

Supreme Court of Appeal of South Africa

MEDIA SUMMARY– JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

From: The Registrar, Supreme Court of Appeal

Date: 11 March 2015

Status: Immediate

Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal.

Sechaba Medical Solutions & others v Sekete and others

The SCA today handed down judgment in a case dealing with the liability of medical schemes to the suppliers of medical services to their members. The case arose because a medical scheme, Gen-Health, went into liquidation and claims were lodged against it both on behalf of members, in respect of medical treatment they had received at various medical facilities operated within the Life Healthcare Group, and by Life Healthcare in respect of the services rendered to those members. The previous administrators of the scheme, together with the liquidators, opposed the admission of the claims on the basis that the scheme was not under any obligation to pay the claims of Life Healthcare.

The SCA rejected the contentions by the administrators and the liquidators. It held that as a result of Life Healthcare, in each instance, obtaining authorisation from Gen-Health, before rendering services, a contract came into existence between Life Healthcare and Gen-Health in terms of which Gen-Health undertook to pay Life Healthcare for the services it rendered to the members of Gen-Health.

The court furthermore held that terms of Sections 26(1)(b) and 59 of the Medical Schemes Act 131 of 1998, Gen-Health was entitled to claim directly from Gen-Health, as that was the benefit that Gen-Health had undertaken to afford to its members in terms of the scheme's schedule of benefits. Section 59 expressly contemplated that the provider of medical services would be entitled to claim directly from a medical scheme in respect of services rendered to its members subject to the limitations of the scheme's schedule of benefits. In the circumstances the court held that the objections to the claims by Life Healthcare should be rejected and dismissed the appeal with costs.