

14 August 2015

Dear Member,

On the 14<sup>th</sup> of July 2015 the Minister of Health gazetted proposed amendments to the Medical Schemes Act 131 of 1998. These amendments are related to Regulation 5 and Regulation 8 of the Act and at the same time, all interested parties were called upon to submit written comment in this regard.

Subsequently there has been prolific media coverage with a wide range of opinions on the consequences that the amendment will have on the different stakeholders, if adopted as it stands.

This letter is aimed at clarifying some of the misconceptions that might have developed subsequent to the publishing of the Gazette.

Prescribed minimum benefits apply to 270 diagnosis codes and 25 chronic conditions that have been identified as conditions that must be covered by medical aid schemes in full, with no co-payments apportioned to the member and with no deductibles. The intention of the Regulation was to ensure that members do not end up with limited funds or have to be transferred to a State hospital for further treatment.

The unfortunate consequence of the wording is that, currently, medical aid schemes have to pay the bill, whilst having limited mechanisms to manage over-servicing. The opportunity also exists that the codes can be manipulated and a PMB code can be used when in fact the condition is not a PMB.

Medical aids have been lobbying the Council for Medical Schemes as well as the Department of Health for a reprieve from the unintended consequences of the legislation. The proposed amendment is a manner in which the viewpoints of all stakeholders can be evaluated.

The Board of Trustees and the management team are watching the developments closely and will monitor the consequences of any amendments to the Act. The viewpoint remains that Selfmed will do everything in its power to limit co-payments and out of pocket expenses where possible. The focus remains on affording the maximum benefits to members while at the same time ensuring the sustainability of the Scheme.

We are currently working on several fronts to ensure every cent possible goes into healthcare expenditure. This being said, strong focus is being placed on pro-active identification and management of certain conditions, partnering with high risk patients and their doctors to ensure optimal care and various other initiatives.

2

**Trustees**

Trevor Harris (Chairman)  
Reg Engelbrecht  
Francois de Wit  
Duncan Albertyn

Canal Edge 2  
Tyger Waterfront  
Carl Cronjé Laan  
Bellville 7532  
Posbus 5543  
Tygervallei 7536

Canal Edge 2  
Tyger Waterfront  
Carl Cronjé Drive  
Bellville 7532  
P O Box 5543  
Tygervallei 7536

0860 787 372  
0860 - SUPBERB  
0860 - 288 363  
0860 - ATTEND

expert@selfmed.co.za  
www.selfmed.co.za

The Scheme remains a self-administered entity with no commitments to for-profit organizations - our commitment is to our members. In this light I want to assure you that the proposed changes are not viewed as an opportunity to limit the benefits to members but rather to ensure a balance in a system with very diverse stakeholders. We deeply regret the assertion that all Schemes want to deny care to their members and limit funding as much as possible, and as such, I want to assure you that we are fully committed to partnering with you and your healthcare provider, in extending your benefits and keeping you in good health.

Please feel free to e-mail me on [principalofficer@selfmed.co.za](mailto:principalofficer@selfmed.co.za)

Warm Regards

A handwritten signature in dark ink, appearing to read 'Becker', with a stylized, cursive script.

**CHRISTO BECKER  
PRINCIPAL OFFICER  
SELFMED MEDICAL SCHEME**