



## NEWSFLASH

### Experts decry plan to consolidate medical schemes

*Business Day, 2 August 2017*

Industry sources have warned that the plan by the Council for Medical Schemes (CMS) to consolidate or dissolve small medical schemes poses risks to the people who belong to these schemes and might force some to drop their cover.

More than 228 000 people belonged to 31 medical schemes that had fewer than 6 000 members at the end of 2015. All but three of these schemes are restricted employer groups.

- Insight Actuaries joint CEO **Christoff Raath** said these people won't be able to get similar benefits on the open market and may get dumped on the state.
- **Alex van den Heever**, University of the Witwatersrand chairman of Social Security Systems Administration and Management Studies, said consolidation would harm consumers as it would limit choice. Closing small schemes due to their size was indefensible.
- Discovery Health CEO **Jonathan Broomberg** said the legality of forcing small schemes to close was an issue, while there were concerns about the impact on the members of many small schemes.
- Medscheme CEO **Kevin Aron** said an attempt by the CMS to deregister medical schemes was likely to be met with legal and constitutional challenges.

