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## GOVERNMENT NOTICE GOEWERMENTSKENNISGEWING

### DEPARTMENT OF HEALTH

No. R. 599

7 May 1999

### REGULATIONS UNDER THE MEDICAL SCHEMES ACT, 1998 (ACT NO. 131 OF 1998)

The Minister of Health intends, in terms of section 67(2) of the Medical Schemes Act, 1998 (Act No. 131 of 1998), to make the regulations in the Schedule.

Interested persons are invited to submit any written comments on the proposed regulations or representations they wish to make in regard thereto to the Director-General of Health, Private Bag X828 Pretoria, 0001 (for the attention of the Director: Health Financing and Economics (e-mail: [masobp@hltrsa2.pwv.gov.za](mailto:masobp@hltrsa2.pwv.gov.za))), within three months of the date of publication of this notice.

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## **CHAPTER 1**

### **DEFINITIONS**

#### **Definitions**

1. In these Regulations any expression defined in the Act bears that meaning and, unless the context otherwise indicates —

- (a) "broker" means any person to the extent that the person provides advice in respect of the admission of members to a medical scheme, maintaining



or servicing a member, providing administrative services in relation to the membership of a member and the performance of such an act in relation to the membership of the member under the agreement between the person and the medical scheme, member or employer;

- (b) "co-payment" means any out-of-pocket payment by the member or his or her dependant payable to a health care provider under the terms of his or her cover to share some part of the cost of treatment covered by the medical scheme;
- (c) "creditable coverage" means any period of verifiable medical scheme membership of the applicant or his or her dependant, terminating two years or more before the date of application;
- (d) "deductible" means any amount deducted from the payment by the medical scheme to the member or his or her dependant;
- (e) "enhanced option" means any benefit option or plan which offers benefits (in terms of scope of treatment and care, and/or location of care or level of amenities available) above and beyond those required under the prescribed benefits package.
- (f) "hospital treatment" means any treatment which requires:
  - i. an overnight stay in hospital or
  - ii. the use of an operating theatre together with the administration of a general or regional anaesthetic or
  - iii. the application of other diagnostic or surgical procedures that carry a significant risk of death, and consequently require on-site resuscitation and/or surgical facilities
- (g) "late joiner" means an applicant or the dependant of an applicant who, at the date of application for membership, is 40 years of age or older and has not been a member of another medical scheme during a period of two years prior to applying for membership.
- (h) "managed care organisation" means any organisation that provides management of benefits on behalf of, or to a medical scheme or an administrator in respect of any member or dependant, and whose accreditation requirements are of the same standard as those applicable

to administrators, and shall include a medical scheme should such scheme manage benefits on behalf of a client;

- "managed health care" means a health care delivery arrangement designed to reduce unnecessary utilisation of services, to contain cost and to measure performance while providing accessible, quality and effective health care;
- (i) "practice code number" means the number allotted to a supplier of a relevant health service as a practice number of an organisation or body approved by the Council;
  - (j) "pre-existing condition" means a condition for which medical advice, diagnosis, care or treatment was recommended or received within the six-month period ending on the date on which application was made;
  - (k) "provider" means any natural person or an incorporated company or other legal entity that provides a relevant health service;
  - (l) "provider network" means any system of contractually linked hospitals or other relevant health care providers operating within a geographical area which allows a member or their dependants reasonable and timely access to appropriate care;
  - (m) "public healthcare system" means the entire public hospital and healthcare delivery system of each province, and includes any necessary transfer to a public hospital outside the province of residence for specialist treatment not available locally;
  - (n) "the Act" means the Medical Schemes Act, 1998 (Act No. 131 of 1998).

### **Registration of medical scheme**

2. (1) Every application for registration of a medical scheme must be in writing and signed by the person managing the business of the proposed scheme or by a person on behalf of the Board of Trustees of the proposed scheme and must contain —

- (a) the full name under which the proposed scheme is to be registered;
- (b) the date on which the proposed scheme is to come into operation;
- (c) the physical and postal addresses of the registered office of the proposed scheme;

- (d) two copies of the rules of the proposed scheme, which must comply with regulation 5(1), and must be duly certified by the applicant as being true copies of the rules which will come into operation on the date of registration of the proposed scheme or the date of commencement of the scheme, whichever date is applicable;
- (e) the full names, physical and postal addresses and *curriculum vitae* of the principal officer and trustees of the proposed scheme;
- (f) in the case of a restricted membership scheme, the name or names of the participating employer;
- (g) the name and address of the person who, for the time being is, and upon registration of the proposed scheme will administer the scheme;
- (h) a copy of the administration agreement, where the proposed scheme is to be administered by an administrator;
- (i) the application and registration fees prescribed by regulation 13(a) and (b);
- (j) the guarantees and the guarantee deposit vouchers as the Registrar may require;
- (k) a detailed annual statement of services to be undertaken, directly or indirectly, on behalf of the proposed scheme by an administrator, broker and managed care organisation;
- (l) a detailed business plan; and
- (m) such other information as the Registrar may require.

(2) The minimum number of members required for the registration of a medical scheme shall be 6000, which number is required to be admitted within a period of three months of registration of the scheme.

### **Written proof of membership**

3. (1) Every medical scheme must issue to each of its members, identified individually by a population identity number, written proof of membership containing at least the following particulars —

- (a) The name of the medical scheme;

- (b) the surname, first name, gender and other initials, if any, of the member and his or her registered dependants;
- (c) the membership number;
- (d) the date on which the member becomes entitled to benefits from the medical scheme concerned;
- (e) if applicable, an indication of whether there are relevant health services that are specifically excluded from benefits;
- (f) if applicable, the fact that the rendering of relevant health services is limited to a specific provider of service or a group or category of providers of services; and
- (g) if applicable, a reference to the benefit option to which the member is admitted.

(2) (a) Subject to paragraph (b), a medical scheme must, at the request of any former member, provide that member with a membership certificate, stating the date of admission to, and the date of termination of, membership of the member or any of his or her dependants.

(b) A request contemplated in paragraph (a) must reach the medical scheme within a period of two years after the termination of the person's membership.

#### **Administration of a medical scheme**

4. (1) The rules of a medical scheme and any amendment thereto must comply with the following requirements —

- (a) They must be printed in at least 1,5 spacing and a font of at least 12 on A4 paper of at least 80 grams;
- (b) they must be printed on one side of the paper only, with a margin of at least 30 mm on the left side and at least 25 mm at the top and bottom and on the right side;
- (c) headings and subheadings must be printed in bold print;
- (d) no underlining is allowed in the document; and
- (e) the document must at the front contain a detailed table of contents of the rules, with references to the relevant page numbers.

(2) A medical scheme that provides more than one benefit option may not in its rules or otherwise, preclude any member from electing, or deny any member the right to participate in, any benefit option offered by the scheme.

(3) A medical scheme may in its rules provide that a member may only change from one benefit option to another at the beginning of a financial year, by giving written notice of not more than three months to the scheme.

(4) A medical scheme may not in its rules or in any other manner, structure any benefit option in such a manner to create a preferred dispensation for one or more specific group of members or to provide for the creation of ring-fenced net assets by means of such benefit option or to transfer accumulated *pro rata* net assets of such option to another medical scheme.

(5) A medical scheme may not in its rules or in any other manner provide for the utilisation of contributions, paid by or in respect of members or received from a participating employer, for the purposes of pre-funding future liabilities with regard to contributions or benefits in any manner whatsoever.

### **Prescribed minimum benefits**

5 (1) This section set out the scope, level and operation of the set of prescribed minimum benefits to be available to all members and dependants, as provided for under section 29(1)(o) and 29(1)(p) of the Act. The intention of the regulations in specifying a set of prescribed minimum benefits for hospital care is:

- i. To avoid loss of cover in the event of serious illness, and consequent risk of unfunded use of public hospitals; and
- ii. to encourage efficient allocation of private and public health care resources.

### **Scope and content of the prescribed minimum benefits**

(2) The content of the prescribed minimum benefits package (also referred to as "prescribed benefits", "minimum benefits" or "minimum benefits package") shall be determined with reference to an explicit list of benefits, defined in Schedule 1 below, which may be revised and amended from time to time by the Minister. Any health benefit not included in the list of prescribed benefits (including newly developed interventions or technologies) shall be deemed to be excluded from the prescribed benefits package until and unless the list is revised to include it.

(3) From the effective date of these regulations, and until such time as the list of prescribed benefits may be amended, the prescribed minimum benefits to be offered by all schemes under the terms of the Act are defined as comprising the provision of treatment for all the categories of diagnosis and treatment pairs listed by organ-system chapter in Schedule 1, subject to any limitations specified within that Schedule.

### **Interpretation of Schedule 1**

(4) Where the treatment component of a category in Schedule 1 is stated in general terms (i.e. "medical therapy" or "surgical therapy", it should be interpreted as reflecting prevailing medical or surgical treatment practice for the specified condition. Where significant differences exist between public and private sector practices, the interpretation of the minimum benefit package should follow the predominant public hospital practice. Organ transplantation, tumour chemo- and radiotherapy, and mechanical ventilation are excluded from these generic categories unless otherwise specified.

(5) Where an individual is suffering from two separate disease processes or conditions, the general principle shall apply that, if a planned intervention fits the description of more than one of the categories included in Schedule 1, their hospitalisation for all included categories shall be covered within the prescribed



benefits package. In certain cases, specified categories shall take precedence over others present. Such "overriding" categories are preceded by the sign "#" in their descriptions within Schedule 1.

(6) Disease severity and location of treatment. In general, categories defined as "acute" in Schedule 1, shall be assumed normally to require hospitalisation. Where a condition or category is included in Schedule 1, but the case concerned is insufficiently severe to warrant admission in terms of general prevailing practice, then the medical scheme shall be free to specify that the enrollee be treated on an ambulatory basis.

(7) In general, acute admissions for chronic mental illness have been included within Schedule 1. Where this is the case, length of stay limits have generally been specified, and schemes will not be liable within the terms of the prescribed benefits package for the costs of long-term hospitalisation for such patients above these limits.

(8) Hospital treatment where the diagnosis is uncertain and/or admission for diagnostic purposes. Urgent admission may be required where a diagnosis has not yet been made. Certain categories of prescribed benefits are described in terms of presenting symptoms, rather than diagnosis. In other cases, clinical evidence should be regarded as sufficient where this suggests the existence of a diagnosis that is included within the package. Medical schemes may, however, require confirmatory evidence of this diagnosis within a reasonable period of time, and where they consistently encounter difficulties with particular providers or provider networks, such problems should be brought to the attention of the Council for Medical Schemes for resolution. All costs related to an admission for a category within Schedule 1 are covered by the scheme, and this includes the costs of diagnostic tests. A medical scheme may require pre-authorisation for certain named diagnostic tests, provided that these have been clearly designated as subject to pre-authorisation in the rules and member information materials relating to that option. For non-urgent symptoms, hospital admission is generally not required prior to a



diagnosis being made, and diagnostic tests should be performed on an outpatient basis. Where ambulatory diagnostic tests confirm a diagnosis that is part of the prescribed benefits, then such diagnostic tests should be included as part of the prescribed benefits.

### **Operation of prescribed benefits**

(9) Any benefit option or plan offered by a medical scheme must cover in full (i.e. without copayment or the use of deductibles) the costs of diagnosis, treatment and care of all prescribed benefits specified in Schedule 1 (including any subsequent revisions to this Schedule) in at least one provider or provider network (which must at all times include the public healthcare system). Cover in the public healthcare system must include all costs of diagnosis, treatment and care of prescribed benefits to a level and entitlement not different in quality terms to that of publicly-funded patients.

(10) Provided that these minimum stipulations for prescribed benefits cover are met, schemes are at liberty to offer enhanced options offering additional cover for prescribed benefits (e.g. in alternative providers or provider networks) which may incorporate co-payments, and/or enhanced options offering cover for additional benefits outside the prescribed package. If cover for a prescribed benefit (as defined in Schedule 1) under an enhanced option is exhausted while the patient still requires care or treatment covered within the prescribed minimum benefits package, that patient may be transferred to a lower cost provider / network (including the public healthcare system), but the scheme will continue to be liable in full for all costs incurred therein within the terms of the prescribed benefits package.

(11) No member or dependant may lose their entitlement to full cover of prescribed benefits in at least the public healthcare system, regardless of any enhanced option they may choose or any stipulation attached to that enhanced option, other than due to loss or suspension of membership as governed by section 29(2) of the Act. No rule of a medical scheme or stipulation of any option may

provide for the exclusion of cover for prescribed benefits, and the entitlement to cover for prescribed benefits in at least the public healthcare system shall take precedence over any other stipulation in the case of a dispute.

(12) Subject to the obligation that every option offered by a scheme must provide full cover for prescribed benefits in at least the public healthcare system, schemes are at liberty to employ appropriate techniques to improve the efficiency of care provision. Subject to the minimum requirements of paragraph (9), the regulations on prescribed benefits do not prevent schemes from employing such techniques as the designation of preferred providers, pre-authorisation and the use of treatment protocols. In the case of pre-authorisation of treatment, however, a scheme shall not refuse authorisation for the delivery in a public hospital of standard treatment for a prescribed benefit as defined in Schedule 1.

#### **Application of prescribed benefits in the rules of a medical scheme**

(13) Each medical scheme shall provide within its rules for the provision of the prescribed minimum benefits as stipulated in these regulations under all options provided by the scheme. Schemes shall do so by making explicit reference to these regulations in their rules; full reproduction of the regulations or Schedule 1 in the rules is not, however, mandatory. Schemes may also wish to specify voluntarily within the rules relating to individual options whether or not they will restrict the provision of prescribed benefits under the option to a named network of providers.

(14) The Registrar of Medical Schemes shall rule whether or not the scheme's rules are consistent with the provisions of the Act and regulations on prescribed benefits, prior to approving the rules of the scheme. This approval shall take place in terms of application for registration of a new scheme under section 24; for the revised rules of existing schemes as per Schedule 2 of the Act (Transitional Arrangements 4 (3)); amendments to schemes' rules under section 31 of the Act, and approval of benefit options under section 33 of the Act. The Registrar may order the revision or application of the rules relating to prescribed benefits as

described in section 31 (4) of the Act.

### **Disputes and complaints**

(15) Disputes and complaints concerning the application of prescribed benefits which can not be resolved between the member, a provider and the scheme, shall be subject to the provisions concerning complaints under Chapter 10 of the Act.

### **Revision and updating of prescribed benefits**

(16) The Department of Health shall monitor the impact, effectiveness and appropriateness of the prescribed minimum benefits provisions. A review shall be conducted at least every two years by the Department, involving the Council for Medical Schemes, stakeholders, provincial health departments and consumer representatives which shall provide recommendations for the revision of the regulations and Schedule 1 on the basis of:

- i. Inconsistencies or flaws in the current regulations;
- ii. cost-effectiveness of health technologies;
- iii. consistency with developments in health policy; and
- iv. impact on scheme viability and affordability to members

(17) The first such review shall have been completed by the end of September 2000.

(18) The Registrar may order schemes to amend their rules to comply with such revisions in terms of section 31(4) of the Act.

### **Informing members of their entitlement to prescribed benefits**

(19) A medical scheme shall, in addition to its obligation to provide members with a copy of its rules on demand, provide all members with a summary description

of their entitlement to prescribed benefits, explicitly describing where and how they may access prescribed benefits under their chosen option. A member shall be entitled to the full list of prescribed benefits on request.

(20) The Registrar shall communicate to the public at large the nature and implications of any revisions to the prescribed benefits entitlement. The Registrar shall also make the list of prescribed benefits available to the members of the public on request.

### **Transitional exemptions for low cost schemes**

(21) Medical schemes established under the Labour Relations Act, 1995, as amended, or other schemes which can demonstrate that, during 1998, their average contribution per beneficiary was R1000 or less, and which consider that even minimum compliance with prescribed benefits will radically alter both their contribution and benefit structures, may apply to the Council by 31 October 1999 for a transitional dispensation exempting them from the requirement to provide prescribed benefits. The Council may grant such transitional exemptions at its discretion for a period not exceeding 31 December 2002. Such exemption will only be granted where the scheme can demonstrate that compliance with prescribed minimum benefits will entail an increase in excess of 25% in contributions and a radical restructuring of benefits (e.g. where previously only primary care benefits were provided). Schemes granted such an exemption must have revised their rules, benefit structure and contributions in compliance with the prescribed benefits regulations, and have submitted their amended rules to the Registrar for approval by the time their transitional exemption expires.

### **Provision of personal medical savings accounts**

6 (1) A medical scheme shall not pay into a members' personal medical savings account an amount that exceed an equivalent of three contribution months during any calendar year.

(2) Funds deposited into or advanced by a medical scheme into a member's personal medical savings account shall not be used to purchase or reimburse any relevant health service which forms part of the prescribed minimum benefits.

(3) Funds deposited in a member's medical savings account may not be used to offset contributions.

(4) The maximum allowable cumulative balance in a member's personal medical savings account shall not be more than three times the annual allowable limit that can be paid into such an account.

(5) Credit balances in the member's personal medical savings account may be transferred to another scheme with a personal medical savings account regime when such member changes schemes.

(6) Any balance in a members' personal medical savings account shall be excluded from the calculation of the mandatory nett assets of the medical scheme.

(7) Every medical scheme must provide the following to the Registrar with regard to members' personal medical savings accounts —

- (a) Details of amounts paid into members' personal medical savings accounts;
- (b) details of benefits, by category, paid out of members' personal medical savings accounts;
- (c) details on both debit and credit balances in members' personal medical savings accounts; and
- (d) any other reports that the Council may specify from time to time.

### **General Waiting Periods**

7 (1) A medical scheme may impose a general waiting period of up to three months upon a new member before such member is entitled to claim any benefits:

Provided that an applicant may elect to make a payment to the scheme in lieu of the waiting period.

(2) A medical scheme may impose a specific waiting period of no more than nine months for any pregnancy-related benefit that is not part of prescribed minimum benefits.

(3) A general waiting period may not be imposed on any applicant if, at the date of application, he or she had been a member or a dependant of a member of another medical scheme for a continuous period of two years or more.

(4) An applicant referred to in subparagraph (3) above, shall apply to the new scheme for membership within a period of three months in order for the general waiting not to apply.

#### **Pre-existing sickness conditions**

8 (1) A medical scheme may require an applicant to provide the scheme with a medical report on any condition for which medical advice, diagnosis, care or treatment was recommended or received within the six months period ending on the date on which an application was made;

(2) Where a pre-existing condition exists in an applicant, schemes may impose a condition-specific waiting period for not more than twelve months from the effective date of coverage: Provided that:

- (a) No waiting period may be applied to any treatment or diagnostic procedures covered within the prescribed minimum benefits;
- (b) no exclusion may be applied to any person who, at the time of application, had been a member or a dependant of a member of another medical scheme for a continuous period of at least two years, and who changes to a new scheme because of a change in employment and applies for



membership within three months of the termination of membership from the other medical scheme.

### **Premium penalties for persons joining late in life**

9 (1) A medical scheme may apply premium penalties to an applicant or the dependant of an applicant who fits the definition of a "late joiner".

(2) Such premium penalties shall be calculated using the following bands:

<b>Age Band</b>	<b>Maximum penalty</b>
40-49	1.25 x standard rate
50-59	1.5 x standard rate
60+	1.75 x standard rate

(3) Any years of creditable coverage which can be demonstrated by the applicant or his or her dependant shall be subtracted from his or her current age, and the resulting age band and penalty rate determined on the basis of [age at application minus years of creditable coverage].

(4) Where an applicant or his or her dependant produces evidence of creditable coverage after a late joiner penalty has been imposed, the scheme must recalculate the penalty.

(5) A medical scheme must report annually to the Registrar on the number of late joiners enrolled in each age band during the past year and cumulatively.

### **Amnesty period prior to introduction of late joiner penalties**

(6) For a period of six calendar months following the effective date of these regulations, (i.e. from 1 January 2000 until 30 June 2000 inclusive) medical schemes must accept persons meeting the definition of a late joiner and applying for cover without imposing any of the late joiner penalties described above.



(7) The Department of Health shall publicise this amnesty period appropriately.

### **Certification of Coverage**

20 (1) A medical schemes must provide each member or dependant with a certificate stating dates of membership and type of cover provided within 28 days of the termination of membership.

(2) A copy of this certificate must be forwarded on request to any scheme to which the former member subsequently applies for coverage.

21 (1) The Minister shall reserve the right to establish, by notice in the Government Gazette, a compulsory register of medical scheme membership, containing relevant details of scheme members and their dependants, under the control of the Registrar of Medical Schemes.

(2) Medical schemes shall be required to provide any specified information to the Registrar in order to establish such central register.

22 The Minister shall reserve the right to institute a compulsory risk equalisation fund or other appropriate mechanism.

### **Conditions for continued membership**

10 (1) If a medical scheme requires that continued membership referred to in sections 29(1)(s) and (t) of the Act be subject to a qualifying period of membership in respect of the member, such period shall not exceed five years, and

(a) in order to qualify for continued membership, contributions may be paid to cover any outstanding period; and

(b) previous membership of any other medical scheme by the member, must

be taken into account in determining period referred to in sections 29 (1) (s) and (t) of the Act.

### **Accounts by suppliers of services**

**11.** The account or statement contemplated in section 59(1) of the Act must contain the following —

- (a) The surname and initials of the member;
- (b) the surname, first name and other initials, if any, of the patient;
- (c) the name of the scheme concerned;
- (d) the membership number of the member;
- (e) the practice code number, group practice number and individual provider registration number issued by the registering authorities for providers, if applicable, of the supplier of service and, in the case of a group practice, the name of the practitioner who provided the service;
- (f) the relevant diagnostic and such other item code numbers that relates to such relevant health service;
- (g) the date on which each relevant health service was rendered;
- (h) the nature and cost of each relevant health service rendered, including the supply of medicine to the member concerned or to a dependant of that member; and the name, quantity and dosage of and net amount payable by the member in respect of, the medicine;
- (i) where a pharmacist supplies medicine according to a prescription to a member or to a dependant of a member of a medical scheme, a copy of the original prescription or a certified copy of such prescription, if the scheme requires it;
- (j) where mention is made in such account or statement of the use of a theatre —
  - (i) the name and relevant practice number and provider number contemplated in sub-paragraph (e) of the medical practitioner or dentist who performed that operation;
  - (ii) the name or names and the relevant practice number and provider number contemplated in sub-paragraph (e) of every medical practitioner or dentist who assisted in the performance

- of that operation; and
- (iii) all procedures carried out together with the relevant item code number contemplated in subparagraph (f); and
- (k) in the case of a first account or statement in respect of orthodontic treatment or advanced dentistry, a treatment plan indicating —
  - (i) the expected total amount in respect of the treatment;
  - (ii) the expected duration of the treatment;
  - (iii) the initial amount payable; and
  - (iv) the monthly amount payable.

#### **Manner of payment of benefits**

**12** (1) A medical scheme may not in its rules or in any other manner in respect of any benefit to which a member or former member of such scheme or a dependant of such member is entitled, limit, exclude, retain or withhold, as the case may be, any payment to such member or supplier of service on account of the late submission or late re-submission, as the case may be, of an account or statement rendered or claim with regard to such benefit, before 120 days following last date of the service rendered and stated on such account, statement or claim or during which such account, statement or claim was returned for correction.

(2) If a medical scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, it must inform the member within 30 days after receipt of such account, statement or claim that it is erroneous or unacceptable for payment and state the reasons for such unacceptability.

(3) After a member has been informed as referred to in subregulation (2), such member must be afforded time to correct and resubmit such account or statement before the end of the fourth month following the date from which it was returned for correction.

(4) If an account, statement, or claim is correct or where a corrected account, statement or claim is received, as the case may be, a medical scheme must, in

addition to the payment contemplated in section 59 (2) of the Act, dispatch to the member a statement containing at least the following particulars-

- (a) The name and the membership number of the member;
- (b) the name of the supplier of service;
- (c) the final date of service rendered by the supplier of service on the account or statement which is covered by the payment;
- (d) the total amount charged for the service concerned; and
- (e) the amount of the benefit awarded for such service.

### **Conditions for providing managed health care**

**13** (1) If a medical scheme provides benefits to its members by means of a managed health care arrangement or agreement, such arrangement or agreement

- (a) must be reduced to writing; and
- (b) may not absolve a medical scheme from its responsibility towards its members if any person is in default to provide any service in terms of such arrangement or agreement.

(2) The arrangement or agreement contemplated in subregulation (1) must specifically provide that no member or dependant of a member may be held liable to the participating provider for any sums owed by the medical scheme.

(3) An agreement or arrangement contemplated in subregulation (1) must provide that a party to the agreement or arrangement, including a trustee, agent or representative of such party, may not institute any legal action against a member or a dependant of a member to collect sums owed by the medical scheme.

(4) A provider of managed health care may not, in terms of an arrangement or agreement contemplated in this regulation, or otherwise, assume financial liability for any cover beyond the scope of what such provider is able to provide and such liability must be clearly defined by means of the arrangement or agreement between the provider and the scheme.

(5) An agreement or arrangement between a provider of managed healthcare and a medical scheme must require either party to give at least 90 days advance notice before terminating the agreement or arrangement.

(6) A managed health care organisation shall not in any manner forbid or discourage a participating provider from informing patients of the care they require, including various treatment options, and whether in the provider's view, such care is consistent with medical necessity and medical appropriateness.

(7) A provider shall not be prohibited from protesting or expressing disagreement with a medical decision, medical policy or medical practice of the managed health care organisation, within the constraints of the professional practice and ethical guidelines for the profession.

(8) A managed health care organisation shall not terminate the contract with a provider because —

- (a) the provider expresses disagreement with the organisation's decision to deny or limit benefits to a member
- (b) the provider assists the member to seek reconsideration of the organisation's decision; or
- (c) a provider discusses with a member any aspect of the member's medical condition, any proposed treatment or treatment alternatives, whether covered by the managed health care organisation or not.

(9) Nothing in this regulation shall be construed to prohibit a managed health care organisation from —

- (a) requiring of a provider to refrain from making, publishing, aiding or disseminating, directly or indirectly, any oral or written statement or any pamphlet or circular that is false or maliciously critical of the managed health care organisation and is calculated to injure or prejudice such

managed health care organisation; and

- (b) terminating a contract with a provider because such provider materially misrepresents the provisions, terms and requirements of the managed health care organisation.

(10) A managed health care organisation that endeavours to procure a network of providers must —

- (a) upon request, provide an application and information required for consideration for participation in the organisation's network, to any provider wishing to apply for participation in the organisation's network; and
- (b) make publicly available its application requirements.

(11) A managed care organisation may not deny an applicant participation, or terminate participation on its network on the basis of —

- (a) race, gender, age, religion, national origin or any other arbitrary grounds that may constitute unfair discrimination;
- (b) the type or number of appeals filed by the provider; or
- (c) the type or number of complaints or grievances the provider filed or requested for review.

(12) Where a managed health care organisation proposes to terminate a provider's contract, the notice of termination must include —

- (a) the reasons for the proposed action;
- (b) a notice that the provider has a right to request a hearing or review, at the provider's discretion, before an impartial panel appointed by the Council for Medical Schemes for that purpose;
- (c) a period of not less than 30 days within which a provider may request a hearing or review; and
- (d) a period for a hearing date which must be within 30 days of the date of receipt of the request for a hearing.



(13) The panel contemplated in subregulation (12)(b) must render a decision within three days of such hearing, and must communicate the decision to the provider, and the decision must include reinstatement of the provider, or provisional reinstatement subject to conditions set forth by the panel or termination of the provider's contract.

(14) A managed health care organisation may not use a financial incentive that directly or indirectly compensates a provider for ordering or providing less than medically necessary for, or less than appropriate care to, his or her patients.

(15) Nothing in subregulation (14) should be deemed to prevent a managed health care organisation from using a payment arrangement which is based on a cost per member per month and which is consistent with the intent of this subregulation.

(16) Any information pertaining to the diagnosis, treatment or health of any member of a medical scheme or of any dependant of such member must be treated as confidential.

(17) A medical scheme is entitled to access any treatment record held by the provider and other information pertaining to the diagnosis, treatment and health status of the member in terms of the agreement or arrangement, but such information may not be disclosed by the provider to any other person without the express consent of the member, except for purposes of notification as stipulated in a relevant Act or regulations.

(18) A managed health care organisation must annually submit to the Council, on application for accreditation, a written quality assurance plan and a written utilization review plan that includes the following —

(a) the goals and objectives;



- (b) the staffing and contractual arrangements;
- (c) a system for communicating information regarding utilisation review activities to providers and schemes;
- (d) a system for communicating information regarding quality assurance activities to schemes, providers and members;
- (e) the scope of the quality assurance activities;
- (f) the scope and description of the utilisation review activities; and
- (g) a description of peer review system.

(20) A managed health care organisation may not prohibit in its rules the initiation of an appropriate intervention by a provider prior to receiving authorisation from the managed health care organisation, where a person presents with any condition that requires immediate medical or surgical intervention.

#### **Conditions to be complied with by brokers of medical schemes**

**14.** (1) No person may be compensated by a medical scheme in terms of section 65 for acting as a broker unless such person —

- (a) has been accredited by the Council for medical scheme to act as a broker;
- (b) enters into a prior written agreement with the medical scheme concerned, of which the nature and the compensation payable to such person is fully disclosed in the financial statements of the scheme concerned;
- (c) discloses to the prospective member the name of the medical scheme concerned and the fact that he or she is acting in terms of the agreement;
- (d) discloses to the prospective member, the registered contributions for the cover;
- (e) discloses to the prospective member, the nature of the services rendered by him or her;
- (f) is a fit and proper person for purposes of acting as an accredited broker;
- (g) acts at all times in absolute good faith towards the member, the prospective member or the client and the medical scheme concerned;

- (h) provides documentary proof to the member or prospective member that he or she has obtained accreditation from the Council;
- (i) discloses to the member or prospective member, compensation payable to him or her, which shall not be in excess of the maximum amount as prescribed in subregulation (2);
- (j) complies with the minimum level of services provided for in the accreditation requirements;
- (k) complies with the recognised educational qualifications contemplated in subregulation (8);
- (l) complies with the code of ethics for appropriate behaviour provided for in the accreditation requirements; and
- (m) undertakes not to receive any other incentive, reward or compensation in addition to the disclosed compensation as contemplated in subparagraph (a).

(2) Irrespective of the number of persons who render services as brokers, relating to the introduction or admission of a member to a medical scheme, the maximum amount payable in respect of the performance of such services shall not exceed 3% plus value added tax (VAT) of the contributions paid by or on behalf of the member who is represented by such person.

(3) No compensation may be paid or accepted before the date on which the contribution in respect of which the compensation is determined, has been paid to the medical scheme concerned.

(4) No compensation is payable unless the compensation has been indicated in the rules of the medical scheme concerned

(5) No compensation may be paid by the medical scheme in respect of a member for a period exceeding one year, unless the scheme and the broker have concluded a contract specifying a minimum set of ongoing services that the broker will provide, including annual reviews of claims, contributions and benefits in respect

of the member concerned, effective communication and handling of claims and enquiries.

(6) A person is disqualified from performing broker services if he or she is an unrehabilitated insolvent or has previously received a disqualifying rating as a broker.

(7) Every broker contemplated in this regulation must apply annually on or before 1 October in writing to the Council for accreditation, which application must be accompanied by documentary proof of a recognised educational qualification and registration with the Institute for Marketing Management, or with the Institute for Life and Pension Fund Administrators.

(8) A recognised education or qualification, for the purposes of this regulation, means —

- (a) a Bachelors degree, or an equivalent three year qualification; and
- (b) a minimum of one year experience as broker in health care business; or
- (c) a minimum of four years practical experience as broker in health care business.

(9) Accreditation may be granted by Council for one year at a time, to expire on 31 December of every year.

#### **Fees payable**

15. The following fees are payable in respect of the matters as indicated —

- (a) An application for registration of a medical scheme: R5000,00;
- (b) the registration of a medical scheme: R1000,00;
- (c) to change the name of a medical scheme: R500,00;
- (d) registration of amendments, rescissions or additions to the rules of a medical scheme in terms of section 31 of the Act, per A4 page or part thereof : R20,00;
- (e) inspection of documents in terms of section 41(3) of the Act, per

document: R50,00;

- (f) a copy or extract made by the Registrar of or from a document referred to in section 41(3) of the Act, per A4 page or part thereof: R10,00;
- (g) application for approval as an administrator contemplated in section 58(4) of the Act: R10 000,00;
- (h) application for accreditation as a broker contemplated in section 65 of the Act: R5 00,00; and
- (i) an appeal contemplated in section 50(3) of the Act: R 2000,00.

### **Penalties**

16. The penalty for every day which a failure contemplated in section 66(3) of the Act continues, is R1000,00.

### **Short title and commencement**

17. These regulations are called the Medical Schemes Act Regulations, 1999, and come into operation on **1 August 1999**.

**SCHEDULE 1: PRESCRIBED MINIMUM BENEFITS**

Categories (diagnosis and treatment pairs) comprising the prescribed minimum benefits package under section 29 (1) (o) of the Medical Schemes Act - listing by organ-system chapter.

**BRAIN AND NERVOUS SYSTEM**

**DIAGNOSIS:** SEVERE/MODERATE HEAD INJURY: HEMATOMA/EDEMA WITH LOSS OF CONSCIOUSNESS

**TREATMENT:** MEDICAL AND SURGICAL TREATMENT

**DIAGNOSIS:** DEFORMITIES OF HEAD AND COMPOUND/DEPRESSED FRACTURES OF SKULL

**TREATMENT:** CRANIOTOMY/CRANIECTOMY

**DIAGNOSIS:** SUBARACHNOID AND INTRACRANIAL HEMORRHAGE/HEMATOMA;  
COMPRESSION OF BRAIN

**TREATMENT:** BURR HOLES, CRANIECTOMY/CRANIOTOMY

**DIAGNOSIS:** ENCEPHALOCELE; CONGENITAL HYDROCEPHALUS

**TREATMENT:** SHUNT

**DIAGNOSIS:** SPINA BIFIDA

**TREATMENT:** SURGICAL TREATMENT

**DIAGNOSIS:** VERTEBRAL DISLOCATIONS/FRACTURES, OPEN OR CLOSED WITH INJURY TO SPINAL CORD

**TREATMENT:** REPAIR/RECONSTRUCTION, MEDICAL THERAPY, INPATIENT REHABILITATION UP TO 2 MONTHS

**DIAGNOSIS:** INTRASPINAL AND INTRACRANIAL ABSCESS

**TREATMENT:** MEDICAL AND SURGICAL TREATMENT

**DIAGNOSIS:** DIFFICULTY IN BREATHING, EATING, SWALLOWING, BOWEL, OR BLADDER CONTROL, MUSCULAR PARALYSIS, DUE TO NON-PROGRESSIVE NEUROLOGICAL (INCLUDING SPINAL) CONDITION OR INJURY.

**TREATMENT:** MEDICAL AND SURGICAL TREATMENT

DIAGNOSIS: TRANSIENT CEREBRAL ISCHEMIA

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: TETANUS

TREATMENT: MEDICAL THERAPY, VENTILATION

DIAGNOSIS: BASAL GANGLIA, EXTRA PYRAMIDAL DISORDERS, OTHER DYSTONIAS NOS

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: PERIPHERAL NERVE INJURY WITH OPEN WOUND

TREATMENT: NEUROPLASTY, SOFT TISSUE REPAIR

DIAGNOSIS: MYASTHENIA GRAVIS, INITIAL DIAGNOSIS, ADMISSION FOR SURGERY,  
MYSTHENIC CRISIS

TREATMENT: MEDICAL THERAPY, THYMECTOMY

DIAGNOSIS: UNSPECIFIED POLYNEUROPATHY

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: VIRAL ENCEPHALITIS, MYELITIS AND ENCEPHALOMYELITIS

TREATMENT: ADMISSION FOR DIAGNOSTIC PURPOSES

DIAGNOSIS: STROKE - DUE TO HAEMMORHAGE, OR ISCHAEMIA

TREATMENT: MEDICAL THERAPY, SURGERY

DIAGNOSIS: EPILEPSY (STATUS EPILEPTICUS, INITIAL DIAGNOSIS, ADMISSION FOR  
NEUROSURGERY, ONLY)

TREATMENT: MEDICAL THERAPY, SURGERY

DIAGNOSIS: MENINGITIS - ACUTE AND SUBACUTE

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: ACUTE GENERALISED PARALYSIS NOS, INCLUDING POLIO AND GUILLAME  
BARRE

TREATMENT: MEDICAL THERAPY, VENTILATION

DIAGNOSIS: BENIGN AND MALIGNANT BRAIN TUMOURS, TREATABLE

TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES RADIATION THERAPY

**EYE**

**DIAGNOSIS: ACUTE ORBITAL CELLULITIS**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: HERPES ZOSTER & HERPES SIMPLEX W/OPHTHALMIC COMPLICATIONS**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: HYPHEMA**

**TREATMENT: REMOVAL OF BLOOD CLOT, OBSERVATION**

**DIAGNOSIS: ANGLE-CLOSURE GLAUCOMA**

**TREATMENT: IRIDECTOMY, LASER SURGERY**

**DIAGNOSIS: GLAUCOMA ASSOCIATED WITH DISORDERS OF THE LENS**

**TREATMENT: EXTRACTION OF CATARACT**

**DIAGNOSIS: PRIMARY AND OPEN ANGLE GLAUCOMA WITH FAILED MEDICAL TREATMENT**

**TREATMENT: TRABECULECTOMY, OTHER SURGERY**

**DIAGNOSIS: SYMPATHETIC UVEITIS AND DEGENERATIVE DISORDERS AND CONDITIONS OF GLOBE**

**TREATMENT: ENUCLEATION**

**DIAGNOSIS: RETAINED INTRAOCULAR FOREIGN BODY, MAGNETIC & NONMAGNETIC**

**TREATMENT: FOREIGN BODY REMOVAL**

**DIAGNOSIS: PURULENT ENDOPHTHALMITIS**

**TREATMENT: VITRECTOMY**

**DIAGNOSIS: INFLAMMATION, ABSCESS OF LACRIMAL PASSAGES**

**TREATMENT: INCISION, MEDICAL THERAPY**

**DIAGNOSIS: RESIDUAL FOREIGN BODY IN SOFT TISSUE OF EYE**

**TREATMENT: REMOVAL**

**DIAGNOSIS: BELL'S PALSY, EXPOSURE KERATOCONJUNCTIVITIS**



**TREATMENT: TARSORRHAPHY**

**DIAGNOSIS: CATARACT**

**TREATMENT: EXTRACTION OF CATARACT, LENS IMPLANT**

**DIAGNOSIS: RETINAL DETACHMENT, RETINAL TEAR AND OTHER RETINAL DISORDERS**

**TREATMENT: VITRECTOMY, LASER SURGERY, OTHER SURGERY**

**DIAGNOSIS: RETINAL VASCULAR OCCLUSION; CENTRAL RETINAL VEIN OCCLUSION**

**TREATMENT: LASER SURGERY**

**DIAGNOSIS: OPEN WOUND OF EYEBALL**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT**

**DIAGNOSIS: CORNEAL ULCER; SUPERFICIAL INJURY OF EYE AND ADNEXA**

**TREATMENT: CONJUNCTIVAL FLAP; MEDICAL THERAPY**

**DIAGNOSIS: CANCER OF EYE & ORBIT, TREATABLE**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES RADIATION THERAPY**

#### **EAR, NOSE, THROAT AND MOUTH**

**DIAGNOSIS: DEEP OPEN WOUND OF NECK, INCLUDING LARYNX; FRACTURE OF LARYNX OR TRACHEA, OPEN**

**TREATMENT: REPAIR**

**DIAGNOSIS: FOREIGN BODY IN PHARYNX, LARYNX, TRACHEA, BRONCHUS & ESOPHAGUS**

**TREATMENT: REMOVAL OF FOREIGN BODY**

**DIAGNOSIS: ACUTE MASTOIDITIS**

**TREATMENT: MASTOIDECTOMY, MEDICAL THERAPY**

**DIAGNOSIS: CHOANAL ATRESIA**

**TREATMENT: REPAIR OF CHOANAL ATRESIA, STENT INSERTION**

**DIAGNOSIS: LIFE-THREATENING DISEASES OF PHARYNX INCLUDING RETROPHARYNGEAL ABSCESS,**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT**

DIAGNOSIS: CHOLESTEATOMA

TREATMENT: MEDICAL AND SURGICAL TREATMENT

DIAGNOSIS: LEUKOPLAKIA OF ORAL MUCOSA, INCLUDING TONGUE

TREATMENT: INCISION/EXCISION, MEDICAL THERAPY

DIAGNOSIS: PERITONSILLAR ABSCESS

TREATMENT: INCISION AND DRAINAGE OF ABSCESS, TONSILLECTOMY, MEDICAL THERAPY

DIAGNOSIS: CANCRUM ORIS

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: FRACTURE OF FACE BONES, ORBIT, JAW; INJURY TO OPTIC AND OTHER CRANIAL NERVES

TREATMENT: SURGERY

DIAGNOSIS: EPISTAXIS - NOT RESPONSIVE TO ANTERIOR PACKING

TREATMENT: SEPTOPLASTY/REPAIR/CONTROL HEMORRHAGE

DIAGNOSIS: SIALOADENITIS, ABSCESS, FISTULA OF SALIVARY GLANDS

TREATMENT: INCISION AND DRAINAGE, SURGERY

DIAGNOSIS: OPEN WOUND OF EAR DRUM

TREATMENT: TYMPANOPLASTY, MEDICAL THERAPY

DIAGNOSIS: FOREIGN BODY IN EAR & NOSE

TREATMENT: REMOVAL OF FOREIGN BODY

DIAGNOSIS: STOMATITIS, CELLULITIS AND ABSCESS OF ORAL SOFT TISSUE, AND DISEASES OF LIPS

TREATMENT: INCISION AND DRAINAGE, MEDICAL THERAPY

DIAGNOSIS: ACUTE UPPER AIRWAY OBSTRUCTION, INCLUDING CROUP, EPIGLOTTITIS AND ACUTE LARYNGOTRACHEITIS

TREATMENT: MEDICAL THERAPY, INTUBATION, TRACHEOSTOMY

DIAGNOSIS: CHRONIC UPPER AIRWAY OBSTRUCTION, RESULTING IN COR PULMONALE

TREATMENT: SURGICAL TREATMENT

**DIAGNOSIS: CANCER OF ORAL CAVITY, PHARYNX, NOSE AND LARYNX, TREATABLE**  
**TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES RADIATION THERAPY**

### **RESPIRATORY SYSTEM**

**DIAGNOSIS: PNEUMOTHORAX AND HEMOTHORAX**  
**TREATMENT: TUBE THORACOSTOMY/THORACOTOMY, MEDICAL THERAPY**

**DIAGNOSIS: ADULT RESPIRATORY DISTRESS SYNDROME; INHALATION AND ASPIRATION**  
**PNEUMONIAS**  
**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: ASTHMA; PNEUMONIA DUE TO RESPIRATORY SYNCYTIAL VIRUS IN PERSONS**  
**UNDER AGE 3**  
**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: RESPIRATORY FAILURE, REVERSIBLE CAUSE OR CAUSE UNKNOWN**  
**TREATMENT: MEDICAL THERAPY, VENTILATION**

**DIAGNOSIS: EMPYEMA AND ABSCESS OF LUNG**  
**TREATMENT: MEDICAL AND SURGICAL TREATMENT**

**DIAGNOSIS: HYPOPLASIA AND DYSPLASIA OF LUNG**  
**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: CANCER OF LUNG, BRONCHUS, PLEURA, TRACHEA, MEDIASTINUM & OTHER**  
**RESPIRATORY ORGANS, TREATABLE**  
**TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES CHEMOTHERAPY**  
**AND RADIATION THERAPY**

**DIAGNOSIS: ATELECTASIS (COLLAPSE OF LUNG)**  
**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: BENIGN NEOPLASM OF RESPIRATORY AND INTRATHORACIC ORGANS**  
**TREATMENT: BIOPSY, LOBECTOMY, MEDICAL THERAPY, RADIATION THERAPY**

DIAGNOSIS: FRACTURE OF RIBS AND STERNUM, OPEN, MULTIPLE RIB FRACTURES, FLAIL CHEST,

TREATMENT: MEDICAL THERAPY, VENTILATION, SURGERY

DIAGNOSIS: BACTERIAL, VIRAL, FUNGAL PNEUMONIA - MORE THAN ONE LOBE, <2 YEARS OLD OR >60 YEARS OLD

TREATMENT: MEDICAL THERAPY

#### HEART AND VASCULATURE

DIAGNOSIS: RUPTURE OF PAPILLARY MUSCLE

TREATMENT: MEDICAL AND SURGICAL TREATMENT

DIAGNOSIS: DISSECTING OR RUPTURED AORTIC ANEURYSM

TREATMENT: SURGICAL TREATMENT

DIAGNOSIS: INJURY TO MAJOR BLOOD VESSELS OF EXTREMITIES

TREATMENT: LIGATION, REPAIR

DIAGNOSIS: ARTERIAL EMBOLISM/THROMBOSIS: ABDOMINAL AORTA, THORACIC AORTA

TREATMENT: SURGICAL TREATMENT

DIAGNOSIS: ACUTE RHEUMATIC INFLAMMATION OF THE HEART

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: VENTRICULAR SEPTAL DEFECT, PERSISTENT, SYMPTOMATIC

TREATMENT: SURGICAL CLOSURE

DIAGNOSIS: ATRIAL SEPTAL DEFECT, PERSISTENT, SYMPTOMATIC

TREATMENT: SURGICAL CLOSURE

DIAGNOSIS: CORONARY ARTERY ANOMALY

TREATMENT: ANOMALOUS CORONARY ARTERY LIGATION

DIAGNOSIS: TETRALOGY OF FALLOT (TOF)

TREATMENT: SURGICAL REPAIR

DIAGNOSIS: PATENT DUCTUS ARTERIOSUS; AORTIC PULMONARY FISTULA - PERSISTENT

TREATMENT: LIGATION

DIAGNOSIS: PERICARDITIS

TREATMENT: MEDICAL AND SURGICAL TREATMENT

DIAGNOSIS: INJURY TO MAJOR BLOOD VESSELS - TRUNK, HEAD AND NECK, AND UPPER LIMBS

TREATMENT: REPAIR

DIAGNOSIS: ACUTE MYOCARDITIS, CARDIOMYOPATHY, TRANSPOSITION OF GREAT VESSELS, HYPOPLASTIC LEFT HEART SYNDROME,

TREATMENT: CARDIAC TRANSPLANT (SUBJECT TO ACCEPTANCE ONTO STATE HOSPITAL WAITING LIST).

DIAGNOSIS: CARDIOMYOPATHY, HYPERTROPHIC MUSCLE, MYOCARDITIS, OTHER CCF

TREATMENT: MEDICAL TREATMENT

DIAGNOSIS: PHLEBITIS & THROMBOPHLEBITIS, DEEP

TREATMENT: LIGATION AND DIVISION, MEDICAL THERAPY

DIAGNOSIS: DISEASES OF ENDOCARDIUM, ENDOCARDITIS

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: ACUTE PULMONARY HEART DISEASE AND PULMONARY EMBOLI

TREATMENT: MEDICAL THERAPY, SURGERY

DIAGNOSIS: GIANT CELL ARTERITIS, KAWASAKI DISEASE, HYPERSENSITIVITY ANGIITIS

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: DISEASES AND DISORDERS OF AORTIC VALVE NOS

TREATMENT: AORTIC VALVE REPLACEMENT, MEDICAL THERAPY

DIAGNOSIS: DISEASES OF MITRAL VALVE

TREATMENT: VALVULOPLASTY, MITRAL VALVE REPLACEMENT, MEDICAL THERAPY

DIAGNOSIS: OTHER ANEURYSM OF ARTERY, PERIPHERAL

TREATMENT: SURGICAL TREATMENT

DIAGNOSIS: CARDIAC FAILURE DUE TO PRIMARY PULMONARY HYPERTENSION,  
PULMONARY FIBROSIS,  
TREATMENT: MEDICAL THERAPY

DIAGNOSIS: HEREDITARY HEMORRHAGIC TELANGIECTASIA  
TREATMENT: EXCISION

DIAGNOSIS: MULTIPLE VALVULAR DISEASE  
TREATMENT: SURGICAL TREATMENT

DIAGNOSIS: HYPOTENSION - LIFE THREATENING  
TREATMENT: MEDICAL THERAPY

DIAGNOSIS: LIFE THREATENING COMPLICATIONS OF ELECTIVE CARDIAC AND MAJOR  
VASCULAR PROCEDURES  
TREATMENT: MEDICAL AND SURGICAL TREATMENT

DIAGNOSIS: HYPERTENSION - ACUTE LIFE-THREATENING COMPLICATIONS AND MALIGNANT  
HYPERTENSION  
TREATMENT: MEDICAL THERAPY

DIAGNOSIS: DISORDERS OF ARTERIES, VISCERAL  
TREATMENT: SURGICAL TREATMENT

DIAGNOSIS: LIFE-THREATENING CARDIAC ARRHYTHMIAS  
TREATMENT: MEDICAL THERAPY, PACEMAKER, SURGERY

DIAGNOSIS: OTHER CORRECTABLE CONGENITAL CARDIAC CONDITIONS (EXCLUDES  
HYPOPLASTIC LH SYNDROME, COMMON TRUNCUS, INTERRUPTED AORTIC ARCH,  
CONGENITAL AORTIC STENOSIS, COMMON VENTRICLE)  
TREATMENT: SURGICAL REPAIR AND RECONSTRUCTION

DIAGNOSIS: ACUTE AND SUBACUTE ISCHEMIC HEART DISEASE, INCLUDING MYOCARDIAL  
INFARCTION AND UNSTABLE ANGINA  
TREATMENT: MEDICAL AND SURGICAL THERAPY

DIAGNOSIS: ANEURYSM OF MAJOR ARTERY OF CHEST, ABDOMEN, NECK, UNRUPTURED OR  
RUPTURED NOS  
TREATMENT: SURGICAL TREATMENT



DIAGNOSIS: CHRONIC RHEUMATIC PERICARDITIS, VALVE DISEASE

TREATMENT: MEDICAL THERAPY, SURGERY, VALVE REPAIR/REPLACEMENT

DIAGNOSIS: GANGRENE; ATHEROSCLEROSIS AND SEVERE ISCHAEMIA OF ARTERIES OF EXTREMITIES, DIABETES MELLITUS W/PERIPHERAL CIRCULATORY DISEASE.

TREATMENT: MEDICAL THERAPY, AMPUTATION

#### **GASTRO-INTESTINAL TRACT**

DIAGNOSIS: PERITONITIS, REGARDLESS OF CAUSE

TREATMENT: MEDICAL AND SURGICAL TREATMENT

DIAGNOSIS: HERNIA WITH OBSTRUCTION AND/OR GANGRENE; UNCOMPLICATED HERNIAS UNDER AGE 18

TREATMENT: REPAIR, BOWEL RESECTION

DIAGNOSIS: APPENDICITIS

TREATMENT: APPENDECTOMY

DIAGNOSIS: INTESTINAL OBSTRUCTION W/O MENTION OF HERNIA; FOREIGN BODY IN STOMACH, INTESTINES, COLON & RECTUM

TREATMENT: EXCISION, MEDICAL THERAPY

DIAGNOSIS: ABSCESS OF INTESTINE

TREATMENT: DRAIN ABSCESS, MEDICAL THERAPY

DIAGNOSIS: CONGENITAL ANOMALIES OF UPPER ALIMENTARY TRACT, (EXCLUDING TONGUE) INCLUDING ATRESIA, EXOMPHALOS AND MALROTATION

TREATMENT: MEDICAL AND SURGICAL THERAPY

DIAGNOSIS: ACUTE VASCULAR INSUFFICIENCY OF INTESTINE

TREATMENT: SURGERY, COLECTOMY

DIAGNOSIS: ESOPHAGEAL STRICTURE

TREATMENT: DILATATION, SURGICAL TREATMENT

DIAGNOSIS: PARALYTIC ILEUS

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: DIVERTICULITIS OF COLON**

**TREATMENT: MEDICAL THERAPY, COLON RESECTION**

**DIAGNOSIS: ANAL AND RECTAL POLYP**

**TREATMENT: EXCISION OF POLYP**

**DIAGNOSIS: REGIONAL ENTERITIS, CHROHNS DISEASE AND ULCERATIVE COLITIS,  
IDIOPATHIC COLITIS**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT FOR ACUTE COMPLICATIONS**

**DIAGNOSIS: ULCERATION OF INTESTINE, INCLUDING DUODENUM, PERFORATION,  
HAEMMORRHAGE OR FAILED MEDICAL THERAPY.**

**TREATMENT: SURGERY**

**DIAGNOSIS: AMOEBIASIS, TYPHOID**

**TREATMENT: MEDICAL AND SURGICAL THERAPY**

**DIAGNOSIS: ACQUIRED HYPERTROPHIC PYLORIC STENOSIS AND OTHER DISORDERS OF  
THE STOMACH AND DUODENUM**

**TREATMENT: SURGICAL TREATMENT**

**DIAGNOSIS: PERITONEAL ADHESION**

**TREATMENT: SURGICAL TREATMENT**

**DIAGNOSIS: THROMBOSED AND COMPLICATED HEMORRHOIDS**

**TREATMENT: HEMORRHOIDECTOMY, INCISION**

**DIAGNOSIS: ESOPHAGEAL VARICES**

**TREATMENT: MEDICAL AND SURGICAL THERAPY INCLUDING SHUNT/SCLEROTHERAPY**

**DIAGNOSIS: RECTAL PROLAPSE**

**TREATMENT: SURGICAL REPAIR, COLECTOMY**

**DIAGNOSIS: ACUTE ANAL FISSURE ; ANAL FISTULA**

**TREATMENT: FISSURECTOMY, FISTULECTOMY**

**DIAGNOSIS: RUPURE OF INTRA-ABDOMINAL ORGAN**

TREATMENT: SURGICAL, REPAIR, REMOVAL

DIAGNOSIS: GASTROENTERITIS AND COLITIS WITH LIFE-THREATENING HAEMMORHAGE OR DEHYDRATION, REGARDLESS OF CAUSE

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: GASTRIC ULCERS WITH HEMORRHAGE, PERFORATION, OR UNRESPONSIVE TO MEDICAL THERAPY

TREATMENT: SURGERY

DIAGNOSIS: CANCER OF THE GIT INCLUDING OESOPHAGUS, STOMACH, BOWEL, RECTUM, ANUS, TREATABLE

TREATMENT: MEDICAL AND SURGICAL THERAPY, WHICH INCLUDES RADIATION THERAPY

DIAGNOSIS: LIVER ABSCESS

TREATMENT: MEDICAL AND SURGICAL THERAPY

DIAGNOSIS: BUDD-CHIARI SYNDROME, AND OTHER VENOUS EMBOLISM AND THROMBOSIS OF HEPATIC VASCULATURE

TREATMENT: THROMBECTOMY/LIGATION

DIAGNOSIS: LIVER FAILURE, HEPATIC VASCULAR OBSTRUCTION, INBORN ERRORS OF LIVER METABOLISM, BILIARY ATRESIA

TREATMENT: LIVER TRANSPLANT (SUBJECT TO ACCEPTANCE ONTO PUBLIC HOSPITAL WAITING LIST).

DIAGNOSIS: CALCULUS OF BILE DUCT WITH CHOLECYSTITIS

TREATMENT: SURGERY

DIAGNOSIS: DISORDERS OF BILE DUCT NOS

TREATMENT: EXCISION, REPAIR

DIAGNOSIS: PORTAL VEIN THROMBOSIS

TREATMENT: SHUNT

DIAGNOSIS: CYST AND PSEUDOCYST OF PANCREAS

TREATMENT: DRAINAGE OF PANCREATIC CYST

DIAGNOSIS: ACUTE NECROSIS OF LIVER

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: ACUTE PANCREATITIS**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: GALLSTONE WITH CHOLECYSTITIS AND OTHER DISORDERS GALLBLADDER**

**TREATMENT: MEDICAL AND SURGICAL THERAPY, CHOLECYSTECTOMY**

**DIAGNOSIS: HEPATORENAL SYNDROME**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: CANCER OF RETROPERITONEUM, PERITONEUM, OMENTUM & MESENTERY, TREATABLE**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES CHEMOTHERAPY AND RADIATION THERAPY**

#### **MUSCULO-SKELETAL SYSTEM, TRAUMA NOS**

**DIAGNOSIS: ACUTE OSTEOMYELITIS**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT**

**DIAGNOSIS: PYOGENIC ARTHRITIS**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT**

**DIAGNOSIS: CONGENITAL DISLOCATION OF HIP; COXA VARA & VALGA, CONGENITAL**

**TREATMENT: REPAIR/RECONSTRUCTION**

**DIAGNOSIS: CRUSH INJURIES: TRUNK, UPPER LIMBS, LOWER LIMBS, INCLUDING DAMAGE TO BLOOD VESSELS, NERVES AND MUSCLES.**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT**

**DIAGNOSIS: FRACTURE OF HIP, CLOSED**

**TREATMENT: REDUCTION, HIP REPLACEMENT**

**DIAGNOSIS: CHRONIC OSTEOMYELITIS**

**TREATMENT: INCISION & DRAINAGE**

**DIAGNOSIS: ABSCESS OF BURSA OR TENDON**

TREATMENT: INCISION AND DRAINAGE

DIAGNOSIS: INJURY TO INTERNAL ORGANS NOS

TREATMENT: MEDICAL AND SURGICAL TREATMENT

DIAGNOSIS: DISLOCATIONS/FRACTURES OF VERTEBRAL COLUMN WITHOUT SPINAL CORD INJURY

TREATMENT: MEDICAL THERAPY, SURGICAL STABILISATION

DIAGNOSIS: DISRUPTIONS OF THE ACHILLES, QUADRICEPS TENDONS

TREATMENT: REPAIR

DIAGNOSIS: BENIGN NEOPLASM BONE & ARTICULAR CARTILAGE INCLUDING OSTEIOD

OSTEOMAS; BENIGN NEOPLASM OF CONNECTIVE

TREATMENT: EXCISION, BIOPSY

DIAGNOSIS: OPEN FRACTURE/DISLOCATION OF BONES OR JOINTS

TREATMENT: DEBRIDEMENT, OPEN OR CLOSED REDUCTION AND FIXATION, RELOCATION

DIAGNOSIS: TRAUMATIC AMPUTATION OF LIMBS, HANDS, FEET, DIGITS

TREATMENT: REPLANTATION/AMPUTATE

DIAGNOSIS: CLOSED FRACTURES/DISLOCATIONS OF LIMB BONES INCLUDING EPIPHYSEAL FRACTURES (EXCLUDING FINGERS AND TOES)

TREATMENT: OPEN OR CLOSED REDUCTION AND FIXATION, RELOCATION

DIAGNOSIS: CANCER OF BONES, TREATABLE

TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES CHEMOTHERAPY AND RADIATION THERAPY

#### SKIN AND BREAST

DIAGNOSIS: TOXIC EPIDERMAL NECROLYSIS AND STAPHYLOCOCCAL SCALDED SKIN SYNDROME; STEVENS-JOHNSON SYNDROME; ECZEM

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: CELLULITIS AND ABSCESES WITH RISK OF ORGAN OR LIMB DAMAGE, OR SEPTICEMIA

**TREATMENT: MEDICAL AND SURGICAL TREATMENT****DIAGNOSIS: PYODERMA; BODY, DEEP-SEATED FUNGAL INFECTIONS****TREATMENT: SURGICAL, MEDICAL THERAPY****DIAGNOSIS: NON-SUPERFICIAL OPEN WOUNDS, NON-LIFE THREATENING****TREATMENT: REPAIR****DIAGNOSIS: ACUTE LYMPHADENITIS****TREATMENT: INCISION AND DRAINAGE****DIAGNOSIS: BURNS, GREATER THAN 10% OF BODY SURFACE, OR INVOLVING VITAL SITE****TREATMENT: MEDICAL THERAPY, DEBRIDEMENT, FREE SKIN GRAFT****DIAGNOSIS: DISSEMINATED BULLOUS SKIN DISEASE, INCLUDING PEMPHIGUS, PEMPHIGOID, EPIDERMOLYSIS BULLOSA, EPIDERMOLYTIC HYPERKERATOSIS****TREATMENT: MEDICAL THERAPY****DIAGNOSIS: CANCER OF BREAST, TREATABLE****TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES CHEMOTHERAPY AND RADIATION THERAPY****DIAGNOSIS: CANCER OF SOFT TISSUES NOS, INCLUDING SARCOMAS AND MALIGNANCIES OF THE ADNEXAE, TREATABLE****TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES CHEMOTHERAPY AND RADIATION THERAPY****DIAGNOSIS: MALIGNANT MELANOMA OF SKIN, TREATABLE****TREATMENT: MEDICAL AND SURGICAL TREATMENT****DIAGNOSIS: CANCER OF SKIN, EXCLUDING MALIGNANT MELANOMA, TREATABLE****TREATMENT: MEDICAL AND SURGICAL TREATMENT****ENDOCRINE, METABOLIC AND NUTRITIONAL****DIAGNOSIS: BENIGN NEOPLASM OF ISLETS OF LANGERHANS****TREATMENT: EXCISION OF TUMOR**



**DIAGNOSIS: HYPOGLYCEMIC COMA; HYPERGLYCEMIA; DIABETIC KETOACIDOSIS**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: CONGENITAL HYPOTHYROIDISM**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: ACUTE THYROIDITIS**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: DISORDERS OF PARATHYROID GLAND; BENIGN NEOPLASM OF PARATHYROID GLAND**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT**

**DIAGNOSIS: LIFE-THREATENING CONGENITAL ABNORMALITIES OF CARBOHYDRATE, LIPID, PROTEIN AND AMINO ACID METABOLISM**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: DISORDERS OF ADRENAL SECRETION NOS**

**TREATMENT: MEDICAL THERAPY/ADRENALECTOMY**

**DIAGNOSIS: LIFE-THREATENING DISORDERS OF FLUID AND ELECTROLYTE BALANCE, NOS**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: DISORDERS OF THYROID SECRETION, NOS**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT**

**DIAGNOSIS: CANCER OF ENDOCRINE SYSTEM, EXCLUDING THYROID, TREATABLE**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES CHEMOTHERAPY AND RADIATION THERAPY**

**DIAGNOSIS: BENIGN TUMOURS OF PITUITARY GLAND WITH/WITHOUT HYPERSECRETION SYNDROMES**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES RADIATION THERAPY**

#### **URINARY AND MALE GENITAL SYSTEM**

**DIAGNOSIS: RUPTURE BLADDER**

**TREATMENT: REPAIR**

**DIAGNOSIS: URETERAL FISTULA (INTESTINAL)**

**TREATMENT: NEPHROSTOMY, REPAIR**

**DIAGNOSIS: ABSCESS OF PROSTATE**

**TREATMENT: TURP, DRAIN ABSCESS**

**DIAGNOSIS: VESICoureTERAL REFLUX**

**TREATMENT: REPLANTATION**

**DIAGNOSIS: TORSION OF TESTIS**

**TREATMENT: ORCHIECTOMY, REPAIR**

**DIAGNOSIS: HYPERPLASIA OF THE PROSTATE, WITH ACUTE URINARY RETENTION OR OBSTRUCTIVE RENAL FAILURE**

**TREATMENT: TRANSURETHRAL RESECTION, MEDICAL THERAPY**

**DIAGNOSIS: END STAGE RENAL DISEASE REGARDLESS OF CAUSE**

**TREATMENT: DIALYSIS & RENAL TRANSPLANT WHERE DEPARTMENT OF HEALTH CRITERIA ARE MET (SEE CRITERIA PUBLISHED IN GPS 004-9001)**

**DIAGNOSIS: ACUTE GLOMERULONEPHRITIS AND NEPHROTIC SYNDROME**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: ACUTE AND CHRONIC PYELONEPHRITIS, RENAL & PERINEPHRIC ABSCESS**

**TREATMENT: MEDICAL AND SURGICAL THERAPY**

**DIAGNOSIS: OBSTRUCTION OF THE UROGENITAL TRACT, NOS**

**TREATMENT: CATHETERIZATION, SURGERY, ENDOSCOPIC REMOVAL OR OF OBSTRUCTING AGENT**

**DIAGNOSIS: CONGENITAL ANOMALIES OF URINARY SYSTEM - SYMPTOMATIC AND LIFE-THREATENING**

**TREATMENT: RECONSTRUCTION**

**DIAGNOSIS: CANCER OF TESTIS, TREATABLE**

**TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES CHEMOTHERAPY AND RADIATION THERAPY**

DIAGNOSIS: CANCER OF URINARY SYSTEM INCLUDING KIDNEY AND BLADDER, TREATABLE  
TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES CHEMOTHERAPY  
AND RADIATION THERAPY

DIAGNOSIS: CANCER OF PROSTATE GLAND, TREATABLE  
TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES CHEMOTHERAPY  
AND RADIATION THERAPY

DIAGNOSIS: CANCER OF PENIS AND OTHER MALE GENITAL ORGANS NOS, TREATABLE  
TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES CHEMOTHERAPY  
AND RADIATION THERAPY

#### **FEMALE REPRODUCTIVE SYSTEM**

DIAGNOSIS: ECTOPIC PREGNANCY  
TREATMENT: SURGERY

DIAGNOSIS: VIOLENT INJURY, PHYSICAL AND SEXUAL ABUSE INCLUDING RAPE, NOS  
TREATMENT: MEDICAL THERAPY

DIAGNOSIS: DYSPLASIA OF CERVIX AND CERVICAL CARCINOMA IN SITU, CERVICAL  
CONDYLOMA  
TREATMENT: MEDICAL AND SURGICAL TREATMENT

DIAGNOSIS: ACUTE PELVIC INFLAMMATORY DISEASE  
TREATMENT: MEDICAL AND SURGICAL TREATMENT

DIAGNOSIS: TERMINATION OF PREGNANCY  
TREATMENT: INDUCED ABORTION

DIAGNOSIS: NONINFLAMMATORY DISORDERS AND BENIGN NEOPLASMS OF OVARY,  
FALLOPIAN TUBES AND UTERUS  
TREATMENT: SALPINGECTOMY, OOPHORECTOMY, HYSTERECTOMY

DIAGNOSIS: TORSION OF OVARY; STREAK OVARIES  
TREATMENT: OOPHORECTOMY, OVARIAN CYSTECTOMY

DIAGNOSIS: FISTULA INVOLVING FEMALE GENITAL TRACT

**TREATMENT: CLOSURE OF FISTULA****DIAGNOSIS: UTERINE PROLAPSE; CYSTOCELE****TREATMENT: SURGICAL REPAIR****DIAGNOSIS: ABSCESES OF BARTHOLIN'S GLAND AND VULVA****TREATMENT: INCISION AND DRAINAGE, MEDICAL THERAPY****DIAGNOSIS: SPONTANEOUS ABORTION****TREATMENT: MEDICAL AND SURGICAL TREATMENT****DIAGNOSIS: FOREIGN BODY IN UTERUS, VULVA AND VAGINA****TREATMENT: MEDICAL AND SURGICAL TREATMENT****DIAGNOSIS: CANCER OF UTERUS, TREATABLE****TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES CHEMOTHERAPY AND RADIATION THERAPY****DIAGNOSIS: HYDATIDIFORM MOLE, CHORIOCARCINOMA****TREATMENT: D & C, HYSTERECTOMY, CHEMOTHERAPY****DIAGNOSIS: CANCER OF OVARY, TREATABLE****TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES CHEMOTHERAPY AND RADIATION THERAPY****DIAGNOSIS: CANCER OF VAGINA, VULVA AND OTHER FEMALE GENITAL ORGANS, TREATABLE****TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES RADIATION THERAPY AND CHEMOTHERAPY****DIAGNOSIS: CANCER OF CERVIX, TREATABLE****TREATMENT: MEDICAL AND SURGICAL TREATMENT, WHICH INCLUDES RADIATION THERAPY****PREGNANCY AND CHILDBIRTH****DIAGNOSIS: PREGNANCY****TREATMENT: OBSTETRIC CARE**

DIAGNOSIS: NECROTIZING ENTEROCOLITIS IN NEWBORN

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: NEONATAL AND INFANT GIT ABNS AND DISORDERS NOS

TREATMENT: MEDICAL AND SURGICAL THERAPY

DIAGNOSIS: RESPIRATORY CONDITIONS OF NEWBORN, INCLUDING DIAPHRAGMATIC DEFECTS.

TREATMENT: MEDICAL THERAPY, VENTILATION

DIAGNOSIS: # LOW BIRTH WEIGHT (UNDER 1000g) WITH/WITHOUT RESPIRATORY DIFFICULTIES

TREATMENT: # MEDICAL THERAPY NOT INCLUDING VENTILATION

DIAGNOSIS: # LOW BIRTH WEIGHT (GREATER THAN OR EQUAL TO 1000g) WITH/WITHOUT RESPIRATORY DIFFICULTIES

TREATMENT: # MEDICAL THERAPY INCLUDING VENTILATION

DIAGNOSIS: BIRTH TRAUMA FOR BABY

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: FEEDING PROBLEMS IN NEWBORN

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: CONGENITAL SYSTEMIC INFECTIONS AFFECTING THE NEWBORN

TREATMENT: MEDICAL THERAPY, VENTILATION

DIAGNOSIS: NEONATAL ENDOCRINE, METABOLIC AND TOXIN INDUCED CONDITIONS

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: NEUROLOGICAL ABNORMALITIES IN THE NEWBORN

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: HAEMATOLOGICAL DISORDERS OF THE NEWBORN

TREATMENT: MEDICAL THERAPY

**INFECTIOUS DISEASES, HAEMATOLOGICAL CONDITIONS AND MISCELLANEOUS OTHER SYSTEMIC CONDITIONS**

**DIAGNOSIS: TUBERCULOSIS**

**TREATMENT: DIAGNOSIS AND ACUTE MEDICAL THERAPY, SUCCESSFUL TRANSFER TO MAINTENANCE THERAPY**

**DIAGNOSIS: WHOOPING COUGH**

**TREATMENT: MEDICAL THERAPY, VENTILATION**

**DIAGNOSIS: ERYSIPELAS**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: ANAPHYLACTIC SHOCK**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: SYPHILIS, CONGENITAL, SECONDARY AND TERTIARY**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: ACQUIRED HEMOLYTIC ANEMIAS**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: THALASSEMIA, AND OTHER HEMOGLOBINOPATHIES, TREATABLE**

**TREATMENT: MEDICAL THERAPY, BONE MARROW TRANSPLANT**

**DIAGNOSIS: # HIV-ASSOCIATED DISEASE - FIRST ADMISSION OR SUBSEQUENT ADMISSIONS WHERE CD-4 COUNT >100**

**TREATMENT: # MEDICAL AND SURGICAL TREATMENT FOR OPPORTUNISTIC INFECTIONS AND LOCALISED MALIGNANCIES.**

**DIAGNOSIS: MALARIA AND RELAPSING FEVER**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: HEREDITARY HEMOLYTIC ANEMIAS (EG. SICKLE CELL); DYSERYTHROPOIETIC ANEMIA (CONGENITAL)**

**TREATMENT: MEDICAL THERAPY**

**DIAGNOSIS: HEREDITARY ANGIOEDEMA; ANGIONEUROTIC ADEMA**

**TREATMENT: MEDICAL THERAPY**



DIAGNOSIS: CHRONIC GRANULOMATOUS DISEASE

TREATMENT: MEDICAL THERAPY, WHICH INCLUDES RADIATION THERAPY

DIAGNOSIS: BOTULISM

TREATMENT: MEDICAL THERAPY, VENTILATION

DIAGNOSIS: HERPETIC ENCEPHALITIS, REYE'S SYNDROME

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: ACUTE LYMPHOCYTIC LEUKEMIAS (ADULT)

TREATMENT: MEDICAL THERAPY, WHICH INCLUDES CHEMOTHERAPY, BONE MARROW TRANSPLANT

DIAGNOSIS: CYSTICERCOSIS, OTHER CESTODE INFECTION, TRICHINOSIS

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: POISONING BY INGESTION, INJECTION; MEDICINAL AND NON-MEDICINAL AGENTS

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: PERNICIOUS AND SIDEROBLASTIC ANEMIA

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: # IMMINENT DEATH REGARDLESS OF DIAGNOSIS

TREATMENT: # COMFORT CARE, PAIN RELIEF, HYDRATION

DIAGNOSIS: ANAEROBIC INFECTIONS - LIFE THREATENING

TREATMENT: MEDICAL THERAPY, HYPERBARIC OXYGEN

DIAGNOSIS: TOXIC EFFECT OF GASES, FUMES, AND VAPORS

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: LEPTOSPIROSIS

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: CHOLERA, RAT-BITE FEVER

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: VINCENT'S ANGINA

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: APLASTIC ANEMIA, AGRANULOCYTOSIS, OTHER LIFE-THREATENING  
HEREDITARY IMMUNE DEFICIENCIES

TREATMENT: BONE MARROW TRANSPLANT

DIAGNOSIS: ACUTE LEUKEMIAS, LYMPHOMAS

TREATMENT: MEDICAL THERAPY, WHICH INCLUDES CHEMOTHERAPY, RADIATION THERAPY,  
BONE MARROW TRANSPLANT

DIAGNOSIS: DEEP-SEATED, DISSEMINATED AND SYSTEMIC FUNGAL INFECTIONS

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: METASTATIC INFECTIONS, SEPTICEMIA

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: LIFE-THREATENING RICKETTSIAL AND OTHER ARTHROPOD-BORNE DISEASES

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: CONDITIONS DUE TO EXPOSURE TO THE ELEMENTS, INCLUDING HYPO-AND  
HYPERTHERMIA, DROWNING AND LIGHTNING STRIKES]

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: MULTIPLE MYELOMA AND CHRONIC LEUKEMIAS

TREATMENT: MEDICAL THERAPY, CHEMOTHERAPY

DIAGNOSIS: SEXUALLY TRANSMITTED DISEASES NOT ELSEWHERE SPECIFIED

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: SYSTEMIC MYCOBACTERIAL INFECTIONS EXCLUDING TUBERCULOSIS,  
INCLUDING LEPROSY.

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: IMMUNE COMPROMISE AND ASSOCIATED INFECTIONS NOS

TREATMENT: MEDICAL THERAPY

DIAGNOSIS: COAGULATION DEFECTS

TREATMENT: MEDICAL THERAPY

**MENTAL ILLNESS**

**DIAGNOSIS: ABUSE OF OR DEPENDENCE ON PSYCHOACTIVE SUBSTANCES**

**TREATMENT: HOSPITAL-BASED THERAPY UP TO 1 WEEK/YEAR**

**DIAGNOSIS: BRIEF REACTIVE PSYCHOSIS**

**TREATMENT: HOSPITAL-BASED THERAPY UP TO 1 WEEK/YEAR**

**DIAGNOSIS: ACUTE STRESS DISORDER ACCOMPANIED BY RECENT SIGNIFICANT EMOTIONAL TRAUMA, MAJOR STRESSOR WITHOUT PSYCHIATRIC DISEASE**

**TREATMENT: HOSPITAL ADMISSION UP TO 3 DAYS.**

**DIAGNOSIS: DEPRESSION AND OTHER MAJOR PSYCHIATRIC DISORDERS**

**TREATMENT: ELECTRO-CONVULSIVE THERAPY**

**DIAGNOSIS: ATTEMPTED SUICIDE, IRRESPECTIVE OF CAUSE**

**TREATMENT: HOSPITAL-BASED THERAPY UP TO 3 DAYS**

**DIAGNOSIS: SCHIZOPHRENIC DISORDERS**

**TREATMENT: HOSPITAL-BASED THERAPY UP TO 3 WEEKS/YEAR**

**DIAGNOSIS: ANOREXIA NERVOSA AND BULIMIA NERVOSA**

**TREATMENT: HOSPITAL-BASED THERAPY UP TO 3 WEEKS/YEAR**

**DIAGNOSIS: TREATABLE DEMENTIA**

**TREATMENT: ADMISSION FOR INITIAL DIAGNOSIS OR ACUTE PSYCHOTIC SYMPTOMS - UP TO 1 WEEK**

**DIAGNOSIS: ALCOHOL WITHDRAWAL DELIRIUM; ALCOHOL INTOXICATION DELIRIUM**

**TREATMENT: HOSPITAL-BASED THERAPY UP TO 3 DAYS**

**Notes to Schedule 1**

(a) **"Treatable" cancers.** In general, solid organ malignant tumours (excluding lymphomas) will be regarded as treatable where:

- i. they involve only the organ of origin, and have not spread to adjacent organs

- ii. there is no evidence of distant metastatic spread
- iii. they have not, by means of compression, infarction, or other means, brought about irreversible and irreparable damage to the organ within which they originated (for example brain stem compression caused by a cerebral tumour) or another vital organ
- iv. or, if points i. to iii. do not apply, there is a well demonstrated five year survival rate of greater than 10% for the given therapy for the condition concerned

(b) ***Tumour chemotherapy with or without bone marrow transplantation and other indications for bone marrow transplantation.*** These are included in the prescribed benefits package only where Schedule x explicitly mentions such interventions. Treatment should include a first full course of chemotherapy (including, if indicated, induction, consolidation and myeloablative components). Where specified, this may be followed by bone marrow transplantation/rescue, according to tumour type and prevailing practice. The following conditions would also apply to the bone marrow transplantation component of the prescribed benefits package:

- i. the patient should be under 60 years of age
  - ii. allogeneic bone marrow transplantation should only be considered where there is an HLA matched family donor
  - iii. the patient should not have relapsed after a previous full course of chemotherapy
- (points i. and ii. shall also apply to bone marrow transplantation for non-malignant diseases)

## CHAPTER 2

### ASSETS

#### Definitions

18. In this Chapter —

- (a) "accumulated funds" means the net asset value of the medical scheme, excluding funds set aside for specific purposes and non-distributable reserves;
- (b) "convertible debenture" means a debenture which is convertible into equity shares of a company;
- (c) "linked policy" means a long-term policy in relation to which the liabilities of the long-term insurer are linked liabilities as defined in the Longterm Insurance Act, 1998;
- (d) "margin" in relation to a stock exchange referred to in this schedule, means the margin as defined in regulations issued or approved by the appropriate authority of the state in which the stock exchange is situated or which is required by that stock exchange;
- (e) "margin deposit" means a margin with SAFEX and a stock exchange;
- (f) "margin with SAFEX" means the margin as defined in the rules of the South African Futures Exchange referred to in section 17 of the Financial Markets Control Act, 1989;
- (g) "market value" in relation to an asset, means —
  - (i) with regard to a fixed asset, the difference between the cost price and the total amount provided or written off for depreciation or reduction in value since the date of acquisition;
  - (ii) in the case of an asset which is listed on a licensed stock exchange for which a price was quoted on that stock exchange on the date as at which the value is calculated, the price last so quoted;
  - (iii) in the case of an asset which is a long-term policy, the amount which on any day would be payable to the policyholder upon the surrender of the policy on that day; and
  - (iv) in any other case, the price which could have been obtained upon

sale of the asset between a willing buyer and a willing seller dealing at arm's length, as estimated by the medical scheme and recorded in the financial statements of the said registered scheme and in respect of which the auditor expressed an opinion;

(h) "property company" means a company —

(a) whose ownership of —

- (i) immovable property; or
- (ii) all of the shares in the company who's principal business consists of the ownership of immovable property or which exercises control over a company who's principal business consists of the ownership of immovable property; or
- (iii) a linked policy, to the extent that the policy benefits thereunder are determined by reference to the value of immovable property,

constitutes in the aggregate, 50 per cent or more of the market value of its assets;

(b) which derives 50 per cent or more of its income, in the aggregate, from—

- (i) investments in immovable property;
- (ii) investments in another company which derives 50 per cent or more of its income from investments in immovable property; or
- (iii) a linked policy to the extent that the policy benefits thereunder are determined by reference to the value of immovable property; or

(c) which exercises control over a company referred to in paragraph (a) or (b);

(i) "regulated market" means a market situated outside the Republic which is characterised by —

(a) regular operation; and

(b) the fact that regulations are issued or approved by the appropriate authority of the state where the market is situated to determine conditions —

- (i) for the operation of and access to the market; and
- (ii) to be satisfied by a financial instrument in order for it to be effectively traded in the market;

(j) "SAFEX" means the South African Futures Exchange;



- (k) "securities" include bills, bonds, debentures and debenture stock, loan stock, promissory notes, annuities, negotiable certificates of deposit and other financial instruments of whatever nature; and
- (l) "shares" include share stock.

### **Assets to be held by medical scheme**

19. For the purposes of section 35(5) of the Act, a medical scheme may not, at any time, hold assets of a kind specified in column 1 of Annexure A, having a market value which, when expressed as a percentage of the aggregate value of the liabilities of the medical scheme plus the nett assets, exceed the percentage specified against it in column 2 of Annexure A.

### **Derivatives**

20. An instrument may not be deemed to be a derivative for the purposes of Annexure A unless —

- (a) it is based on an underlying asset of a kind set out in Annexure A or has the equivalent effect to such an instrument; and
- (b) in the case of —
  - (i) an over-the-counter instrument, it is capable of being readily closed out and is entered into with a counter party approved by the Council subject to such conditions as it may determine;
  - (ii) an instrument referred to in Annexure A, it is listed; or
  - (iii) any other instrument, it is regularly traded on a licensed stock exchange in the Republic, or on any other financial market in the Republic approved by the Council subject to such conditions as the Council may determine.

### **Amounts to be disregarded**

21. For the purposes of calculating the value of assets contemplated in Annexure A—
- (a) there must be disregarded —

- (i) any amount of premium, excluding a premium in respect of a reinsurance policy, which is due and payable;
  - (ii) an amount, excluding a premium in respect of a reinsurance policy, which remains unpaid after the expiry of a period of 12 months from the date on which it became due and payable;
  - (iii) an amount representing administrative, organisational or business extension expenses incurred directly or indirectly in the carrying on of the business of a medical scheme; and
  - (iv) an amount representing a liability or a reinsurance contract in terms of which the medical scheme concerned is the policy holder; and
- (2) the value of the assets mentioned in regulation 22 in which a reference to an asset means a reference to the asset in Annexure A, is as specified in that regulation.

#### **Calculation of values**

#### **22. The value of —**

- (a) a credit balance, deposit or margin deposit is the amount thereof;
- (b) an asset which is listed on a stock exchange and for which a closing price was quoted on that stock exchange is the closing price last so quoted;
- (c) an asset referred to as a unit trust in Annexure A, is the price at which the unit would have been repurchased by the unit trust management company on the date at which the value is calculated, and in the case of a property unit trust, the market value, and if it is listed on a stock exchange for which a closing price was quoted on that stock exchange on the date at which the value is determined, the closing price, or the closing price last so quoted;
- (d) a futures contract referred to in Annexure A, is determined by the mark-to-market as defined in the rules of the South African Futures Exchange referred to in section 17 of the Financial Markets Control Act, 1989 (Act No. 55 of 1989);
- (e) an option contract referred to in Annexure A for which a price was quoted on a stock exchange on the date on which the value is calculated, is that quoted price;

- (f) an asset not otherwise specified in this regulation, is an amount not exceeding that which could have been obtained on the sale of the asset between a willing seller and a willing buyer, acting at arms length and in good faith, as estimated by the medical scheme;
- (g) a policy, is the amount which would be payable to the policyholder upon the full surrender of the policy on the day on which the value is calculated; and
- (h) a derivative not mentioned in paragraph (d) or (e) is calculated as determined by the Council.

### **Evaluation**

23. (1) Notwithstanding regulations 21 and 22, if the Registrar is satisfied that the value of an asset, when calculated in accordance with regulation 22 does not reflect a proper value, he or she may direct the medical scheme to appoint another person, at the cost of the medical scheme, to place a proper value on that asset, or the Registrar may direct the medical scheme to calculate the value in another manner which he or she determines and which will produce a proper value for that asset.

(2) An asset in respect of which no basis of valuation is prescribed in regulations 22 and 23, is valued in accordance with generally accepted accounting practice.

### **Accumulated funds**

24. (1) Subject to subregulation (2), a medical scheme must at any time maintain accumulated funds expressed as a percentage of gross annual contributions for the accounting period under review which may not be less than 25%.

(2) (a) A medical scheme which existed prior to this regulation having come into operation and which does not comply with the provisions of subregulation (1), must so comply within a period of three years, in phases as determined by the Registrar.

(b) A medical scheme registered after this regulation has come into operation, must maintain accumulated funds, expressed as a percentage of gross annual contributions, of not less than 15% during the first year after its registration and not less than 20% during the second year after its registration.

### CHAPTER 3

#### CONDITIONS TO BE COMPLIED WITH BY ADMINISTRATORS OF MEDICAL SCHEMES

#### Definitions

**25. In this Chapter —**

- (a) "accounting person" in relation to an administrator, means an independent auditor registered in terms of the Public Accountants' and Auditors' Act, 1991 (Act No. 80 of 1991);
- (b) "medical scheme moneys" means subscriptions, contributions, investment income, amounts received upon the sale or realisation of assets, transfers or any other receipts of whatever nature.

#### Compliance with conditions by administrators

**26. (1)** An administrator must comply with the provisions of the conditions set out in this Chapter.

**(2)** An application for accreditation of an administrator must be in writing and must contain —

- (a) the full name and *curriculum vitae* of the person at the head of the administrator's business;
- (b) his or her home and business addresses and telephone numbers;
- (c) the name of the accounting person;
- (d) a report prepared by the accounting person indicating whether the administrator's expertise, bookkeeping, computer and control systems are adequate for the size and complexity of the business of the medical scheme or schemes to be administered;
- (e) a copy of the proposed administration agreement between the administrator and the medical scheme or schemes concerned and any amendments thereto; and
- (f) such other information or document as the Council may from time to time require.

(3) The Registrar must, where it has been proved to the satisfaction of the Council that an administrator does not comply with subregulation (2), upon application for accreditation inform the administrator thereof.

(4) (a) If an administrator contravenes or fails to comply with any provision of this Chapter, the Registrar must forthwith inform the administrator in writing thereof at his or her most recent official address, and require the administrator to furnish him or her with written reasons within 30 days of the date of the notice why his or her accreditation as administrator may not be withdrawn.

(b) The Council may, where no satisfactory reasons have been furnished to the Registrar within the said period, by notice in writing withdraw that administrator's accreditation.

(5) The provisions of regulation 31 apply in respect of the administrator's business after a withdrawal of accreditation under subregulation (4) or a deemed lapse of accreditation in terms of subregulation (6).

(6) The accreditation of an administrator by the Council is deemed to have lapsed without prejudice to any legal obligations still attaching thereafter to the former administrator in terms of the Act or this Chapter if the administrator otherwise ceases to perform administration business, or his or her business is dissolved or liquidated.

### **Agreement in respect of administration**

27. (1) Prior to the commencement of administrative functions with regard to a particular medical scheme, an administrator must enter into a written agreement with the relevant scheme in which the specific arrangement for the required administration is recorded.

(2) Any such agreement must —

- (a) stipulate the scope and duties of the administrator;
- (b) provide that the administrator must, on behalf of the medical scheme, administer the business of a medical scheme in compliance with the Act and as provided for in the rules of the scheme;
- (c) stipulate the basis on which the administrator is to be remunerated for conducting the administration;

- (d) empower each party to the agreement to terminate the agreement after notice, in writing by one party to the other, of a period of not less than 90 days and not more than 180 days; and
- (e) provide that all registers, minute books, records and all other data pertaining to the medical scheme, must at all times remain the sole property of the medical scheme concerned.

(3) Any amendment to the agreement must be in writing and must be effected by way of an addendum to the existing agreement or a new agreement between the administrator and the medical scheme.

(4) Where, at the date of coming into operation of this Chapter, an arrangement is in force whereby an administrator is administering a medical scheme and the existing arrangement does not comply with the requirements of this Chapter, such administrator must enter into a new agreement which complies with the requirements set forth in this Chapter with every medical scheme within six months from the date of coming into operation of this Chapter, unless the Registrar has been satisfied by the medical scheme that the interests of the scheme are duly safeguarded under the existing arrangement.

### **Termination of administration agreements**

28. (1) When the administration agreement between a medical scheme and an administrator is terminated, such administrator must furnish a report to the Registrar not later than 60 days after such termination, confirming —

- (a) that all documents of title relating to assets, the assets register, minute books, members' records and other records and information pertaining to the scheme have been delivered to the trustees of the scheme or the new administrators, as the case may be;
- (b) the date and address of such delivery; and
- (c) the name of the trustee or person at the new administrator to whom the documents referred to in paragraph (a) have been delivered.

(2) If an administrator is for some or other reason unable to comply fully or partially with this regulation, the said report must contain full particulars regarding which documentation have not been delivered, the reasons therefor as well as a plan with the



dates on which compliance will take place, to enable the Registrar to approve of such further period as may be determined by him or her.

### **Appointment of accounting person**

29. (1) An administrator must appoint an accounting person to —

- (a) determine whether the administrator conducts the business in accordance with the provisions of the Act, the Regulations and the rules of the medical scheme concerned;
- (b) determine whether, in his or her opinion, the administrator's annual financial statements are in agreement with the accounting records;
- (c) determine whether, in his or her opinion, the financial affairs of the administrator are in such a condition to ensure the continued existence of the administrator for the foreseeable future;
- (d) review the appropriateness of the accounting and administration systems and policies presented to him or her as having been applied in respect of the preparation of the annual financial statements of the administrator; and
- (e) certify whether the administrator's bookkeeping, computer and control systems are in his or her opinion adequate for the size and complexity of the business of the medical scheme or schemes administered by the administrator.

### **Indemnity and fidelity guarantee insurance**

30. An administrator must take out and maintain professional indemnity insurance and fidelity guarantee insurance from and up to such an amount as the administrator's accounting person with the concurrence of the Registrar, may determine.

### **Maintenance of financially sound condition**

31. An administrator must at all times maintain the business in a financially sound condition by —

- (a) having assets which are at least sufficient to meet current liabilities;



- (b) providing for liabilities; and
- (c) generally conducting the business so as to be at all times in a position to meet the liabilities.

### **Depositing of medical scheme moneys**

32. An administrator must deposit any medical scheme moneys under administration, not later than the business day following the date of receipt thereof, into a bank account opened in the name of the scheme concerned.

### **Safe custody of documents of title**

33. Whenever a document of title relating to assets held by a medical scheme or to be held in custody on behalf of a scheme, by virtue of the scheme's registered office being the address of an administrator or for any other reason, comes into possession of the administrator, the administrator must make adequate arrangements to ensure the continued safety of the assets held in safe custody, mark such document in a manner which will render it possible to establish readily that the scheme is the owner of such assets, and maintain a register to identify ownership of assets.

### **Annual report**

34. Within six months after the end of the financial year of the administrator, an administrator must furnish the Registrar with a report by the auditor of the administrator in the format set out in Annexure B to these conditions.

### **Furnishing of other information**

35. (1) An administrator must furnish the Registrar with such information concerning the administrator's shareholders, directors, members, partners and senior employees as the Registrar may from time to time require.

(2) A change in owners, directors, members or shareholders having the effect of a change of control of the administrator in question, results in the new administrator

applying for accreditation in terms of regulation 26(2).

### **Ceasing, dissolution or liquidation of business**

36. (1) When an administrator ceases to conduct business, is dissolved, liquidated or the administrator's accreditation has been withdrawn, the administrator's accounting person must furnish a report to the Registrar confirming —

- (a) that all documents of title relating to assets, the assets register, minute books, computer records, data and other records pertaining to the medical scheme under administration have been delivered to the trustees of the scheme or the new administrators, as the case may be;
- (b) the date and address of delivery contemplated in paragraph (a); and
- (c) the name of the trustee or other person at the administrator to whom the documents referred to in paragraph (a) have been delivered.

(2) If an administrator's accounting person is for some or other reason unable to comply fully or partially with subregulation (1), the report must contain full particulars concerning the documents which have not been delivered, full reasons therefor as well as a plan with the dates on which compliance will take place to enable the Registrar to approve of such further period as may be determined by him or her

## ANNEXURE A

## ASSETS TO BE HELD BY MEDICAL SCHEME IN TERMS OF SECTION 35(5)

Asset Number	Column 1 Kind of asset	Column 2 Percentage
<p>1</p> <p>1.1</p>	<p>A credit balance in an account with, or deposit including a negotiable deposit and a bill, accepted by an institution finally registered under the Banks Act 1990 (Act No 94 of 1990), or the Mutual Banks Act, 1993 (Act No 124 of 1993).</p> <p>In the aggregate</p> <p>Derivatives and the margin deposit in the Republic:</p> <p>In the aggregate in respect of margin deposits held with SAFEX</p>	<p>20</p> <p>2,5</p>
2	<p>Public deposits with the Corporation for Public Deposits established by section 2 of the Corporation for Public Deposits Act, 1984 (Act No 46 of 1984).</p> <p>In the aggregate</p>	20
3	<p>Securities and loans guaranteed by a Minister of the Republic under section 35 of the Exchequer Act, 1975</p> <p>In the aggregate</p>	20
4	<p>Securities issued or guaranteed by, and loans made to or guaranteed by a body, council or institution under the repealed Provincial Government Act, 1961 (Act No 32 of 1961).</p> <p>In the aggregate</p>	

	In the aggregate in respect of any one body, council or institution	20
		2,5
Asset Number	Column 1 Kind of asset	Column 2 Percentage
5	Securities issued by and loans made to the Local Authorities Loans Fund Board under the Local Authorities Loans Fund Act, 1984 (Act No 67 of 1984).	
	In the aggregate	20
5.1	In the aggregate in respect of any one Board	2,5
6	Securities issued or guaranteed by, and loans made to or guaranteed by the Rand Water Board in terms of the Rand Water Board Statutes (Private) Act, 1950 (Act No 67 of 1950).	
	In the aggregate	20
7	Securities issued or guaranteed by, and loans made to or guaranteed by Eskom in terms of the Eskom Act, 1987, (Act No. 40 of 1987)	
	In the aggregate	20
8	Securities issued or guaranteed by and loans made to or guaranteed by the Land and Agricultural Bank of South Africa under the Land Bank Act, 1944 (Act No. 13 of 1944)	
	In the aggregate	

		20
9	Securities issued or guaranteed and loans raised or guaranteed under the Legal Succession to the South African Transport Services Act, 1989 (Act No 9 of 1989). In the aggregate	20
10	Immovable property in the Republic, motor vehicles, furniture and office equipment, including computer equipment used by the medical scheme concerned in the course of its business in the Republic In the aggregate	30
<b>Asset Number</b>	<b>Column 1 Kind of asset</b>	<b>Column 2 Percentage</b>
11	Securities and loans not elsewhere specified which are issued by or made to a body corporate established by a law of the Republic and approved by the Council, subject to such conditions determined and specified In the aggregate	20
11.1	In respect of any one institution	2,5
12	Immovable property in the Republic; units in a unit trust scheme in property shares; loans or mortgage bonds to or shares or debentures or depository receipts or linked units or loan stock issued by a property company; and linked policies linked thereto; Claims secured by mortgages over immovable property in the Republic; Shares and debentures issued by a company incorporated in the Republic; Shares, debentures and depository	

12.1	<p>receipts which are issued by an institution incorporated outside the Republic and listed on a licensed stock exchange in the Republic; Linked units in respect of institutions, one or more of which is or are incorporated outside the Republic and which are listed on a licensed stock exchange in the Republic; Loan stock listed on a licensed stock exchange in the Republic issued by a company incorporated in the Republic.</p> <p>In the aggregate</p> <p>In respect of any one property, property development or property company</p>	<p>10</p> <p>2,5</p>
Asset Number	Column 1 Kind of asset	Column 2 Percentage
13	<p>Shares, convertible debentures or depository receipts or linked units or loan stock, issued by a body corporate, units in a unit trust scheme in securities other than property shares; and linked policies thereto</p> <p>In the aggregate</p>	30
13.1	<p>In the aggregate of those which are not listed on a licensed stock exchange or financial market in the Republic or are listed in the Development and Venture Capital Sectors of such an exchange or market</p>	2,5

13.2	In the aggregate of those which are listed on a licensed stock exchange or financial market in the Republic, otherwise than in the Development and Venture Capital Sectors thereof, and which are issued by any one body corporate which has a market capitalisation X not exceeding R2 000 million	
13.2.1	exceeding R2 000 million	
13.2.2	In the aggregate in respect of any one body	5
13.2.3		10
		2,5
Asset Number	Column 1 Kind of asset	Column 2 Percentage
14	Other claims not elsewhere specified againstX	
14.1	(1) a person in the Republic – in the aggregate;	0,25
14.2	(2) an insurance company in terms of a long-term policy of insurance - in the aggregate; and	10
14.3	any stock or shares in a body corporate which is not incorporated and registered in the Republic but which, in the opinion of the Council, carries on business in the Republic and which has been approved by the Council generally by notice and subject to the conditions determined by the Council and specified in the notice	



14.4	In the aggregate	2,5
15	<p>Listed securities by a government of a country other than the Republic or securities and shares issued by an institution incorporated outside the Republic in respect of which the Council has recognised the stock exchange outside the Republic or country in which the regulated market concerned is situated</p> <p>In the aggregate</p>	2,5
16	<p>A credit balance in an account with, or a deposit, including a negotiable certificate of deposit, or a bill, accepted by an institution incorporated outside the Republic, in a country approved by the Council, which would have been a bank in terms of the Banks Act, 1990, if it were incorporated in the Republic</p> <p>In the aggregate</p>	2,5
17	In respect of any one asset not subjected elsewhere to a specific limitation	2,5

**ANNEXURE B**

**REPORT BY THE INDEPENDENT AUDITOR OF AN ADMINISTRATOR  
TO THE REGISTRAR OF MEDICAL SCHEMES FOR THE PURPOSES OF  
ACCREDITATION IN TERMS OF REGULATIONS 24 AND 29**

1. In compliance with regulation 24, we have carried out a review for the purposes of providing assurance as to the financial condition of the financial affairs of the administrator at..... (Date). We have also performed certain procedures described below for the year ended .....(Date) The financial statements and the maintenance and development of a system of internal control are the responsibility of the management of the administrator. Our responsibility is to report on the financial statements, the system of internal control and computer system. We also confirm that systems are year 2000 compliant.
2. Our review was generally limited to analytical procedures, to discussions with personnel responsible for financial and accounting matters and to a review and analysis of certain information. It should be recognised that our review did not constitute an audit and may not necessarily have revealed all material facts.
3. This report is furnished to the Registrar to enable him or her to assess whether or not the administrator has complied with the Act, the Regulations, rules of the scheme and to determine the financial condition of the administrator in order to be or continue to be accredited in terms of the Act.
4. Our review revealed nothing which caused us to believe that the administrator will not continue in operational existence for the foreseeable future.
5. We have adopted such procedures and conducted such enquiries in relation to the books of account and records of the administrator, computer systems and other systems of internal control as we considered necessary in the circumstances. This enables us to confirm that X
  - 5.1 the administrator had ..... (quantity) registered schemes under its administration as at the reporting date;

- 5.2 the administrator has taken out an Employer's Fidelity Guarantee Policy, No, ..... with ..... and that such policy has been renewed for a period of .....months ending on the ..... day of ..... (Date);
- 5.3 the administrator has taken out a Professional Indemnity Insurance Policy, No, ..... with ..... and that such policy has been renewed for a period of ..... months ending on the ..... day of ..... (Date);
- 5.4 the administrator deposited the moneys of the medical scheme under its administration in the bank account of the scheme concerned on the business day following the receipt of the scheme's moneys;
- 5.5 the administrator's annual financial statements at ..... and for the year ended ..... are in agreement with the accounting records of the administrator;
- 5.6 the accounting policies applied in the preparation of the annual financial statements for the year ended ..... are appropriate for the business;
- 5.7 the bookkeeping, computer and control systems are adequate for the size and complexity of the business it is conducting or intends to conduct and all changes to the computer and control systems were recorded in writing;
- 5.8 the administrator maintains a financially sound condition as contemplated in regulation 26;
- 5.9 no changes in ownership, directors, members or shareholders having the effect of a *de facto* change of control of the administrator in question took place during the year;
- 5.10 for the year ended..... (Date) all administration agreements with medical schemes were in writing and conformed to regulation 22;
- 5.11 for the year ended ..... (Date) the administrator maintained an asset register during the period under review;
- 5.12 the following administration agreements were terminated and in respect of them

regulation 23 have been complied with;

**5.13** all assets were held in the names of the respective medical schemes at the reporting date;

**5.14** the following instances have/have not subsequently been corrected; and

5.14.1

5.14.2

5.14.3

**5.15** except for the following matters, the administrator has conducted its business in terms of the Act, the Regulations, agreements between the administrator, its subsidiaries and the scheme.

5.15.1

5.15.2

5.15.3

**Auditor(CA)SA**

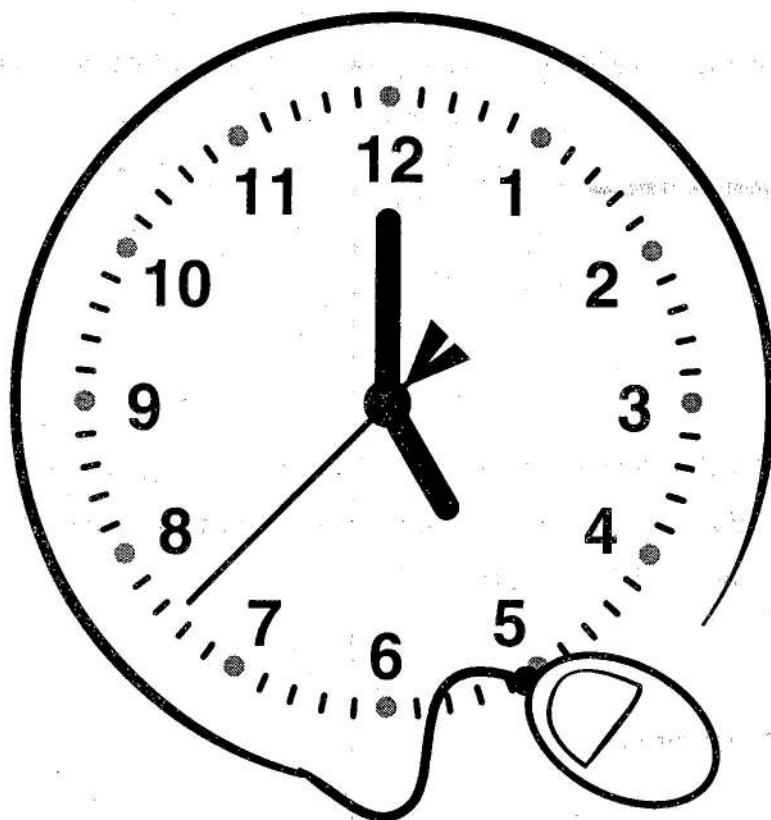
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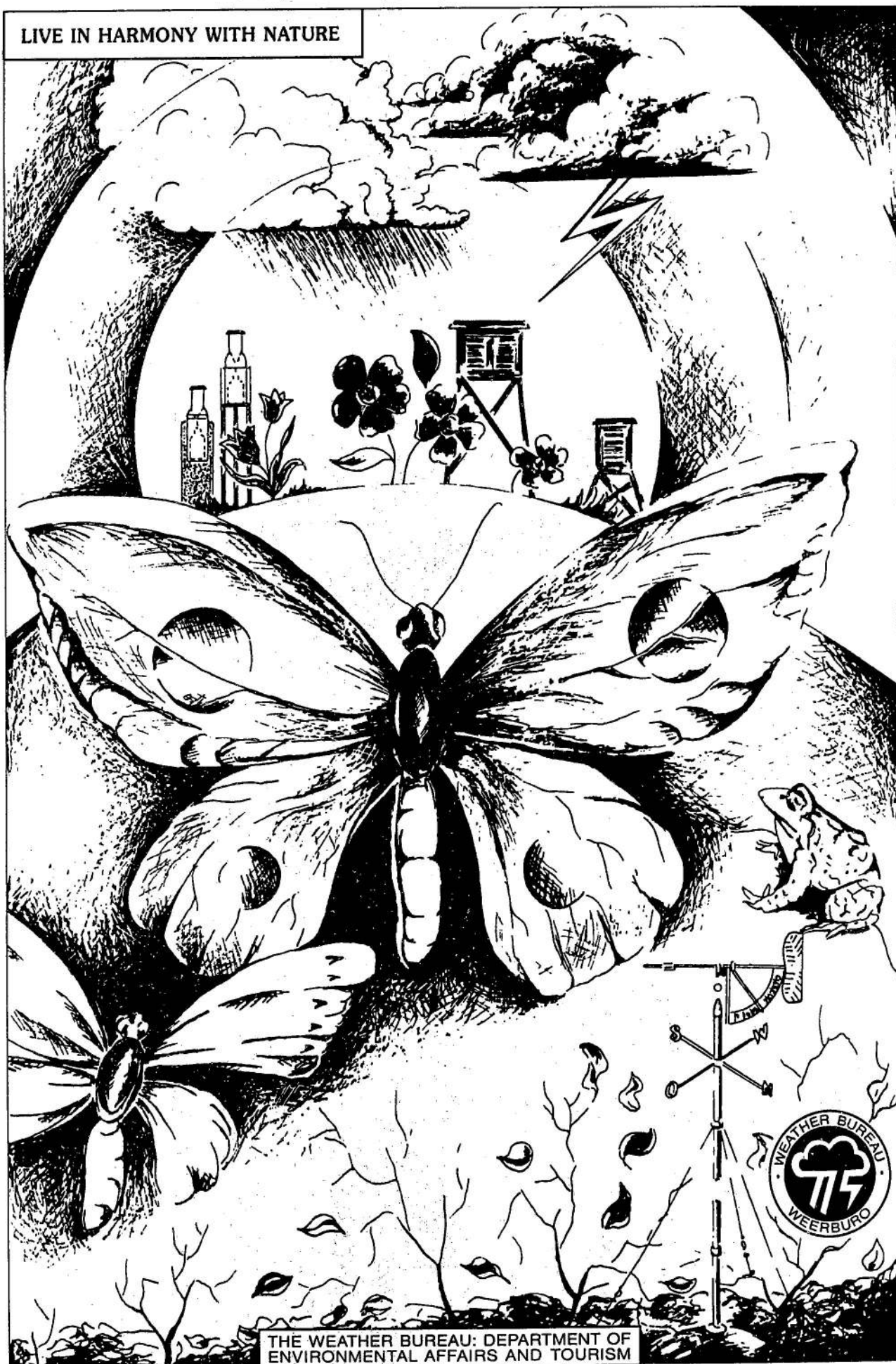
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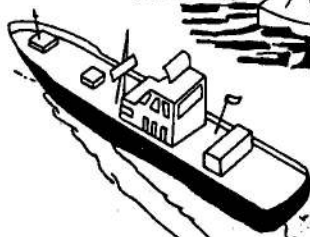
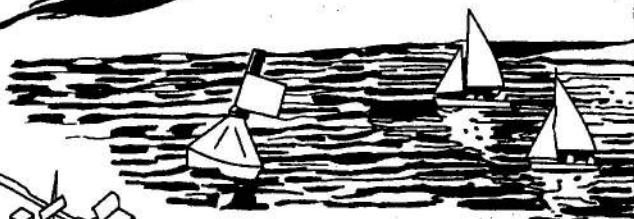
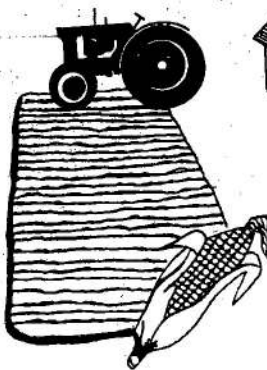
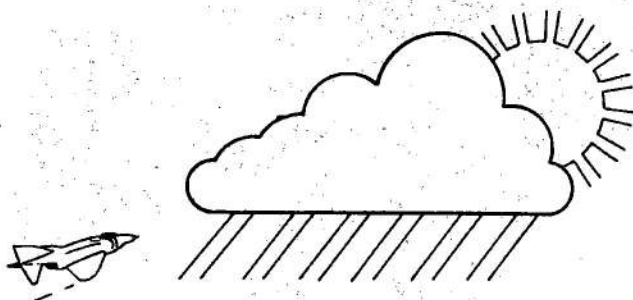
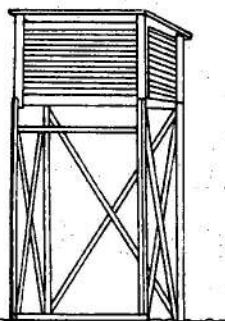
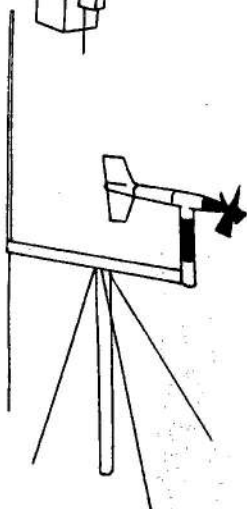
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