# NATIONAL ASSEMBLY

**FOR WRITTEN REPLY**

**QUESTION NO. 1379**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 26 MAY 2017**

**(INTERNAL QUESTION PAPER NO. 18)**

**Ms S J Nkomo (IFP) to ask the Minister of Health:**

(1) Whether, with reference to the Medical Schemes Act, Act 131 of 1998, he has found it to be just and in the interests of the provision of medical cover to all South Africans, that late joiners to medical aids, especially people over the age of 35 years are penalized in terms of paying higher medical aid rates because of them not being a member of a medical aid scheme at the age of 35 (details furnished);

(2) would he consider motivating to cabinet to have this section of the Act repealed in the interests of making medical aid cover more financially accessible to new members over the age of 35; if so, what are the relevant details?

###### NW1521E

**REPLY:**

(1) Late joiner penalties (LJP) forms part of the regulations made in terms of the Medical Schemes Act, 1998 (Act No. 131 of 1998) ("the Act")). Regulations 11 and 13 of the said regulations, refer to instances where a member wants to join a medical scheme after the age of 35 and LJP is determined by the number of years that a person was not a member of a scheme (from the age of 21) prior to the application for membership of a medical scheme. The LJP is aimed at protecting the accumulated risk pool funds from being accepted by high risk late joiners who have not contributed to them. It is also meant to incentivize people to join a medical scheme at an earlier age so that the penalty can be mitigated/avoided. There are circumstances that prevent persons from joining a Medical Scheme at an early stage. For such persons a late joiner penalty is unjust.

(2) The application of the LJP is discretionary and a scheme can choose not to apply to a member after applying to join a medical scheme after the age of 35. The Department is currently in the process of preparing amendments to the Medical Schemes Act. The matter of the Late Jointer Penalty is being reviewed as part of this process.

END.