CIRCULAR

Reference:	Funding of the COVID-19 vaccine by medical schemes
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Circular 7 of 2021: Funding of the COVID-19 vaccine by medical schemes

The Council for Medical Schemes (CMS) has observed disquiet amongst industry stakeholders following a presentation that was made to the COVID-19 medical scheme industry working group by CMS, recently.

The CMS was responding to two presentations that were made to the same working group in a previous meeting. The two presentations were delivered by Dr Aquina Thulare and Advocate Ngubane of the National Department of Health, and Mr Stephen Malherbe who is a member of the COVID-19 National Task Team. The former unpacked the logistics of the vaccination programme and addressed issues of procurement, distribution, storage and security amongst others, whilst the latter focused on the funding and proposed a model to for consideration.

The CMS together with the Board of Healthcare Funders (BHF) and Health Funders Association (HFA) were then requested to respond to the proposals in the presentations in order to develop a consolidated view of the medical schemes industry.

On 14 January 2021, the CMS presented its initial thoughts on the proposals. These focused on the key areas aligned with the mandate of the council:

- the COVID-19 vaccine as a Prescribed Minimum Benefit and its implications;
- the link between CMS' current mandate and the principle of social solidarity;
- the implications of the proposals on solvency and reserve requirements;
- regulatory impediments to the proposals; and
- information and data requirements to ensure success of the proposals.

In this presentation, the CMS provided a hypothetical case on the funding of COVID-19 from reserves, in order to determine its impact. This was never considered to be a new or alternative funding proposal for COVID-19 vaccine. This postulation also responded to questions that schemes themselves have asked on the possible impact of the COVID-19 vaccine should it be funded from scheme reserves.

The CMS therefore wishes to place it on record that the proposal on a funding model for the COVID-19 vaccine does not solely lie with the CMS. The responsibility of deciding on an appropriate model is for schemes themselves, whilst the CMS will support in assessing the regulatory impacts of such proposal.

The CMS will shortly issue a Circular on its position with respect to the COVID-19 vaccine, which we hope will further clarify this matter.

Yours sincerely,

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