rating, and the prescribed minimum benefits (PMBs) which are currently only provided for by medical schemes in line with the Medical Schemes Act, No. 131 of 1998.

In terms of the Regulations, insurers are not allowed to continue to provide primary healthcare insurance policies and hospital indemnity products. These types of health cover shall from 1 April 2017, be provided only by providers that successfully apply for exemption from the CMS, and are accordingly subject to regulation in terms of the Medical Schemes Act.

The CMS working in consultation with the Financial Services Board (FSB), the National Treasury and the National Department of Health (NDoH), has put together an Exemption Framework in line with the Minister of Health's directive

that a two year exemption be granted to the providers of primary healthcare insurance policies, while the development of a Low Cost Benefit Option (LCBO) framework is still underway.

Providers that do not use the opportunity to apply for exemption by 1 April 2017 will face enforcement action as a result of the amended definition.

"We are happy with the latest developments and look forward to work together with all the relevant stakeholders to ensure compliance with the Demarcation Regulations", explained acting Chief Executive & Registrar of the CMS, Dr Siphon Kabane.

The Demarcation Regulations were published on 23 December 2016 by the Minister of Finance, in consultation with the Minister of Health, following a lengthy consultative process involving representatives from the two ministries, the CMS, the FSB, as well as other affected stakeholders.

End

Prepared by:

Pulane Molefe
Manager: Communication
Council for Medical Schemes
012 431 0512
p.molefe@medicalschemes.com

For more information

Customer Care Centre
0861 123 267
information@medicalschemes.com

Media enquiries

Dr Elsabé Conradie
General Manager: Stakeholder Relations
Council for Medical Schemes
012 431 0430
e.conradie@medicalschemes.com