PRESS RELEASE

Reference:	Investigation into allegations of racial profiling by medical aid
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Press Release 7 of 2019: Medical Schemes Regulator launches investigation into allegations of racial profiling by medical aid

PRETORIA, May 17, 2019 - The Council for Medical Schemes (CMS) has launched an investigation into allegations of racial profiling against black and Indian private medical practitioners.

The medical practitioners, all members of the National Health Care Professionals Association (NHCPA) have alleged that they were being unfairly treated and their claims withheld by medical aid schemes based on the colour of their skin and ethnicity.

The CMS led investigation, will probe the allegations of racial profiling, black listing for payments, blocked payments, demands of confidential clinical information, bullying and harassment, coercion, entrapment and use of hidden cameras, within the period of four months.

At the end of the meeting attended by officials from the NHCPA, Discovery, Medscheme, Metropolitan, GEMS, South African Medical Association (SAMA), Health Funders Association (HFA), Board of Healthcare Funders (BHF) and Health Professions Council of South Africa (HPCSA), the officials from all the organisations agreed to establish a steering committee to be chaired by the CMS.

The steering committee consists of medical schemes and administrators representatives (HFA and BHF), service provider professionals (NHCPA and SAMA), core regulators (HPCSA) and managed care organisations.

“We have listened to the complaints and allegations presented in public platforms and we sympathize with the plight of the services providers. We have also listened to the responses from the schemes and administrators,” said Dr Clarence Mini, Chairperson of CMS.

“It is important to note that our regulatory actions are based on the Medical Schemes Act which empowers schemes and administrators to undertake specific actions to protect member assets from fraudulent, wasteful and abuse claims. The overall purpose of this section of the legislation is to prevent insolvency of schemes and unaffordable annual membership contribution increases.

"Where there is an indication that schemes, and administrators are violating any section of the Act and Regulation and that information is presented to us, we investigate, inspect and issue instructions, directives and rule on these matters," said Dr Mini.

The investigating team will consist of two doctors with forensic background, a health actuary, project manager, medical ethics specialist, legal specialist, legal reform specialist, forensic compliance specialist, data analyst and a communication specialist.

The total cost of fraud in the South African private healthcare system is estimated at approximately R22bn each year. In February private healthcare representatives signed a charter as a pledge to combat fraud, waste and abuse.

At the end of the first ever Fraud, Waste and Abuse Summit organised by the CMS, the representatives from various medical schemes, government and non-governmental organisations, pressure groups and academics, said the charter was one of many important steps to address the scourge of fraud, waste and abuse.

"We intend to solve this matter once and for all, as the ultimate victim of all this is the medical scheme member."

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Editor's notes:

- The Industry Charter on Fraud, Waste and Abuse can be viewed here.
- The FWA discussion document with definitions can be viewed here

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