



Reference: LCBO and Demarcation engagements
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Press Release 2 of 2020: LCBO and Demarcation stakeholder engagements a success

PRETORIA, Feb 21, 2020 – The Council for Medical Schemes (CMS) has lauded its extensive stakeholder engagements on Low-Cost Benefit Options (LCBO) and Demarcation products, as a success.

“These engagements have been very productive and have led to the joint decision of establishing two stakeholder-based Advisory Committees. This outcome confirms that stakeholders are willing to work with us towards a solution that will benefit the many lives covered by these products,” said Dr Siphon Kabane, Chief Executive and Registrar of CMS.

The Advisory Committees will be tasked with addressing the challenges faced by different stakeholders concerning their product offerings, and also develop a road map leading to end March 2021. “These committees will also serve as platforms for engagement and input on the draft LCBO framework that CMS has developed, before it is submitted by CMS for approval by the Minister of Health,” added Dr Kabane.

LCBO and Demarcation stakeholder engagements were held in Pretoria and Cape Town, and included a broad range of stakeholders including National Treasury, Financial Sector Conduct Authority (FSCA), Prudential Authority (PA), Board of Healthcare Funders (BHF), Health Funders Association (HFA), medical schemes, administrators, Managed Care Organisations (MCOs), brokers, insurances and related service providers.

“Despite the ongoing process, there have been appeals lodged to the office in terms of the provisions of the Act, which will be dealt with internally,” continued Dr Kabane.

In terms of the Demarcation Regulations, demarcation products were outlawed as early as 2017 and only exist through the [exemption framework](#) that was jointly developed by Treasury, NDoH, FSCA and CMS for this purpose. This framework [applied](#) between April 2017 and March 2019 but was further [extended](#) to 31 March 2021, in consultation with the abovementioned parties.

"This extension was not intended to apply in perpetuity, but was meant to provide a transitional arrangement for the migration of demarcations products to the medical schemes regulatory environment," concluded Dr Kabane.

Comments on the Terms of Reference of these Advisory Committees, as well as nominations of members are open for stakeholder comments until 28 February 2020.

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Media enquiries

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