

(30 June 2004 – to date)

MEDICAL SCHEMES ACT 131 OF 1998

(Gazette No. 19545, Notice No. 1559. Commencement date: 1 February 1999 [Proc. No. 13, Gazette No. 19725])

NOTICE OF DECLARATION OF UNDESIRABLE BUSINESS PRACTICE IN TERMS OF SECTION 61(1) OF THE MEDICAL SCHEMES ACT, 1998 (ACT No. 131 of 1998)

*Board Notice 73 in Government Gazette 26516 dated 30 June 2004. Commencement date:
30 June 2004.*

In terms of section 61(1) of the Medical Schemes Act, 131 of 1998, the Registrar of Medical Schemes, with the concurrence of the Council for Medical Schemes and the Minister of Health, makes the declaration contained in the Schedule to this notice, which shall be applicable to all medical schemes.

Schedule

It shall be an undesirable business practice -

1. to alienate the tangible and/or intangible assets of a medical scheme for substantially less than their fair value;
2. for a medical scheme to award a contract for administration services without engaging in a fair and reasonable process of evaluating a range of potential administrators to select an administrator best suited to the needs of that medical scheme, taking into account considerations of, amongst others: cost, capacity, experience in administration and financial soundness;
3. for a medical scheme to enter into an administration contract with a party in which any employee, trustee or other officer of the medical scheme has a direct or indirect financial interest.

Note: Paragraph 2, above, does not apply in respect of the renewal of the administration contract of the existing administrator of a medical scheme.

(signed)

T P Masobe

REGISTRAR OF MEDICAL SCHEMES