

CMS stakeholder engagements a success

CMS Media Release, 21 February 2020

According to a media release by the Council for Medical Schemes (CMS) (21 February) its extensive stakeholder engagements on low-cost benefit options (LCBOs) and demarcation products were very productive and have led to the establishment of two stakeholder-based advisory committees. Dr Siphokabane, chief executive and registrar of the CMS, said this outcome confirms that stakeholders are willing to work towards a solution that will benefit the many lives covered by these products.

The advisory committees are tasked with addressing the challenges faced by different stakeholders concerning their product offerings, and developing a road map leading to end-March 2021. Kabane said the committees will also serve as platforms for engagement and input on the draft LCBO framework that the CMS has developed, before it is submitted for approval by the Minister of Health. LCBO and demarcation stakeholder engagements were held in Pretoria and Cape Town, and included the National Treasury, Financial Sector Conduct Authority (FSCA), Prudential Authority (PA), Board of Healthcare Funders (BHF), Health Funders Association (HFA), medical schemes, administrators, Managed Care Organisations (MCOs), brokers, insurances and related service providers. In terms of the Demarcation Regulations, demarcation products were outlawed as early as 2017 and only exist through the exemption framework that was jointly developed by Treasury, NDoH, FSCA and CMS for this purpose. This framework applied between April 2017 and March 2019 but was further extended to 31 March 2021, in consultation with the abovementioned parties.

The extension was not intended to apply in perpetuity, but was meant to provide a transitional arrangement for the migration of demarcations products to the medical schemes regulatory environment. The window for comments on the terms of reference of these Advisory Committees, as well as nominations of members is open until 28 February 2020.