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Genesis wins Constitutional Court battle against Council for Medical Schemes (CMS)

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Genesis medical scheme has won its legal battle with the Council of Medical Schemes (CMS) over how to account for the funds in members' medical savings accounts (MSAs).

The Constitutional Court ruled that all funds paid by members to their schemes should be considered as assets, regardless of their intended use.

This technical accounting point will make a material difference in the way schemes calculate their solvency ratios that measure gross income against reserves.

Treating MSA balances as assets means schemes' reported solvency ratios will improve, because funds accumulated in MSAs will now be considered as part of a schemes' reserves, said Insight Actuaries joint CEO Barry Childs.