RULES OF UMVUZO HEALTH MEDICAL SCHEME

1. NAME

The name of the Scheme is **Umvuzo Health Medical Scheme,** the abbreviated name is **UMVUZO HEALTH** and hereafter referred to as "the Scheme".

2. LEGAL PERSONA

The Scheme, in its own name, is a body corporate, capable of suing and of being sued and of doing or causing to be done all such things as may be necessary for or incidental to the exercise of its powers or the performance of its functions in terms of the Medical Schemes Act and Regulations and these Rules.

3. REGISTERED OFFICE

The registered office of the Scheme is situated at 457 Witherite Road, The Willows, Pretoria but the Board may transfer such office to any other location in the Republic of South Africa, should circumstances so dictate.

4. DEFINITIONS

In these Rules, a word or expression defined in the Medical Schemes Act, 1998 (Act 131 of 1998) bears the meaning thus assigned to it and, unless inconsistent with the context:

(a) A word or expression in the masculine gender includes the feminine;

(b) a word in the singular number includes the plural, and *vice versa*; and

(c) the following expressions have the following meanings:

4.1 "Act"

the Medical Schemes Act 1998 (Act 131 of 1998) and the Regulations framed there under;

4.2 "Annual limit"

the maximum benefits to which a member and/or his registered dependants are entitled to in terms of the Rules, and shall be calculated annually to coincide with the Scheme's financial year and as set out in Annexure B;

4.3 "Approval"

prior written approval of the Board or its authorised representative;

4.4 "Auditor"

an auditor registered in terms of the Public Accountants' and Auditors' Act, 1991 (Act 80 of 1991) and who was appointed in terms of Rule 25;

4.5 "Beneficiary"

a member or a person admitted as a dependant of a member;

4.6 "Board"

the Board of Trustees constituted to manage the Scheme in terms of the Act and these Rules;

4.7 "BHF"

the Board of Healthcare Funders of Southern Africa;

4.8 "Child dependant "

a beneficiary under the age of 25 years that is the member's natural child, or a stepchild or legally adopted child or a child who has been placed in the custody of the member or his/her spouse or partner and who is not a beneficiary of any other medical scheme;

4.9 "Claim"

the submission of a request for an amount to which a member of the Scheme is entitled for expenditures incurred by him or his registered dependants in connection with a service or requisite, in accordance with the provisions of Rule 16 and Annexure "B" of the option the member belongs to: Provided that this claim is submitted in accordance with the provisions of Rule 15;

4.10 "Condition specific waiting period"

a period during which a beneficiary is not entitled to claim benefits in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve-month period ending on the date on which an application for membership was made;

4.11 "Continuation member"

a member who retains his membership of the Scheme in terms of Rule 6.2 or a dependant who becomes a member of the Scheme in terms of Rule 6.3;

4.12 "Contribution"

in relation to a member, the amount, exclusive of interest, paid by or in respect of the member and his registered dependants if any, as membership fees and shall include contributions to personal medical savings accounts;

4.13 "Council"

the Council for Medical Schemes as contemplated in the Act;

4.14 "Cost"

in relation to a benefit, the net or final amount payable in respect of a relevant health service;

4.15 "Creditable coverage"

any period of verifiable medical scheme membership of the applicant or his dependant, but excluding membership as a child dependant, terminating two years or more before the date of the latest application for membership;

4.16 "Data subject"

has the meaning assigned to it in POPIA and refers to the person to whom the personal information relates;

4.17 "Date of service"

(i) a consultation with or a visit to or treatment by a doctor, a dentist or a person providing supplementary health services, means the date of consultation, visit or treatment, whether or not it is for the same illness;

(ii) an operation, a procedure or a confinement, the date of each operation, procedure or confinement;

(iii) hospitalisation, the date of discharge from a hospital or nursing home, or the date of termination of membership, whichever is the earliest; and

(iv) any other service or requirement, the date on which such service was rendered or such requirement obtained;

4.18 "Date of active membership"

the date on which a person becomes a member of this Scheme in terms of these Rules;

4.19 "Dependant"

4.19.1 a member's spouse or partner who is not a member or a registered dependant of a member of a medical scheme;

4.19.2 a member's child who is not a member or a registered dependant of a member of a medical scheme and under the age of 25 years;

4.19.3 the immediate family of a member in respect of whom the member is liable for family care and support, and where such financial dependency can be proven. This excludes grandparents; uncles and aunts; nephews and nieces; children of siblings and; and

4.19.4 any other person who is recognised by the Board as a dependant for purposes of these Rules;

4.20 "Dependent"

in relation to a dependant other than the member's spouse or partner, a dependant who is not in receipt of a regular remuneration of more than the maximum social pension per month or a child who, due to a mental or physical disability, is dependant upon the member;

4.21 "Designated Service Provider"

a healthcare provider or group of providers selected by the Scheme as preferred provider to provide to the members, diagnosis, treatment and care;

4.22 "Employee"

a person in the employment of an employer;

4.23 "Employer"

contracted employers and/or groups referred to in Rule 6.1;

4.24 "Financial year"

the financial year as contemplated in Rule 23;

4.25 "General Waiting Period"

a period during which a beneficiary is not entitled to claim any benefits;

4.26 "Late joiner"

an applicant or the adult dependant of an applicant who, at the date of application for membership or admission as a dependant, as the case may be, is 35 years of age or older but excludes any beneficiary who enjoyed coverage with one or more medical schemes as from a date preceding 1 April 2001, without a break in coverage exceeding 3 consecutive months since 1 April 2001;

4.27 "Managed care cover"

managed care cover for contracted services as provided or facilitated by a preferred provider organisation and approved by the Scheme;

4.28 "Member"

any person who is admitted as a member in terms of these Rules;

4.29 "Member family"

the member and all the registered dependants;

4.30 "National Health Reference Price List (NHRPL)"

the reference price list for health services published by the Council for Medical Schemes;

4.31 "Negotiated tariff"

negotiated tariff is the tariff negotiated between the Scheme and a service provider for specified services;

4.32 "Option"

an option with its own benefits, premiums and exclusions as set out in its Annexure A, B and C for that Option;

4.33 "Orphan"

a child of a deceased member who, at the time of the member's death, was enrolled in terms of the stipulations of Rule 4.8 as a registered dependant and allowed as a member in the place of the deceased until he becomes a main member or is accepted as a dependant of a member of a registered medical scheme;

4.34 "Partner"

a person with whom the member has a committed serious relationship akin to a marriage based on objective criteria of mutual dependency and a shared and common household, irrespective of the gender of either party and that can be proven to the satisfaction of the Scheme;

4.35 "Period of submission"

the monthly submission of claims for services rendered during that month or previous months, irrespective of whether or not the treatment has been completed, but the Scheme shall not be compelled to accept a claim submitted for the first time later than the last day of the fourth month following the month in which the service was rendered, unless the Scheme has granted written extension of time for the late submission;

4.36 "Personal Information"

has the meaning assigned to it in POPIA and refers to information relating to natural persons. It includes information such as race, gender, age, medical information, identity number, contact details and confidential correspondence;

4.37 "POPIA"

means the Protection of Personal Information Act (Act 4 of 2013) and the Regulations issued in terms thereof.

4.38 "Pre-existing sickness condition"

means a condition for which medical advice, diagnosis, care or treatment was recommended, obtained or received within the twelve-month period ending on the date on which an application for membership was made, including the time period between the date the application was made and active membership;

4.39 "Prescribed minimum benefits (PMB)"

the benefits contemplated in section 29(1)(0) of the Act and consist of the provision of the diagnoses, treatment and care costs of-

(a) the diagnosis and treatment pairs listed in Annexure A of the Regulations, subject to any limitations specified therein; and

(b) any emergency medical condition;

4.40 "Principal Officer"

the person appointed as Executive Officer of the Scheme in terms of Rule 19.5;

4.41 "Processing"

has the meaning assigned to it in POPIA and refers to any operation or activity concerning personal information, such as the collection, receipt, recording, storage, updating, alteration, use, distribution, erasure or destruction of the information and "process" has a corresponding meaning;

4.42 "Registrar"

the Registrar or Deputy Registrar(s) of Medical Schemes appointed in terms of the provisions of section 18 of the Act;

4.43 "Relevant Health Service"

any health care treatment of any person by someone registered in terms of prevailing legislation, which treatment is aimed at-

(i) the physical or mental examination of that person;

(ii) the diagnosis, treatment or prevention of any physical or mental defect, illness or deficiency;

(iii) the giving of advice on any such defect, illness or deficiency;

(iv) the giving of advice in relation to or treatment of any condition arising out of a pregnancy, including the termination thereof;

(v) the prescribing or supplying of any medicine, appliance or apparatus for any such defect, illness or deficiency or a pregnancy, including the termination thereof; or

(vi) nursing or midwifery; and

(vii) includes an ambulance service, the provision of accommodation in an institution established or registered in terms of prevailing legislation as a hospital, maternity home, nursing home or similar institution where nursing is practised, or any other institution where surgical or other medical activities are performed, provided this accommodation is necessitated by any physical or mental defect, illness or deficiency or by a pregnancy;

4.44 "Rules"

these Rules as well as any amendment of them as contemplated in Rule 32;

4.45 "Social pension"

the appropriate maximum basic social pension prescribed by regulations promulgated in terms of the Social Pensions Act, 1992 (Act 59 of 1992); and

4.46 "Spouse"

the person to whom the member is married in terms prevailing legislation.

5. OBJECTS

The objects of the Scheme are to–

(a) undertake liability, in respect of its members and their dependants, in return for a contribution or premium;

(b) make provision for the obtaining of any relevant health service;

(c) grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service; and/or

(d) render a relevant health service, either by the Scheme itself, or by any supplier or group of suppliers of a relevant health service, or by any person in association with or in terms of an agreement with the Scheme.

6. MEMBERSHIP

6.1 Eligibility

Subject to the Rules, membership of the Scheme is restricted to members of FAWU, NUM, NUMSA, SACCAWU, NEHAWU and those employees entitled to representation in terms of the collective bargaining agreements and personnel of Umvuzo Health and its related parties.

6.2 Retirees

6.2.1 A member shall retain his membership of the Scheme with his registered dependants, if any, in the event of his retiring from the service of his employer or his employment being terminated by his employer on account of age, ill-health or other disability.

6.2.2 The Scheme shall inform the member of his right to continue his membership and of the contribution payable from the date of retirement or termination of his employment. Unless such member informs the Scheme in writing of his desire to terminate his membership, he shall continue to be a member.

6.2.3 A member whose services are terminated for any other reason than stipulated in Rule 6.2.1, may in the discretion of the Board be allowed continued membership for a period of up to 6 (six)months after termination of employment: Provided that if such member should obtain alternative employment, his membership shall terminate with immediate effect and such member-

(a) will pay monthly contributions on the basis prescribed in Annexure/s A;

(b) will receive benefits on the basis prescribed in Annexure/s B; and

(c) must authorise the Scheme irrevocably, for the duration of his membership of the Scheme, to recover from his banking account his monthly contributions, according to the applicable tariff, and any other amount due to the Scheme in terms of the Rules.

6.3 Dependants of deceased members

6.3.1 The dependants of a deceased member who are registered with the Scheme as his dependants at the time of such member's death, shall be entitled to membership of the Scheme without any new restrictions, limitations or waiting periods.

6.3.2 The Scheme shall inform the dependant of his right to membership and of the contributions payable in respect thereof. Unless such person informs the Board in writing of his intention not to become a member, he shall be admitted as a member of the Scheme with the eldest of the dependants becoming the main member.

6.3.3 Such a member's membership terminates if he becomes a member or a dependant of a member of another medical scheme.

6.3.4 Where a child dependant has been orphaned, the eldest child may be deemed to be the main member, and any younger siblings, the child dependants.

7. REGISTRATION AND DE-REGISTRATION OF DEPENDANT

7.1 Registration of dependants

7.1.1 A member may apply for the registration of his dependants at the time that he applies for membership in terms of Rule 8.

7.1.2 If a member applies to register a newborn or newly adopted child within 30 days of the date of birth or adoption of the child, together with the relevant documentary proof of it, such child shall thereupon be registered by the Scheme as a dependant.

Increased contributions shall then be due as from the first day of the month of birth or adoption and benefits will accrue as from the date of birth or adoption. Where a newly born or newly adopted child is not registered within 30 days, such a child will be regarded as a new application and be subject to the Scheme underwriting guidelines for new members.

7.1.3 If a member who marries subsequent to joining the Scheme, applies within 30 days of the date of such marriage to register his/her spouse as a dependant, his/her spouse shall thereupon be registered by the Scheme as a dependant. Increased contributions shall then be due as from the first day of the month of marriage provided that a dependant will only qualify for benefits on the 1st of a month if the application was received before the 15th of the previous month. Benefits will accrue as from the 1st of the month in which the first premium is received. The spouse shall not qualify for benefits until such time as the member qualifies for benefits. The spouse will be subject to applicable Scheme underwriting guidelines for new members.

7.1.4 A member who marries or remarries and fails to comply with the provisions of this Rule exposes himself to forfeiture of the benefits he would have been entitled to as a result of the change in his status, until he has informed the Scheme accordingly and his membership fee has been appropriately adjusted.

7.1.5 In the event of any person becoming eligible for registration as a dependant other than in the circumstances set out in Rules 7.1.1 to 7.1.3, the member may apply to the Scheme for the registration of such person as a dependant, whereupon the provisions of Rule 8 shall apply *mutatis mutandis*.

7.1.6 If a member elects not to register his eligible dependants in terms of these Rules, the dependants of the member

shall upon future application for registration as dependants of the member be subject to a waiting period of 3 (three) months in terms of Rule 8.4 and condition specific waiting periods where applicable.

7.2 De-registration of dependants

7.2.1 A member shall inform the Scheme within 30 days of the occurrence of any event which results in any one of his dependants no longer satisfying the conditions in terms of which he may be a dependant. If a de-registration notice is received after the 15th of a month, the dependant will still be regarded as a paying member for that month and the premium will be deducted accordingly.

7.2.2 When a dependant ceases to be eligible to be a dependant, he shall no longer be deemed to be registered as such for the purpose of these Rules or entitled to receive any benefits, regardless of whether notice has been given in terms of these Rules or otherwise.

8. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP

8.1 A minor may become a member with the consent of his parent or guardian.

8.2 No person may be a member of more than one medical scheme or a dependant-

8.2 1 of more than one member of a particular medical scheme; or

8.2.2 of members of different medical schemes or;

8.2.3 claim or accept benefits in respect of himself or any of his dependants from any medical scheme in relation to which he is not a member or a dependant of a member.

8.3 Prospective members shall, prior to admission, complete and submit the application forms required by the Scheme for its various Options, together with satisfactory evidence of age, income, proof of dependency, state of health and the health status of dependants and of any medical advice,

diagnosis, care or treatment recommended or obtained prior to the date on which application to the Scheme was made, as stipulated on the application form, and any additional information as may be required by the Scheme .

8.4 The stipulations on the application form will be regarded as binding under these rules. Where clinically indicated and/or where omission of information is suspected, the Scheme may request more information in the form of a medical report. The new information will be regarded as verification of the substance and extent of application form information and to ascertain whether information was withheld.

8.5 The Scheme may require an applicant to provide the Scheme with a medical report or extract from existing records in relation to any proposed beneficiary in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve – month period. The costs of any requested medical tests or examinations will be paid by the Scheme.

8.6 The Scheme may however designate a provider to conduct such tests or examinations. Where information was withheld, the application will be regarded as one with non-disclosure status and not be processed further.

8.7 Proof of any prior membership of any other medical Scheme must also be submitted.

8.8 Members will be registered for benefits on the 1st of the month only where the complete application was received before the 15th of the previous month, where the underwriting process was completed, and all information received and where the member is free to join (i.e. not still member of another scheme).

8.9 All information requested is mandatory. Any omission or refusal to submit the required information will impact the assessment of a prospective member's or dependant's eligibility for membership. All information submitted by a prospective member or dependant shall be used by the Scheme to assess his/her and/or his/her dependant's eligibility to be admitted as a beneficiary of the Scheme, inform the application of waiting periods and late joiner penalties and apply the Act and these Rules.

8.10 Waiting periods

8.10.1 The Scheme may impose upon a person in respect of whom an application is made for membership or admission as a dependant, and who was not a beneficiary of a medical scheme for a period of at least 90 days preceding the date of application-

8.10.1.1 a general waiting period of up to three months; and

8.10.1.2 a condition-specific waiting period of up to 12 months.

8.10.2 The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme for a continuous period of up to 24 months, terminating more than 90 days immediately prior to the date of application -

8.10.2.1 a condition-specific waiting period of up to 12 months, except in respect of any treatment or diagnostic procedures covered within the prescribed minimum benefits; and

8.10.2.2 in respect of any person contemplated in this sub-rule, where the previous medical scheme had imposed a general or condition-specific waiting period, and such waiting period had not expired at the time of termination, a general or condition-specific waiting period for the unexpired duration of such waiting period imposed by the former medical scheme.

8.10.3 The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme for a continuous period of more than 24 months, terminating less than 90 days immediately prior to the date of application, a general waiting period of up to three months, except in respect of any treatment or diagnostic procedures covered within the prescribed minimum benefits.

8.10.4 No waiting periods may be imposed on–

8.10.4.1 a person in respect of whom application is made for membership or admission as a dependant, and who was previously a beneficiary of a medical scheme, terminating less than 90 days immediately prior to the date of application, where the transfer of membership is required as a result of-

8.10.4.1.1 forced change of active employment; or

8.10.4.1.2 an employer changing or terminating the medical scheme of its employees, in which case such transfer shall occur at the beginning of the financial year, or reasonable notice must have been furnished to the Scheme to which an application is made for such transfer to occur at the beginning of the financial year.

Where the former medical scheme had imposed a general or condition specific waiting period in respect of persons referred to in this Rule, and such waiting period had not expired at the time of termination of membership, the Scheme may impose such waiting period for the unexpired duration of a waiting period imposed by the former medical scheme.

8.10.4.2 a beneficiary who changes from one benefit option to another within the Scheme unless that beneficiary is subject to a waiting period on the current benefit option in which case the remaining period may be applied, and provided that such a change is within the Rules of the Scheme;

8.10.4.3 a child dependant born during the period of active membership.

8.11 The registered dependants of a member must participate in the same benefit option as the member.

8.12 Every member will, on admission to membership, receive a summary of these rules which shall include contributions,

benefits, limitations, the member's rights and obligations. Members and their dependants, and any person who claims any benefit under these Rules or whose claim is derived from a person so claiming are bound by these Rules as amended from time to time. It is the obligation of a member to familiarise himself with the Rules and their contents, and as such lack of knowledge will not qualify a member to benefits outside the scope of the Rules.

8.13 A member may not cede, transfer, pledge or hypothecate or make over to any third party any claim, or part of a claim or any right to a benefit which he may have against the Scheme. The Scheme may withhold, suspend or discontinue the payment of a benefit to which a member is entitled under these rules, or any right in respect of such benefit or payment of such benefit to such member, if a member attempts to assign or transfer, or otherwise cede or to pledge or hypothecate such benefit.

9. TRANSFER OF EMPLOYER GROUPS FROM ANOTHER MEDICAL SCHEME

If the members of a medical scheme who are members of that scheme by virtue of their employment by a particular employer, terminate their membership of such a scheme with the object of obtaining membership of this Scheme and the employer is an accredited employer, the Board may admit the group as members, without a waiting period or the imposition of new restrictions on account of the state of his health or the health of any of his dependants depending on the group size and underwriting guidelines of the Scheme. Such a move of members must be negotiated with the Scheme and be accompanied by a signed employer agreement.

10. MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP

10.1 Every member shall be furnished with a membership card, containing such particulars as may be prescribed. This card must be exhibited to the supplier of a service on request. It remains the property of the Scheme and must be returned to the Scheme on termination of membership. A copy of the membership card shall be provided to a member upon payment of an amount determined from time to time by the Board, which amount shall not be more than three percent of the main member contribution.

10.2 The utilisation of a membership card by any person other than the member or his registered dependants, with or without the knowledge or consent of the member or his dependants, is not permitted and is construed as an abuse of the privileges of membership of the Scheme.

10.3 On termination of membership or on de-registration of a dependant, the Scheme will, upon written request within 30 days of such termination, furnish such person with a certificate of membership and cover, containing such particulars as may be prescribed.

11. CHANGE OF ADDRESS OF MEMBER

A member must notify the Scheme within 30 days of any change of address in writing. The Scheme shall not be held liable if a member's rights are prejudiced or forfeited as a result of the member's neglecting to comply with the requirements of this rule.

12. TERMINATION OF MEMBERSHIP

12.1 Resignation

12.1.1 A member who resigns as a member from the entities as set out in Rule 6.1, will on the date of such resignation or termination, cease to be a member and all rights to benefits shall thereupon cease, except for claims in respect of services rendered prior thereto.

12.1.2 A member, whose benefits have been suspended due to non-payment of premiums, will be resigned as member at the end of a ninety-day suspension period, where no premiums have been received.

12.2 Interchangeability

Interchangeability between the Scheme and other registered medical schemes, for which provision for membership for their employees is made in the conditions of service of the employers, will be governed by Rule 9.

12.3 Death

Membership of a member terminates on the date of his death.

12.4 Failure to pay amounts due to the Scheme

If a member fails to pay amounts due to the Scheme, his membership may be terminated as provided in these Rules.

12.5 Abuse of privileges, False claims, Misrepresentation and Non-disclosure of Factual information

12.5.1 The Board may exclude from benefits or terminate the membership of a member or dependant whom the Board finds guilty of abusing the benefits and privileges of the Scheme by presenting false claims or making a material misrepresentation or non-disclosure of factual information. In such event he may be required by the Board to refund to the Scheme any sum which, but for his abuse of the benefits or privileges of the Scheme, would not have been disbursed on his behalf. Where the Scheme obtains information by its initiative and this information contradicts information originally provided by the member, such information will be regarded as non-disclosure of factual information. It remains the responsibility of the member to disclose new or additional information prior to the date of active membership to the Scheme, especially information that becomes available after completion of the application form and the date of active membership.

12.5.2 Where evidence of abuse of privileges, false claims, misrepresentation or non-disclosure of factual information by an active member becomes evident, the member will be suspended and given notice of such a suspension. The member will have 30 days in which to supply information to explain the conduct that lead to the suspension. Where found to have contravened the Rule as set out in 12.5.1, membership will be terminated.

12.6 Membership shall also be terminated where-

(a) a member marries and is registered as a dependant of the spouse's medical scheme; or

(b) a member terminates membership in writing.

13. CONTRIBUTIONS

13.1 The monthly contributions payable to the Scheme by or in respect of a member are as stipulated in Annexure A.

13.2 Contributions shall be due monthly in arrears and be payable by not later than the 3rd day of each month. The due date is regarded as the first business day of the month. Where contributions or any other debt owing to the Scheme, have not been paid within thirty (30) days of the due date, the Scheme shall have the right to–

13.2.1 suspend all benefits and payments of benefits which have accrued to such a member irrespective of when the claim for such benefit arose; and

13.2.2 give the member and/or employer written notice that if contributions or such other debts are not paid up to date within twenty one (21) days, membership may be cancelled.

13.3 In the event that payments are brought up to date within 21 days, non-capitated benefits shall be reinstated without any break in continuity subject to the right of the Scheme to levy a reasonable fee to cover any expenses associated with the default and to recover interest at the prime overdraft rate of the Scheme's bankers. If such payments are not brought up to date, no benefits shall be due to the member from the date of default and any such benefit paid will be recovered by the Scheme. Where payments are brought up to date after the specified 21 days, benefits will only resume from the date on which premiums have been paid into the Scheme's account. Capitated benefits cannot be backdated where services provided are contracted to providers with an advance premium payment arrangement and the portion of the premium destined towards capitation will be regarded as a penalty for late premium payment and retained by the Scheme. Where an agreement with a capitated provider dictates otherwise, such reinstatement will be considered by the Scheme based on the merits of the case. In cases where members are reinstated, benefits will only be considered based on Scheme funding protocols and authorisation processes.

13.4 Unless specifically provided for in the Rules in respect of savings accounts, no refund of any assets of the Scheme or any portion of a contribution shall be paid to any person where such member's membership or cover in respect of any dependant terminates during the course of a month.

13.5 The balance standing to the credit of a member's Managed Care Account shall at all times remain the property of the member.

13.6 The Board may require of a member who is receiving a pension to have the contribution deducted from his pension, as contemplated in section 37D(c)(i) of the Pension Funds Act, 1956 (Act 24 of 1956).

13.7 Contributions shall be payable with effect from the date of active membership up to and including the last day of the month in which membership is terminated.

13.8 Subject to the provisions of Rule 32.1 the Board has the authority to decrease at any time the amount of the contributions payable by all members or to increase it to the extent that may be deemed necessary to ensure the financial stability of the Scheme.

13.9 At the time of registration of a late joiner, premium penalties may be applied to the contribution as set out in Annexure A.

13.10 If a member wishes to register more than one spouse, the contribution for each additional spouse will be based on the applicable amount for an adult dependant as indicated in Annexure A.

14. LIABILITIES OF EMPLOYER AND MEMBER

14.1 The liability of the employer towards the Scheme is limited to any amounts payable in terms of any agreement between the employer and the Scheme and in accordance with the stipulations of the employer agreement.

14.2 The liability of a member to the Scheme is limited to the amount of his unpaid total contributions together with any sum disbursed by the Scheme on his behalf or on behalf of his dependants which has not been repaid to the Scheme.

14.3 In the event of a member ceasing to be a member, any amount still owing by such member is a debt due to the Scheme and immediately recoverable by it.

14.4 The Board may request the employer to recover from the salary of a member his monthly contribution and in monthly instalments - determined by the Board - any other amount contemplated in Rule 14.2 and 17.3.

14.5 A member who is on leave without pay or in a situation where income is decreased or not available will not be permitted to suspend his membership or receive any benefits. Where a member is terminated or resigns under these circumstances, the member must re-apply for membership as a new member and subject to the provisions of Rule 8.4.

15. CLAIMS PROCEDURE

15.1 Every claim submitted to the Scheme in respect of the rendering of a relevant health service as contemplated in these Rules, must be accompanied by an account or statement which shall contain the following particulars-

15.1.1 the surname and initials of the member;

15.1.2 the surname, first name and other initials, if any, of the patient;

15.1.3 the name of the medical scheme concerned;

15.1.4 the membership number of the member;

15.1.5 the practice code number, group practice number and individual provider registration number issued by the registering authorities for providers, if applicable, of the supplier of service and, in the case of a group practice, the name of the practitioner who provided the service.

15.1.6 the relevant diagnostic and such other item code numbers that relate to such relevant health service e.g. ICD 10 and CPT 4 codes;

15.1.7 the date on which each relevant health service was rendered;

15.1.8 the nature and cost of each relevant health service rendered, including the supply of medicine to the member concerned or to a dependant of that member; and the name, quantity and dosage of and net amount payable by the member in respect of the medicine;

15.1.9 where a pharmacist supplies medicine according to a prescription to a member or to a dependant

of a member of a medical scheme, a copy of the original prescription or a certified copy of such prescription, if the Scheme requires it;

15.1.10 where mention is made in such account or statement of the use of a theatre–

(i) the name and relevant practice number and provider number contemplated in Rule 15.1.5 of the medical practitioner or dentist who performed the operation;
(ii) the name or names and the relevant practice number and provider number contemplated in Rule 15.1.5 of every medical practitioner or dentist who assisted in the performance of the operation; and
(iii) all procedures carried out together with the relevant item code number contemplated in Rule 15.1.6; and

15.1.11 in the case of a first account or statement in respect of orthodontic treatment or other advanced dentistry, a treatment plan indicating –

(i) the expected total amount in respect of the treatment;
(ii) the expected duration of the treatment;
(iii) the initial amount payable; and the monthly amount payable.

15.1.12 In the case of capitated or similar arrangements, the Scheme may accept an invoice for the total contribution component as contractually arranged, as opposed to individual claims.

15.1.13 Where a service needed to be pre-authorised, the authorisation for that particular service, service date and member. Failure to furnish an authorisation number will lead to rejection of the claim.

15.1.14 Claims will only be considered for payment where they were rendered by the Public Healthcare system and designated service providers acting as preferred providers and in accordance with the Scheme Rules. PMB's and emergencies will be funded in accordance with the Rules set out in Annexures B.1 and B.2.

15.2 If an account, statement or claim is correct or where a corrected account, statement or claim is received, as the case may be, the Scheme shall dispatch to the member a statement containing at least the following particulars-

15.2.1 the name and the membership number of the member;

15.2.2 the name of the supplier of service;

15.2.3 the name of the beneficiary who received the treatment;

15.2.4 the final date of service rendered by the supplier of service on the account or statement which is covered by the payment;

15.2.5 the relevant procedure / tariff code(s);

15.2.6 the total amount charged for the service concerned;

15.2.7 the amount of the benefit awarded for such service; and

15.2.8 the rejection codes indicating the reason for non-payment of a specific healthcare service or supply;

15.2.9 benefits available for the remaining portion of the benefit year; and

No statement will be dispatched in terms of capitation fees paid.

15.3 In order to qualify for benefits any claim must be submitted to the Scheme not later than the last day of the fourth month following the month in which the service was rendered. For purposes of the calculation of a benefit allocation, each month's service shall be taken into account separately, whether or not the service concerned forms part of prolonged treatment for the same illness or condition: Provided that the provisions of this Rule shall not be applicable to accounts rendered to the executors of deceased estates. Yearly benefit limits or sub-limits will be granted on a pro rata basis where members have been registered beneficiaries for less than twelve months, regardless of the fact that this period may include the first day of a new year. Annual limits tied to a specific treatment

plan, admission or procedure will apply to the specific treatment event even if the treatment dates stretch from the end of one year to the next.

15.3.1 It shall be the duty of a member to obtain accounts of all services rendered from the provider of such services except in the case of capitated or similar reimbursement arrangements.

15.3.2 The Scheme may, in its sole discretion and under such conditions at it may impose, condone the late submission of any claim.

15.4 Where a member has paid an account, he shall, in support of his claim, submit a receipt as well as details of services, codes and provider details of services. Where network agreements exist, claims paid at non-network providers or non-covered services do not qualify for reimbursement.

15.5 In the event of the Scheme paying benefits to or on behalf of a member or dependant in respect of personal injuries suffered by the member or dependant in consequence of an accident, incident or event caused by a third party, under circumstances which give rise to a legally enforceable claim by the member of dependant against such third party, then the member shall be obliged to:

15.5.1 take all reasonable steps in order to timeously lodge a claim and/or institute an action for the recovery of compensation in respect of the aforesaid personal injuries (including past and future medical, hospital and allied expenses) against the third party concerned before the claim prescribes or becomes unenforceable;

15.5.2 diligently and reasonably prosecute such claim to its final conclusion or settlement; and

15.5.3 pay, or cause to be paid, to the Scheme the amount or amounts awarded or received by the member or dependant in respect of the benefits paid by the Scheme, including amounts received under a written undertaking furnished by the Road Accident Fund or Compensation Commissioner to the member or dependant.

15.6 Where the Scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Scheme shall notify the member and the health care provider accordingly within thirty days after

receipt thereof and state the reasons for such an opinion. The Scheme shall afford such member and provider the opportunity to resubmit such corrected account or statement to the Scheme within sixty days following the date from which it was returned for correction.

16. BENEFITS

16.1 Notwithstanding contrary stipulations contained in these Rules, the maximum amount of benefits which accrue to a member and his registered dependants in a financial year shall be as set out in Annexure B for the various Options, and, subject to other stipulations of these Rules, benefits shall be payable for services rendered from the date of active membership and up to and including the date of termination of membership. Members shall, subject to Rule 8.4.1, be entitled to the full cost of the prescribed minimum benefits rendered by a State Hospital.

16.2 The maximum amount contemplated in Rule 16.1 shall be calculated by adding benefits paid by the Scheme in favour of a member and his registered dependants according to the date on which the service was rendered irrespective of the date on which the claim was submitted: Provided that, for the financial year during which a member is admitted to the Scheme, the maximum financial benefit shall be adjusted in proportion to the period of membership calculated from the date of active membership to the end of the particular financial year. Unused benefits are not transferrable to other beneficiaries.

16.3 The Scheme shall, where an account has been rendered, pay any benefit due to a member, either to that member or to the supplier of the relevant health service who rendered the account, within 30 days of receipt of the claim pertaining to such benefit.

16.4 Any benefit offered in Annexures B.1 and B.2 covers in full the cost of the prescribed minimum benefits rendered in a State Hospital.

16.5 The Scheme may exclude services from benefits as set out in Annexure C of the various Options. Members must be fully compliant in terms of premiums and Scheme Rules in order to obtain benefits as set out in each option's Annexure B.

16.6 In case of a long illness of a member or the registered dependants of a member, the Board may demand that such

member or registered dependant consult a specific specialist or provider designated by the Board and if the advice of the specified specialist or the Scheme's recommendations based on the various reports is not followed, except for PMB's, no further benefits for the specific illness will be granted.

16.7 It is a prerequisite to register on specified treatment and management programs prior to obtaining benefits. Programs include HIV treatment, Cancer treatment, PMB treatment including CDL treatment and any such programs implemented by the Scheme from time to time. Services as set out in the program guidelines and protocols must be obtained from the available designated preferred provider in order to qualify for benefits.

16.8 The Scheme has the right, through its clinical advisors, to request information about the medical history of any member or dependant of the Scheme, or about any claim for services rendered to a member or dependant. This information will be used to assess the validity and appropriateness of the claim, and will be treated confidentially. The information may be used to formulate recommendations as set out in 16.6.

16.9 The Scheme has the right to assess any claim for health care benefits or to have claims assessed to determine their clinical appropriateness, cost-effectiveness and the quality of the services rendered. In conjunction with the Scheme's team of clinical advisors and within the ambit of contracted managed care expertise, the Scheme may intervene where applicable to review/alter the use and/or funding of these services on a prospective, concurrent or retrospective basis and may employ such techniques as the designation of preferred providers, pre-authorisation and the use of treatment protocols. The Scheme's funding is based on funding guidelines and protocols inherent in Scheme benefits.

16.10 Management of Benefits

16.10.1 The Scheme has the right to develop managed treatment programs, contract preferred providers to render services for these programs and define the clinical parameters and protocols the programs are based on. Members may be required to register on these programs in order to obtain benefits and to receive services from designated preferred providers.

16.10.2 The Scheme may, except for PMB's, at any time withdraw any authorisation granted for any reason which it considers to be inappropriate after having given the patient a reasonable opportunity to show cause to the Scheme why this authorisation should not be withdrawn as a written reply within 30 days of the date on which the written notice of termination was sent to the member.

16.10.3 A patient shall be entitled to the medical care provided for under Scheme management subject to any condition imposed in terms of the provisions of Rule 16.10.2 and shall observe all requirements and conditions of both the contracted organisation and of the Scheme relating to participating as a patient in the managed cover.

16.10.4 Any person who is admitted as a patient under the managed cover shall cease to be a patient in the following circumstances:

(a) If he for any reason whatever ceases to be a member or a registered dependant of a member;

(b) upon withdrawal of any authority in terms of Rule 16.10.2;

(c) upon termination for any reason whatever of the managed cover; or

(d) if the patient gives written notice to the Scheme of his intension to cease being a patient of the managed care cover, in which event he shall cease to be a patient on the date specified in that notice or, if a date is not specified, on a date which is 14 (fourteen) days from the date on which the Scheme receives the written notice.

16.10.5 Notwithstanding anything to the contrary in these Rules, patients on the managed cover shall, in relation to the disease, illness, ailment or complaint from which they suffer and as a result of which they participate in the managed cover, use the medical care available to them in terms of the plan to the exclusion of any other health care service contemplated in the Rules.

The Scheme shall not be liable for any expense of whatever nature incurred by or on behalf of patients in relation to a health care service where an equivalent or similar service was available to them as a patient in terms of the managed cover concerned; nor may any claim be submitted in terms of Rule 15 for such a health care service: Provided that the Scheme may accept the submission of that claim.

16.10.6 Any claim submitted in terms of the proviso to Rule 16.10.5 shall be dealt with in accordance with the Rules.

16.10.7 Notwithstanding anything to the contrary in this Rule-

(a) if the patient is a minor or is mentally retarded and is a registered dependant of a member-

(i) the application made in terms of Rule 16.10.1 shall be made by the member on behalf of the patient; and

(ii) the reference in Rule16.10.2 to the patient shall be deemed to be a reference to the member or any registered dependant.

(b) if the patient contemplated in Rule 16.10.4(d) is a minor or is mentally retarded and is a dependant of a member, the member shall give on behalf the patient the written notice contemplated in that Rule.

16.11 A member is entitled to change from one to another benefit option subject to the following conditions:

16.11.1 The change may be made only with effect from 1 January of any financial year. The Board may, in its absolute discretion, permit a member to change from one to another benefit option on any other date; and

16.11.2 application to change from one benefit option to another must be in writing and lodged with the Scheme by not later than 30 November prior to the year upon which it is intended that the change will take place: Provided that the

member has had at least 30 days' prior notification of any intended changes in benefits or contributions for the following year.

17. PAYMENT OF ACCOUNTS

17.1 Payment of claims or reimbursement thereof is restricted to the net amount payable in respect of such benefit and maximum amount of the benefit entitlement in terms of the applicable benefit and option elected.

17.2 The Scheme may, whether by agreement or not with any supplier or group of suppliers of a service, pay the benefit to which the member is entitled, directly to the supplier who rendered the service.

17.3 Where the Scheme has paid an account or portion of an account or any benefit to which a member is not entitled, whether payment is made to the member or to the supplier of service, the amount of any such overpayment is recoverable by the Scheme.

17.4 Notwithstanding the provisions of this Rule, the Scheme has the right to pay any benefit directly to the member concerned.

17.5 The Scheme may pay contracted providers of services according to contractually agreed upon reimbursement plans.

18. GOVERNANCE

18.1 The affairs of the Scheme shall be managed in terms of these Rules by a Board consisting of a maximum of 10 (ten) persons who are fit and proper to be trustees; provided that a minimum of 5 (five) persons shall constitute the Board at any given time, of whom at least 50% shall be members of the Scheme.

18.2 The following persons are not eligible to serve as members of the Board:

18.2.1 A person under the age of 21 years;

18.2.2 an employee, director, officer, consultant or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator;

18.2.3 a broker;

18.2.4 the Principal Officer of the Scheme; and

18.2.5. the auditor of the Scheme.

18.3 Retiring members of the Board are eligible for re-election.

18.4 A nomination form for the election of members of the Board shall be made available at the registered office of the Scheme and the nomination form, duly completed and signed, shall be submitted to the Principal Officer on or before the last day of April of the year in which an annual general meeting, as contemplated in Rule 26, is to take place. If too few nominations are received to constitute a full Board, the Board shall be supplemented to its full strength at that annual general meeting.

18.5 Each principal member has the right to nominate one other principal member to stand for election. Members may not nominate themselves. A dependant (spouse/partner/child) has no nomination rights.

18.6 The election of Board members shall take place per ballot paper at an annual general meeting as contemplated in Rule 26 and an outgoing member shall be eligible for re-election. The term of office of an elected member shall last for a period of 3 (three) years until the conclusion of the 3rd annual general meeting following his initial election.

18.7 When a casual vacancy occurs in the office of an elected Board member, the Board may fill it by appointing a person who is a member of the Scheme to serve as a Board member for the unexpired period of his predecessor's term of office.

18.8 The Board may, at its discretion, co-opt members to serve on the Board for a special purpose: Provided that the co-opted members shall be entitled to participate in the discussions, but may not vote.

18.9 Half plus one members of the Board shall constitute a quorum at Board meetings.

18.10 All information submitted by a nominee prior to his/her election to the Board or a trustee during his term of office as may be required by the Scheme and these Rules, shall be used by the Scheme to determine a person's eligibility or continued eligibility to serve as a trustee of the Scheme.

18.11 At its first meeting after an elective annual general meeting, the Board shall elect from among its ranks a Chairperson who will serve as such his full term of office and a Vice-Chairperson, who will preside in the absence of the Chairperson;

18.12 In the absence of the Chairperson and Vice-chairperson, the Board members present must elect a Chairperson from among Board members present to preside.

18.13 Notwithstanding any vacancy in the Board, the remaining members of it may act on behalf of the Board: Provided that if and as long as there are fewer members of the Board than the number determined in these Rules for a quorum, those members may only act for the purpose of augmenting the number of members to that number or to convene a general meeting of the Scheme.

18.14 Matters arising for decision by the Board shall be decided by a majority vote and in the event of an equality of votes, the Chairperson shall have a casting as well as a deliberative vote.

18.15 The Board may delegate any of its powers to a committee of its members or an official appointed by it: Provided that this committee or official shall in the exercising of such powers comply with the instructions of the Board.

18.16 A member of the Board ceases to hold office if he-

(i) hands in his written resignation to the Chairman, Vice-chairman or Principal Officer;

(ii) becomes mentally ill or incapable of managing his affairs;

(iii) is declared insolvent or has surrendered his estate for the for the benefit of his creditors;

(iv) is convicted, whether in the Republic or elsewhere, of theft, fraud, forgery or uttering of a forged document or purgery;

(v) is removed by the court from office of trust on account of misconduct;

(vi) is disqualified under any law from carrying on his profession;

(vii) as a member representative, ceases to be a member of the Scheme;

(viii) absents himself from three consecutive meetings of the Board without the permission of the Chairperson;

(ix) is removed from office by the Council in terms of section 46 of the Act; and

(x) is removed from office by the Board in terms of Rule 18.20.

(xi) The provisions of Rules 18.14(ii) – 18.14(vi) apply *mutatis mutandis* to the Principal Officer.

18.17 The Board shall meet at least once every two months on the dates determined by the Board: Provided that the Chairperson or, if he is not available, the Vice-Chairperson may - in urgent circumstances - convene a special meeting of the Board and shall do so within 7 (seven) days after having been requested to do so in writing by 3 (three) Board members to consider a matter mentioned in the request and, at a meeting convened upon request, only those matters mentioned in the request shall be dealt with.

18.18 An honorarium as may from time to time be determined at the annual general meeting may be paid to members of the Board.

18.19 The Board shall disclose annually in writing to the Registrar, any payment or considerations made to them in that particular year by the Scheme.

18.20 The Board may, subject to participation by sufficient members to form a quorum, discuss and resolve matters by telephone or electronic conferencing means and may adopt resolutions on that basis.

18.21 Members of the Board may be reimbursed for all reasonable expenses incurred by them in the performance of their duties as trustees. Such reimbursement must be disclosed to the members at the Annual General Meeting.

18.22 Any member of the Board who engages / participates in any unauthorised processing of personal information (as defined in data protection legislation e.g. POPIA) or disclosure of any confidential information and/or acts in a manner which is seriously prejudicial to the interests of

the beneficiaries of the Scheme or the Scheme may be removed by the Board: Provided that-

18.22.1 before a decision is taken to remove the member of the Board, the Board shall furnish that member with full details of the service which the Board has at its disposal regarding the conduct complain of, and allow such member a period of not less than 30 days in which to respond to the allegations;

18.22.2 the resolution to remove that member is taken by at least two thirds of the members of the Board; and

18.22.3 the member shall have recourse to disputes procedures of the Scheme or complaints and appeal procedures provided for in the Act.

19. DUTIES OF BOARD OF TRUSTEES

19.1 The Board is responsible for the proper and sound management of the Scheme, in terms of these Rules.

19.2 The Board must act with due care, diligence, skill and in good faith.

19.3 Members of the Board must avoid conflicts of interests and must declare any interest they may have in any particular matter serving before the Board.

19.4 The Board must apply sound business principles and ensure the financial soundness of the Scheme.

19.5 The Board shall appoint a Principal Officer who is fit and proper to hold such office and may appoint any staff which in its opinion are required for the proper execution of the business of the Scheme, and shall determine the terms and conditions of service of the Principal Officer and of any person employed by the Scheme:

19.5.1 The Board shall be competent to–

19.5.1.1 terminate, per resolution passed at a special meeting of the Board convened for this purpose and supported by at least 8 (eight) members of the Board, the services of the Principal Officer or any officer with notice of at least one month;

19.5.1.2 appoint another officer of the Scheme to perform those duties if the Principal Officer, for a period exceeding 30 (thirty) days, is not able to perform his duties as contemplated in section 57(4)(a) of the Act.

19.6 The Chairperson must preside over meetings of the Board and ensure due and proper conduct at meetings.

19.7 The Board must cause to be kept such minutes, accounts, entries, registers and records as are essential for the proper functioning of the Scheme.

19.8 The Board must ensure that proper control systems are employed by and on behalf of the Scheme.

19.9 The Board must ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions and duties in terms of the Rules.

19.10 The Board must take all reasonable steps to ensure that contributions are paid timeously to the Scheme in accordance with the act and the Rules.

19.11 The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.

19.12 The Board must obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the members of the Board may lack sufficient expertise.

19.13 The Board must ensure that the Rules and the operation and administration of the Scheme comply with the provisions of the Act and all other applicable laws.

19.14 The Board must take all reasonable steps to protect the confidentiality of all personal information in the possession and under the control of the Scheme, including the medical records concerning any member or dependant's state of health in accordance with the provisions of these Rules, the Act and any other relevant legislation .

19.15 The Board must approve all disbursements.

19.16 The Board must cause to be kept in safe custody, in a safe or strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person for the purposes of the Scheme.

19.17 The Board must make such provision as it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme.

20. POWERS OF BOARD

The Board has the power to—

20.1 cause the termination of the services of any employee of the Scheme;

20.2 take all necessary steps and to sign and execute all necessary documents to ensure and secure the due fulfilment of the Scheme's obligations under such appointments;

20.3 appoint a committee consisting of such Board members and other experts as it may deem appropriate;

20.4 appoint, contract and compensate a duly accredited administrator on such terms and conditions as it may determine, for the proper execution of the business of the Scheme. The terms and conditions of such appointment must be contained in a written contract, which complies with the requirements of the Act and the regulations;

20.5 contract with and compensate any accredited managed health care organisations in the prescribed manner;

20.6 purchase movable and immovable property for the use of the Scheme or otherwise, and to sell it or any of it;

20.7 let or hire movable or immovable property;

20.8 provide administration services to other medical schemes;

20.9 in respect of any monies not immediately required to meet current charges upon the Scheme and subject to the provisions of the Act, and in the manner determined by the Board, to invest or otherwise deal with such moneys upon

security and to realise, re-invest or otherwise deal with such monies and investments;

20.10 with the prior approval of the Council, to borrow money for the Scheme from the Scheme's bankers against the security of the Scheme's assets for the purpose of bridging a temporary shortage;

20.11 subject to the provisions of any law, to cause the Scheme, whether on its own or in association with any person, to establish or operate any pharmacy, hospital, clinic, maternity home, nursing home, infirmary, home for aged persons or any similar institution, in the interests of the members of the Scheme;

20.12 donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the members;

20.13 grant repayable loans to members or to make *ex gratia* payments on behalf of members in order to assist such members to meet commitments in regard to any matter specified in Rule 5;

20.14 contribute to any fund conducted for the benefit of employees of the Scheme;

20.15 reinsure obligations in terms of the benefits provided for in these Rules provided that all such reinsurance arrangements are fully disclosed to the Council, including full details of premiums, commissions and benefits due under such arrangement;

20.16 authorise the Principal Officer and/or such members of the Board as it may determine from time to time, and upon such terms and conditions as the Board may determine, to sign any contract or other document binding or relating to the Scheme or any document authorising the performance of any act on behalf of the Scheme;

20.17 contribute to any association instituted for the furtherance, encouragement and co-ordination of medical schemes; and

20.18 in general, do anything, which it deems necessary or expedient to perform its functions in accordance with the provisions of the Act and these Rules.

21. DUTIES OF PRINCIPAL OFFICER AND STAFF

21.1 The staff of the Scheme must ensure the confidentiality of all personal information of any member of the Scheme, including beneficiaries, in the possession and under the control of the Scheme, in accordance with the provisions of these Rules, the Act and any other relevant legislation .

21.2 The Principal Officer is the executive officer of the Scheme and as such shall ensure that-

21.2.1 the decisions and instructions of the Board are executed without unnecessary delay;

21.2.2 where necessary, there is proper and appropriate communication between the Scheme and those parties, affected by the decisions and instructions of the Board;

21.2.3 he keeps the Board sufficiently and timeously informed of the affairs of the Scheme which relate to the duties of the Board as stated in section 57(4) of the Act;

21.2.4 he keeps the Board sufficiently and timeously informed concerning the affairs of the Scheme so as to enable the Board to comply with the provisions of section 57(6) of the Act;

21.2.5 he does not take any decisions concerning the affairs of the Scheme without prior authorisation by the Board and that he at all times observes the authority of the Board in its governance of the Scheme; and

21.2.6 he acts in the best interests of the members of the Scheme at all times.

21.3 The Principal Officer shall be the accounting officer of the Scheme charged with the collection of and accounting for all moneys received and payments authorised by and made on behalf of the Scheme.

21.4 The Principal Officer shall ensure the carrying out of all of his duties as are necessary for the proper execution of the business of the Scheme. He shall attend all meetings of the Board, and any other duly appointed committee where his attendance may be required, and ensure proper recording of the proceedings of all meetings.

21.4.1 The minutes of those meetings, mentioned in Rule 21.4, shall be submitted for consideration at the first subsequent corresponding meeting: Provided that the minutes of every special general meeting may, at the discretion of the Board, be submitted at the first subsequent annual general meeting.

21.4.2 The Chairperson shall sign the minutes of any such meeting accepted and confirmed as correct at the subsequent meeting concerned.

21.5 The Principal Officer shall be responsible for the supervision of the staff employed by the Scheme unless the Board decides otherwise.

21.6 The Principal Officer shall keep full and proper records of all moneys received and expenses incurred by, and of all assets, liabilities and financial transactions of the Scheme.

21.7 The Principal Officer shall prepare annual financial statements and shall ensure compliance with all statutory requirements pertaining thereto.

21.8 The following persons are not eligible to be a Principal Officer-

21.8.1 an employee, director, officer, consultant or contractor of the administrator of the Scheme or of the holding company, subsidiary, joint venture or associate of that administrator; and

21.8.2 a broker.

21.9 The provisions of Rules 18.14(ii) – 18.14(vi) apply *mutatis mutandis* to the Principal Officer.

22. INDEMNIFICATION & FIDELITY GUARANTEE

22.1 The Board and any officer of the Scheme is indemnified by the Scheme against all proceedings, costs and expenses incurred by reason of any claim in connection with the Scheme, not arising from their negligence, dishonesty or fraud.

22.2 The Board must ensure that the Scheme is insured against loss resulting from the dishonesty or fraud of any of its officers (including members of the Board) having the receipt or charge of moneys or securities belonging to the Scheme.

23. FINANCIAL YEAR OF THE SCHEME

The financial year of the Scheme extends from the 1st (first) day of January to the 31st (thirty-first) day of December of that year.

24. BANKING ACCOUNT

The Scheme must establish and maintain a banking account with a registered commercial bank. All moneys received must be deposited directly to the credit of such account and all payments must be made either by electronic transfer, tape exchange or by cheque under the joint signature of not less than two persons duly authorised by the Board.

25. AUDITOR & AUDIT COMMITTEE

25.1 An auditor (who must be approved in terms of section 36 of the Act) must be appointed by resolution at each annual general meeting, to hold office from the conclusion of that meeting to the conclusion of the next annual general meeting.

25.2 The following persons are not eligible to serve as auditor of the Scheme-

25.2.1 a member of the Board;

25.2.2 an employee, officer or contractor of the Scheme;

25.2.3 an employee, director, officer or contractor of the Scheme's Administrator, or of the holding company, subsidiary, joint venture or associate of the administrator;

25.2.4 a person not engaged in public practice as an auditor; and

25.2.5 a person who is disqualified from acting as an auditor in terms of the Companies Act, 1973.

25.3 Whenever for any reason an auditor vacates his office prior to the expiration of the period for which he has been appointed, the Board must within 30 days appoint another auditor to fill the vacancy for the unexpired period.

25.4 If the members of the Scheme at a general meeting fail to appoint an auditor required to be appointed in terms of this

Rule, the Board must within 30 days make such appointment, and if it fails to do so, the Registrar may at any time do so.

25.5 The auditor of the Scheme at all times has a right of access to the books, records, accounts, documents and other effects of the Scheme, and is entitled to require from the Board and the officers of the Scheme such information and explanations as he deems necessary for the performance of his duties.

25.6 The auditor must report to the members of the Scheme on the accounts examined by him and on the financial statements laid before the Scheme in general meeting.

25.7 The Board must appoint an audit committee in the prescribed manner.

26. GENERAL MEETINGS

26.1 Annual general meeting

26.1.1 The annual general meeting, physical or virtual, of members must be held not later than 30 June of each year or a later date approved by the Board of Trustees as circumstances may necessitate.

26.1.2 The notice convening the annual general meeting, physical or virtual, containing the agenda, the annual financial statements, auditor's report and annual report, must be furnished to members at least 21 (twenty-one) days before the date of the meeting. The non-receipt of such notice by a member does not invalidate the proceedings at such meeting provided that the notice procedure [was] followed by the Board was reasonable.

26.1.3 At least 1 per 10 000 members or a minimum of 30 members of the Scheme, whichever is the highest, present in person, whether physical or virtual, constitute a quorum. If a quorum is not present after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting must be postponed to a date determined by the Board, with notice of such postponed meeting reissued in terms of Rule 26.1.2 and members then present constitute a quorum.

26.1.4 The financial statements and reports specified in Rule 26.1.2 must be laid before the meeting.

26.1.5 Notices of motions to be placed before the annual general meeting must reach the Principal Officer not later than the last day of April of the year in question.

26.1.6 The Chairperson of the Board, or in his absence, the Vice-Chairperson shall be the Chairperson of the annual general meeting, and in their absence, the Chairperson shall be elected from the members of the Board that are present.

26.1.7 Only the matters appearing on the agenda of an annual general meeting shall be discussed at that meeting.

26.2 Special general meeting

26.2.1 The Board may call a special general meeting of members if it is deemed necessary.

26.2.2 On requisition of at least 250 (two hundred and fifty) members of the Scheme, the Board must cause a special general meeting to be called within 30 (thirty) days of the deposit of the requisition. The requisition must state the objects of the meeting and must be signed by all the requisitionists and deposited at the registered office of the Scheme. Only those matters forming the objects of the meeting may be discussed.

26.2.3 The notice convening the special general meeting, containing the agenda, must be furnished to members at least 14 days before the date of the meeting. The non–receipt of such notice by a member does not invalidate the proceedings at such a meeting: Provided that the notice procedure followed by the Board was reasonable.

26.2.4 The Chairperson of the Board, or in his absence, the Vice-Chairperson shall be the Chairperson of the special general meeting, and in their absence, the Chairperson shall be elected from the members present.

26.2.5 At least 50 (fifty) members present in person, whether physical or virtual, constitute a quorum. If a quorum is not present at a special general meeting after the lapse of 30 minutes from the time fixed for the commencement of the meeting, the meeting is regarded as cancelled.

27. VOTING AT GENERAL MEETINGS

27.1 Every member in good standing who is registered and/or present, whether physical or virtual, at a members' [general] meeting of the Scheme has the right to vote.

27.2 The Board shall determine whether voting on members' meeting resolutions shall take place by ballot and/or by a show of hands and/or electronically. Where it is decided that voting will be done through electronic means, members can be allowed to cast their votes beforehand.

27.3 In the event of the votes being equal, the Chairperson, if he is a member, has a casting vote in addition to his deliberative vote.

27.4 The election of members of the Board shall take place on the day of the AGM by secret ballot and in accordance with a procedure determined by the Board. The procedure determined by the Board must provide for a free and fair election, be transparent and allow members of the Scheme a reasonable opportunity to vote in the election process.

28. COMPLAINTS AND DISPUTES

28.1 Members may lodge their complaints, in writing, to the Scheme. The Scheme shall also provide a dedicated telephone number to be used for dealing with telephonic enquiries and complaints.

28.2 All complaints received in writing will be responded to by the Scheme in writing within 30 days of receipt thereof.

28.3 A disputes committee of three persons, who may not be members of the Board, employees or officers of the Scheme or the administrator, must be appointed by the Board as and when required in terms of the Scheme's Dispute Resolution Policy. At least one of such persons shall be a person with legal expertise.

28.4 Should a complaint lodged in terms of Rule 28.1 remain unresolved, the affected member may lodge a formal dispute.

28.5 Any dispute, which may arise between a member, prospective member, former member or a person claiming by virtue of such member and the Scheme or an officer of the Scheme, must be referred by the Principal Officer to the disputes committee for adjudication. The dispute must state the facts of the dispute and all related information and must be accompanied by all supporting documentation needed to support the dispute.

28.6 On receipt of a request in terms of this Rule, the Principal Officer must convene a meeting of the disputes committee by giving not less than 21 days notice in writing to the complainant and all the members of the disputes committee, stating the date, time, and venue of the meeting and particulars of the dispute.

28.7 The disputes committee may determine the procedure to be followed.

28.8 The parties to any dispute have the right to be heard at the proceedings, either in person or through a representative.

28.9 An aggrieved person has the right to appeal to the Council for Medical Schemes against the decision of the disputes committee. Such appeal must be in the form of an affidavit directed to Council and shall be furnished to the Registrar not later than three months after the date on which the decision concerned was made or such further period as the Council may for good cause shown allow, after the date on which the decision concerned was made.

28.10 The operation of any decision which is the subject of an appeal under Rule 28.9 shall be suspended pending the decision of the Council on such appeal.

29. TERMINATION OR DISSOLUTION

29.1 The Scheme may be dissolved by order of a competent court or by voluntary dissolution.

29.2 Members in general meeting may decide that the Scheme must be dissolved, in which event the Board must arrange for members to decide by ballot paper whether the Scheme must be liquidated.

29.3 Pursuant to a decision by members taken in terms of Rule 29.2 the Principal Officer must, in consultation with the Registrar, furnish to every member a memorandum containing the reasons for the proposed dissolution and

setting forth the proposed basis of distribution of the assets in the event of winding up, together with a ballot paper.

29.4 Every member must be requested to return his ballot paper duly completed before a set date. If at least 50 per cent of the members return their ballot papers duly completed and if the majority thereof is in favour of the dissolution of the Scheme, the Board must ensure compliance therewith and appoint, subject to the approval of the Registrar, a competent person as liquidator.

30. AMALGAMATION AND TRANSFER OF BUSINESS

30.1 The Scheme may, subject to the provisions of section 63 of the Act, amalgamate with, transfer its assets and liabilities to, or take transfer of assets and liabilities of any other medical scheme or person, in which event the Board must arrange for members to decide by ballot, physically or electronically, whether the proposed amalgamation should be proceeded with or not.

30.2 If at least 50 per cent plus one of the members that return their [ballot papers] duly completed ballots [and if the majority thereof is] are in favour of the amalgamation or transfer, the transaction may be concluded in the prescribed manner.

30.3 The Registrar may, on good cause shown, ratify a lower percentage.

31. RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS

31.1 Any member must on request and on payment of a fee of R1-00 per page, be supplied by the Scheme with a copy of the following documents:

31.1.1 The Rules of the Scheme;

31.1.2 the latest audited annual financial statements, returns, Trustees reports and auditor's report of the Scheme and accompanying management accounts in respect of its benefit options.

31.2 A member is entitled to inspect free of charge at the registered office of the Scheme any document referred to in Rule 31.1 and to make extracts thereof.

31.3 This Rule shall not be construed to restrict a person's right in terms of the Promotion of Access to Information Act, 2000 (Act 2 of 2000).

32. AMENDMENT OF RULES

32.1 The Board is entitled to alter or rescind any Rule or Annexure or to make any additional Rule or annexure, subject to the following provisions:

32.1.1 No amendment, rescission or addition-

32.1.1.1 affecting the objective of the Scheme; or

32.1.1.2 during a financial year reducing or increasing of contributions and benefits by more than 15% will be valid, unless-

(i) it is so approved by the majority of the members attending a general meeting and voting by ballot paper, as contemplated in Rule 27; or

(ii) the Principal Officer, instructed by the Board, has mailed to every member a memorandum containing the reasons for the proposed amendment, rescission or addition of the Rule, together with a ballot paper, requesting the member to return his ballot paper properly completed, before a fixed date. If at least 50% plus one of the members return properly completed ballot papers and if the majority of them are in favour of the proposed amendment, rescission or addition of the Rule, the Rules will be amended accordingly with effect from a date determined by the Board. In the event of less than 50% of the ballot papers being received back, the Board shall convene a general meeting, in which case the provisions of sub Rule 2(i) shall apply. In the event of at least 50% of the ballot papers being duly returned and a Rule is amended, rescinded or added in terms of it, the Chairperson shall, in

compliance with the provisions of Rule 32.1.1.3, certify in writing that the majority of the prescribed percentage of members have voted in favour of the amendment, rescission or additions of the Rule.

32.1.1.3 No amendment, rescission or addition will be valid, unless approved and registered by the Registrar in terms of the Act.

32.2 Members must be furnished with a copy of such amendment within 14 days after registration thereof. Should a member's rights, obligations, contributions or benefits be amended, he shall be given 30 days' advance notice of such change: Provided that the non-receipt of such notice will not exempt a member from compliance with the provisions of the amendment.

32.3 Notwithstanding the provisions of Rule 32.1 above, the Board must, on the request and to the satisfaction of the Registrar, amend any Rule that is inconsistent with the provisions of the Act.

33. PROCESSING AND PROTECTION OF PERSONAL INFORMATION

33.1 In performing the Scheme's business and complying with the Act and these Rules, the Scheme and its service providers shall process, which includes collect and store, from time-to-time personal information of beneficiaries and other persons as prescribed by the Act, any other relevant legislation and the Rules. Personal information processed by the Scheme includes all the personal information supplied by or lawfully collected by the Scheme in respect of a data subject of the Scheme, which includes a beneficiary, an employer, a nominee, a trustee, the principal officer, an employee or a health care provider.

33.2 The Scheme is under an obligation to communicate information to members regarding their rights, duties, benefits and contributions. The Scheme shall provide members with their dependants' personal information insofar as it is necessary for the discharge of its obligations under the Act and for the application of these Rules.

33.3 Members must make sure that if they provide personal information about any individual to the Scheme, they may

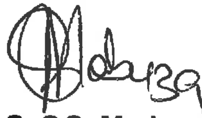
lawfully do so (e.g., with the consent of the individual concerned). The Scheme will accept that members are acting lawfully.

33.4 The Scheme shall prepare a Privacy Policy or similar document from time to time, which sets out how it processes personal information of data subjects and their rights in respect of such information as provided for in POPIA.

33.5 Members should make sure that they are familiar with the Scheme's Privacy Policy (accessible via our website: www.umvuzohealth.co.za) and understand how the Scheme will use and disclose their personal information.

SIGNATURES:

MR HF Nqume
CHAIRPERSON
15/09/2023



MS SS Mabuza
VICE-CHAIRPERSON

MR HB van Zyl
PRINCIPAL OFFICER