

**SUBJECT: SECTION 59 INVESTIGATION**

Dear Stakeholder

The Council for Medical Schemes published the **Interim Report (Summary)** on the investigation of allegations of racial profiling by medical scheme and administrators based on race and ethnicity.

The panel was chaired by Advocate Tembeka Ngcukaitobi, Advocate Adila Hassim, and Advocate Kerry Williams. The panel was mandated to investigate:

- Whether there is racial discrimination by schemes and administrators against Black healthcare providers?
- Whether Black providers were treated procedurally unfairly?

Primarily the investigation dealt with the implementation of sections 59(2) and (3) of the Medical Schemes Act which gives clear prescripts on how to deal with payment of claims to healthcare providers and subsequent risk mitigation applied by medical schemes in ensuring validity and accuracy of claims received.

The Scheme remains vigilant in dealing with Fraud Waste and Abuse in the application of its own risk management tools and internal controls, we are also conscientized to remain unprejudiced in all our practices and procedural engagements with providers and our members.

Hosmed Medical Scheme makes a firm commitment to co-operate the CMS and the mandated panel in the event there will be a directive to provide evidence of this practice and substantiation of our processes in dealing with this sensitive matter.

Hosmed Medical Scheme embraces non racialism as a business imperative and subscribes to ethical business practices; always guided by tenets of Medical Scheme's Act and Health Professions Council of South Africa's code of conduct. To this effect, Hosmed wishes to distance itself to any form of discrimination, injustice and unfair practices in servicing its members and in its dealings with medical practitioners and other service providers.

It is for this reason that more than 30 years on; we are continuously striving to provide the best quality healthcare services; still embodying our vision to *Care for Life*.

