

10 April 2017

TO: Principal Officers of all registered Medical Aid Funds

CC: The Board of Trustees of all registered Medical Aid Funds
Namibian Association of Medical Aid Funds (NAMAFA)
Administrators of all registered Medical Aid Funds

DIRECTIVE : PI/MAF/DIR/01/2017

EFFECTIVE DATE : 10 April 2017

**SUBJECT : Gym Rebates and other Wellness Benefits provided by
Medical Aid Funds**

1. Introduction

1.1. This Directive is issued by virtue of the Namibia Financial Institutions Supervisory Authority's ("NAMFISA") functions and powers and those of its Chief Executive Officer ("CEO") in his capacity as the Registrar of medical aid funds ("Registrar") in terms of the Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001) and is applicable to all medical aid funds ("Funds") registered under the Medical Aid Funds Act, 1995 (Act No. 23 of 1995) ("the MAF Act").

1.2. The purpose of this Directive is to rectify an identified malpractice in the medical aid fund industry in terms of which Funds offer gym rebates and other wellness programs as benefits to medical aid fund members.



2. The current practice

The rules of several registered Funds provide for gym rebates and other wellness programs as benefits to members of medical aid funds. The provision of these wellness programs by Funds to members do not necessarily involve the provision of health care treatment by a registered person in terms of any law as contemplated in the MAF Act.

3. The law

In terms of section 1 of the MAF Act, only a health care treatment provided by a person registered in terms of any law, qualifies as a “*medical service*”.

4. Conclusion

- 4.1. The provision of a gym rebate by Funds that does not have as its object the defraying of expenditure incurred in connection with the rendering of a medical service by a person registered in terms of any law does not meet the definition of “*fund*” and “*medical service*” as set out in section 1 of the MAF Act. As such, the provision of gym rebates by Funds in the aforesaid circumstance is not permissible under the MAF Act.
- 4.2. The payment by a Fund of a rebate to a member in connection with his/her gym subscription, in the absence of a prescription by a person registered in terms of any law, cannot be tantamount to “*the defraying of expenditure incurred by that person in connection with the rendering of any medical service*” as contemplated in the definition of “*fund*” in section 1 of the MAF Act.
- 4.3. Similarly, the provision of a wellness benefit by a Fund that does not constitute health care treatment by a person registered in terms of any law does not meet the definition of “*fund*” and “*medical service*” in section 1 of the MAF Act and is accordingly not permissible under the MAF Act.



5. The Directive

5.1. In light of the above and in order to ensure compliance with the MAF Act, all registered Funds are hereby directed to discontinue the practice of providing gym rebates in its current form, in terms of which gym rebates are given to members by Funds despite the fact that there is no health care treatment being provided by a person registered in terms of any law as contemplated in the MAF Act, as benefits to members.

5.2. All registered Funds are similarly directed to discontinue the practice of providing the following wellness programs which do not constitute health care treatment by any person registered in terms of any law as benefits to members:

5.2.1 Boot camp fitness training;

5.2.2 Quit smoking programs;

5.2.3 Cooking workshops;

5.2.4 Walking clubs;

5.2.5 Corporate Wellness programs that offer information, education and health screenings to the employees of companies who belong to medical aid funds (e.g. *blood samples taken for cholesterol tests, fasting blood glucose test for diabetes, blood pressure readings, body mass index calculations etc.*); and

5.2.6 Any other type of wellness program that does not involve the provision of health care treatment by a person registered in terms of any law as contemplated in the MAF Act.

5.3. Funds are directed to amend their rules accordingly in order to reconcile same with the provisions of the MAF Act.



5.4. Funds are further required to comply with this Directive by 31 December 2018.

The Registrar therefore requires full cooperation and support in this process by all medical aid funds and stakeholders at large.

Should you require more clarity on this Directive, kindly contact the Manager of the Medical Aid Funds and Friendly Societies Department at telephone number 061-290 5167 or via e-mail at: ltjueza@namfisa.com.na.

A handwritten signature in black ink, appearing to read 'K. Matomola', is written over a horizontal line.

Kenneth S. Matomola
Registrar of Medical Aid Funds