



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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Mr Richard Blackman  
Chief Executive Office: Day1 Health (Pty) Ltd  
P.O. Box 782622  
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Dear *Sir*

### **NOTICE OF OBJECTION TO DRAFT DEMARCATION REGULATIONS TABLED IN PARLIAMENT ON 28 OCTOBER 2016**

Thank you for your letter dated 23 November 2016 to the Minister of Finance, in response to draft Demarcation Regulations (Regulations) tabled in Parliament on 28 October 2016.

We do not concur with your view that the Regulations may not be legal or rational. We also do not agree that the consultative process is defective, especially since we have had two rounds of public comments and consultation, including many meetings with key stakeholders, over a four year period since 2012.

We also note that aside from the issues listed above, your submission does not raise any other new issues substantially different from your previous submissions to National Treasury, dated 07 May 2012 and 11 July 2014. The current Regulations published on 28 October 2016 (attached as **Annexure A**) were revised to take into account all previous submissions received, including from your two submissions. As you are aware, the Regulations are required in order to balance policy objectives across the medical schemes and the insurance sector, including that of social solidarity. The Regulations seek to avoid regulatory arbitrage and uphold the objectives of the Medical Schemes Act No. 131 of 1998 in pursuit of greater access to quality healthcare for all South Africans.

We have also taken into account your submission made to the chairperson of the Standing Committee of Finance in Parliament, Mr Yunus Carrim, in your letter dated 25 November 2016, which raises similar issues.

National Treasury remains committed to engaging with all key stakeholders, including yourselves, as we work to finalise a Low Cost Benefit framework which will enable more low income household's access to medical schemes.

Kind regards,



**ISMAIL MOMONIAT**  
**DEPUTY DIRECTOR-GENERAL: TAX AND FINANCIAL SECTOR POLICY**

Date: 14/02/2016

CC  
Mr Yunus Ismail Carrim  
Chairperson of the Portfolio Committee of Finance

Dr Anban Pillay  
Deputy Director-General: Health Regulations and Compliance