

## Wynsam Wealth

### Press Office Feature : **Discovery Health (Pty) Ltd to be sued**

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#### ***Alleged contravention of Medical Schemes Act - More than 200 000 members affected***

*Discovery Health medical scheme is administered by Discovery Health (Pty) Ltd, which in turn is part of the JSE listed Discovery Holding Company. Discovery Health and/or the scheme administrator and/or the scheme are about to be sued on behalf of many past and current members of the Discovery Health medical scheme for an effort to reclaim members' ancillary fees illegally added to the medical aid premiums.*

Discovery Health (Pty) Ltd acting as an agent of Discovery Health Medical Scheme billed individual members and groups of less than 35 members an extra fee called the ancillary fee. This fee was not paid to the medical scheme but to the administrator for extra services.

The fee was made to appear compulsory; even Discovery employees were under this impression and advised brokers and members that it was compulsory. Discovery Health marketing material of the time period made it also appear compulsory.

**It:** This fee and the way it was collected is illegal in terms of the Medical Schemes Act, Section 21A. The fee was not charged to members of groups larger than 35 members. They stopped charging the ancillary fee in 2005.

Most members are not aware of the charges levied or of the illicit nature of the charges. More than R110 Million was collected by Discovery Health in this fashion. More than 240 000 members are affected by

