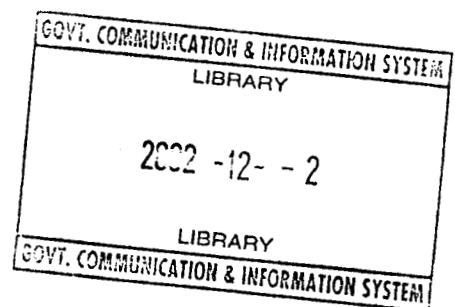


REPUBLIC OF SOUTH AFRICA

**PORTFOLIO COMMITTEE AMENDMENTS
TO
MEDICAL SCHEMES
AMENDMENT BILL**

[B 37B—2002]

*(As agreed to by the Portfolio Committee on Health
(National Assembly))*



[B 37C—2002]

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AMENDMENTS AGREED TO
MEDICAL SCHEMES AMENDMENT BILL
[B 37B—2002]

CLAUSE 1

1. On page 2, from line 8, to omit paragraph (a) and to substitute:

- (a) by the substitution for the definition of “broker” of the following definition:
“ ‘broker’ means a person whose business, or part thereof, entails providing broker services, but does not include—
 (i) an employer or employer representative who provides service or advice exclusively to the employees of that employer;
 (ii) a trade union or trade union representative who provides service or advice exclusively to members of that trade union; or
 (iii) a person who provides service or advice exclusively for the purposes of performing his or her normal functions as a trustee, principal officer, employee or administrator of a medical scheme,
 unless a person referred to in subparagraph (i), (ii) or (iii) elects to be accredited as a broker, or actively markets or canvasses for membership of a medical scheme;”
- (b) by the insertion, before the definition of “business of a medical scheme”, of the following definition:
“ ‘broker services’ means—
 (a) the provision of service or advice in respect of the introduction or admission of members to a medical scheme; or
 (b) the ongoing provision of service or advice in respect of access to, or benefits or services offered by, a medical scheme;”.

CLAUSE 2

1. On page 2, from line 25, to omit paragraphs (a) and (b) and to substitute:

- (a) by the substitution for subsection (1) of the following subsection:
“(1) No person may act or offer to act as a broker unless the Council has granted accreditation to such a person on payment of such fees as may be prescribed.”;
- (b) by the substitution for subsection (2) of the following subsection:
“(2) The Minister may prescribe the amount of the compensation which, the category of brokers to whom, the conditions upon which, and any other circumstances under which, a medical scheme may compensate any broker [in terms of subsection (1)].”;
- (c) by the substitution for subsection (3) of the following subsection:
“(3) No [person] broker shall be compensated for providing broker services [relating to the introduction or

admission of a member to a medical scheme in terms of subsection (1)] unless the Council has granted accreditation to such [a person on payment of such fees and on submission of such information as may be prescribed] broker in terms of subsection (1).”; and

- (d) by the substitution for subsection (6) of the following subsection:

“(6) A broker may not be directly or indirectly compensated for providing broker services by any person other than—

- (a) a medical scheme;
- (b) a member or prospective member, or the employer of such member or prospective member, in respect of whom such broker services are provided; or
- (c) a broker employing such broker.”.

LONG TITLE

1. On page 2, in the first line, to omit “so as to broaden” and to substitute “in relation to broadening”.
2. On page 2, from the first line, to omit “, in order to provide for” and to substitute “and”.