



SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL

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To All Municipal Managers

The Parties:

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Dear Sir/Madam

CIRCULAR NO.: 07/2024 MEDICAL SCHEME ACCREDITATION: 2025

1. The medical schemes which have been accredited by the Executive Committee of the Central Council, for the 2025 period, are:
 - a) BONITAS
 - b) KEY HEALTH
 - c) LA HEALTH
 - d) SAMWUMED
 - e) SIZWE-HOSMED
2. The Executive Committee considered various issues related to accreditation such as marketing, code of conduct, increase in an accredited scheme's contributions or fees etc. and resolved on these issues as follows:

- a) The accredited scheme must continue to comply with the accreditation criteria provisions in the Main Collective Agreement (MCA) for the duration of accreditation, being 1 January 2025 to 31 December 2025.
 - b) The accredited medical scheme undertakes to comply with the code of conduct provisions set out in the Main Collective Agreement, during the freedom of association period in 2024 and the duration of accreditation, being 1 January 2025 to 31 December 2025. The accredited schemes must abide by their signed Code of Conduct as submitted with their accreditation application.
 - c) All accredited Schemes must market their products based on the products or benefit structure, as approved by the Registrar, Council for Medical Schemes. No accredited scheme may market unapproved products or benefits.
 - d) The accredited medical scheme shall not increase its contributions or fees, after the initial increase in 2025, without first consulting the Executive Committee of the SALGBC.
3. The schemes may market their schemes from 1 October 2024 to 29 November 2024.
4. The **Advisory**, below, is issued as a reminder to all employees, employers, medical schemes members, that membership to a medical scheme and medical aid subsidy constitute a condition of service, as per the Main Collective Agreement(MCA). Two critical matters are emphasized, which are:
- 4.1 Employees shall receive a medical aid subsidy from the Municipality if they belong to one of the accredited schemes.
 - 4.2 By 30 March, of each year, or at the time when an application for accreditation is submitted, the applicant scheme shall have a minimum of **15,000 principal members** within the local government sector or the minimum numbers as determined by the Executive Committee. Principal members include pensioner members previously employed by local government. The threshold requirement may be reviewed by the Council from time to time on terms and conditions, to be determined by the Executive Committee. Such terms and conditions must be met by the applicant scheme.
5. The **Criteria for Recognition of Medical Schemes** are the following:
- a) The medical scheme applying for admission to the Council must be registered in terms of Section 24 (1) of the Medical Schemes Act (MSA).
 - b) The applicant scheme must meet all the legal requirements as prescribed in the Medical Schemes Act (MSA) and regulations issued in terms of the MSA and


determinations of the Registrar from time to time.

- c) The applicant scheme must meet any additional requirements which may be laid down by the Registrar of Medical Schemes from time to time. Furthermore, the applicant scheme must meet the solvency levels prescribed in Regulation 29 of the regulations made in terms of the MSA. Alternatively, a plan to ensure compliance therewith must have been lodged with the Registrar in terms of Regulation 29 (4) and accepted by him.
 - d) The applicant scheme shall have a board of trustees duly elected as provided for in the MSA.
 - e) The applicant scheme shall not unfairly discriminate directly or indirectly against any person on any ground including race, gender, marital status, ethnic or social origin, sexual orientation, disability, age or state of health.
 - f) The non-health expenditure costs of the applicant scheme for the previous financial Year shall be disclosed to the Council by an accredited scheme within three (3) months of the conclusion of the annual audit of such scheme and these costs may be published by the Council.
 - g) Audited Year-end financial statements and statutory returns for the last Year must be submitted by an applicant scheme before accreditation, which financial statements and statutory returns may be published by the Council.
 - h) Prior to accreditation, the applicant scheme must demonstrate capacity to provide effective member communication channels, e.g. regular newsletter and an updated website.
 - i) Service levels have to be clearly specified on such matters as, e.g. turnaround time, claims processing and payment of accounts and may be published by the Council.
 - j) An applicant scheme should support its application for accreditation with any other supporting documentation, including but not limited to, actuarial evaluation, credit rating and statistical returns.
 - k) An applicant scheme is required to waive any waiting period for any illness condition for scheme members who choose to transfer to an applicant scheme and who are current members of an existing accredited medical scheme.
6. The applicable rules, as per the MCA, during the freedom of association period are as follows:

- a) Accredited medical schemes may market their schemes annually between October and November, the frequency of which will be determined by the Executive Committee.
- b) Those scheme members who wish to transfer between accredited medical schemes must give their existing medical scheme the required notice period of termination of membership in terms of the rules of that medical scheme.
- c) Scheme members may make an election regarding movement from one accredited medical scheme to another accredited medical scheme on an annual basis before 1 January.
- d) Members who have elected to transfer from one accredited medical scheme to another accredited medical scheme will be able to do so with effect from 1 January of each Year.
- e) The employer shall only make contributions to accredited medical schemes on behalf of employees.
- f) Employees shall not be permitted to separate family membership and register dependants on different schemes.
- g) In the event of a medical scheme being in breach of the accreditation criteria, that scheme shall lose its accredited status, and the affected members shall be entitled to exercise a new election.

7. The spreadsheet of the applications will be published on the SALGBC website.

Yours faithfully



MR. S S GOVENDER
GENERAL SECRETARY