



TRUSTEE INFORMATION

APRIL 2019

	Page
Executive Summary - Highlights	1
Executive Summary - Financial Highlights	2
Income Statement - Actual vs Budget	3
Balance Sheet	4
Cash Flow Statement	5
Investments Analysis	6
Financial Indicators - Reserves	7.1
Member Ratios and Trend Analysis	7.2
Claims and Creditors	7.3
Debtors	7.4
Old Mutual - Liquidity Level	7.5
Member Savings	7.6
Membership	7.7
Assumptions	8

ALLIANCE-MIDMED MEDICAL SCHEME

EXECUTIVE SUMMARY - HIGHLIGHTS - APRIL 2019

EXECUTIVE SUMMARY HIGHLIGHTS

1. INCOME STATEMENT

1.1 CONTRIBUTIONS

Net contributions for the month were R8M which is R593K below budget. This is due to membership being 97 contracts below budget. Year-to-date (YTD) contributions at R32.5M are less than budget by R2.1M, with YTD total of 371 contracts less than budget.

1.2 CLAIMS COST

The claims costs for the month were R8.5M which is over budget by R1.1M. The YTD claims ratio is 98%, compared to the budgeted 99%, with average claims per member per month being R4 720 which is some R80 below budget. This includes an IBNR provision of R2.4M. The YTD top 10 high cost cases total R5.7M.

1.3 NON-HEALTHCARE EXPENDITURE

Non-healthcare costs for the month amounted to R454K, which is R75K below budget. YTD costs are R274K below budget.

1.4 NET HEALTHCARE RESULT

The Scheme incurred a net healthcare deficit of R868K for the month in comparison with a budgeted net healthcare surplus of R753K. The YTD net deficit of R1.1M is R528K better than budget.

1.5 INVESTMENT INCOME

Investment income is derived from funds managed by Old Mutual. The Scheme had a net investment income for the month totalling R1.1M compared with a budgeted investment income of R260K. Investments reflected unrealised gains of R915K for the month. The all share returns on the JSE increased by 4.23% for the month. YTD net investment income is R3.6M compared to the budgeted R1M.

1.6 NET SURPLUS/(DEFICIT) AND RESERVES

The Scheme ended the month with a net surplus of R253K (after investment income) which was below budget by R760K. YTD the net surplus is R2.5M compared to the budgeted deficit of R575K.

2. BALANCE SHEET

2.1 ACCUMULATED RESERVES

The Scheme had accumulated funds of R48.4M as at the end of the month. This equates to a solvency ratio of 37.43% based on gross contributions. This has decreased from the 37.88% recorded for Dec-2018. Although the rand value of the reserves have increased, the solvency ratio has decreased due to the annual contribution increase which is used in the calculation.

2.2 PROVISION FOR UNPAID CLAIMS

The provision for outstanding claims currently stands at R2.8M. This includes R365K remaining of the prior year provision.

2.3 CASH AT BANK AND INVESTMENTS

The cash, call and fixed deposits, as well as investments held by the Scheme at month end total R84.8M. This is R1.6M up on December 2018.

3. MEMBERSHIP

3.1 PRINCIPAL MEMBERS AND BENEFICIARIES

The Scheme billed 1 677 members for the month vs the budgeted 1 774. There were a total of 3 894 lives covered for the month which equates to 2.32 beneficiaries per contract.

3.2 PENSIONERS

The Scheme has 297 principal members classified as pensioners (over 60yrs). This equates to a ratio of 17.71% of the total membership. The number of beneficiaries greater than 65 years is 294. This equates to 7.55% of the total lives covered. The number of beneficiaries aged 60 or older is 449. This equates to 11.53% of the total lives covered.

ALLIANCE-MIDMED MEDICAL SCHEME
EXECUTIVE SUMMARY - FINANCIAL HIGHLIGHTS APRIL 2019

Income Statement	Current Month			Year to Date 2019			Prior Yr Full	Full year 2019
	Actual R'000	Budget R'000	Variance R'000	Actual R'000	Budget R'000	Variance R'000	Actual R'000	Budget R'000
Gross contribution income	8,456	9,087	(631)	34,215	36,350	(2,135)	98,685	109,049
Less: savings contribution income	416	454	(38)	1,747	1,817	(69)	7,863	5,450
Net contributions from members	8,040	8,633	(593)	32,468	34,533	(2,065)	90,821	103,599
Relevant healthcare expenditure	(8,454)	(7,351)	(1,102)	(31,741)	(34,060)	2,319	(91,398)	(101,749)
Gross healthcare result	(414)	1,282	(1,696)	727	473	254	(577)	1,850
Non-healthcare expenditure	(454)	(529)	75	(1,822)	(2,096)	274	(5,953)	(6,539)
Net healthcare result	(868)	753	(1,621)	(1,095)	(1,623)	528	(6,530)	(4,689)
Net Investment income	1,121	260	861	3,609	1,048	2,561	3,409	3,010
Net surplus/(deficit)	253	1,013	(760)	2,514	(575)	3,090	(3,121)	(1,679)
Data per contract:								
Average premium per contract	4,794.23	4,866.56	(72.33)	4,827.96	4,866.56	(38.60)	4,253.93	58,398.72
Average claims cost per contract	(5,041.04)	(4,143.99)	(897.04)	(4,719.84)	(4,799.94)	80.11	4,280.96	(57,355.78)
Average gross healthcare result per contract	(246.81)	722.57	(969.38)	108.12	66.62	41.50	27.02	1,042.93
Administration costs data:								
Average non-healthcare expenditure per contract	270.76	298.30	27.53	270.91	295.37	24.46	278.83	3,686.16
Non-healthcare as % of Risk Contributions	5.6%	6.1%	0.48%	5.6%	6.1%	0.46%	6.6%	6.3%
Non-healthcare as % of Gross Contributions	5.4%			5.3%			6.0%	

BALANCE SHEET DATA	ACTUAL	PRIOR YEAR-YEAR END
Accumulated Reserves	48,419,260	45,905,028
Cumulative unrealised net gains/(losses) in acc funds	10,296,043	8,525,882
Cash at Bank and Investments	84,828,384	83,239,978
Provision for unpaid claims	2,765,733	2,634,436
Annualised reserve ratio - Net Contributions	39.39%	41.16%
Annualised reserve ratio - Gross Contributions	37.43%	37.88%

**ALLIANCE MIDMED MEDICAL SCHEME
CONSOLIDATED INCOME STATEMENT 2019**

	JANUARY			FEBRUARY			MARCH			APRIL			YEAR TO DATE			FULL YR BUDGET	
	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	VARIANCE		% VAR
NUMBER OF CONTRACTS	1,670	1,774	-6%	1,690	1,774	-5%	1,688	1,774	-5%	1,677	1,774	-5%	6,725	7,096	-371	-5%	1,774
Gross contributions	8,088,575	9,087,409	-5%	8,580,444	9,087,409	-6%	8,569,990	9,087,409	-6%	8,456,058	9,087,409	-7%	34,215,067	36,349,634	(2,134,567)	-6%	109,048,903
Less: savings contributions	468,611	454,132	3%	430,763	454,132	-5%	431,553	454,132	-5%	416,142	454,132	-8%	1,747,069	1,816,527	(69,458)	-4%	5,449,581
Net contribution income	8,139,964	8,633,277	-6%	8,149,681	8,633,277	-6%	8,138,437	8,633,277	-6%	8,039,916	8,633,277	-7%	32,467,998	34,533,107	(2,065,109)	-6%	103,599,321
Relevant healthcare expenditure	9,043,703	9,300,974	3%	6,271,642	8,255,156	24%	7,971,732	9,152,815	13%	8,453,820	7,351,444	-15%	31,740,897	34,060,389	2,319,492	7%	101,749,156
Claims paid by month of payment	6,061,785	8,778,619	1%	6,273,847	7,732,801	25%	7,426,621	8,630,461	13%	7,818,981	6,829,090	-17%	27,581,234	31,970,972	1,989,221	6%	95,480,904
Movement in 2019 claims provision	2,596,345	-	-	(495,419)	-	-	117,513	-	182,078	-	-	2,400,517	-	-	-	-	-
2018 claims over provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims discounts	(1,937)	-	-	0	-	-	-	-	(500)	-	-	(2,437)	-	2,437	-	-	-
MVA Recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Denis Claims paid	185,435	330,769	44%	310,981	330,769	6%	263,421	330,769	20%	296,352	330,769	10%	1,056,189	1,323,076	266,886	20%	3,969,227
Europassist claims paid	57,878	42,694	-36%	36,706	42,694	14%	18,922	42,694	56%	12,430	42,694	71%	125,936	170,774	44,838	26%	512,323
Accredited managed care	144,197	148,892		145,527	148,892		145,254	148,892		144,480	148,892		579,458	595,567	16,109		1,786,702
Managed Care fees	80,227	79,991	0%	80,951	79,991	-1%	80,855	79,991	-1%	80,328	79,991	0%	322,362	319,965	(2,397)	-1%	959,895
Denis	20,122	22,023	9%	20,194	22,023	8%	20,111	22,023	9%	20,111	22,023	9%	80,538	88,091	7,553	9%	264,274
Mediscor	43,848	46,878	6%	44,382	46,878	5%	44,288	46,878	6%	44,040	46,878	6%	176,558	187,511	10,953	6%	562,533
Gross healthcare result	(903,740)	(667,697)	-3%	1,878,038	378,121	18%	166,705	(519,539)	7%	(413,904)	1,281,832	-22%	727,101	472,718	254,383	1%	1,850,166
Non-healthcare expenditure	430,183	519,609	17%	492,094	533,831	8%	445,527	513,301	13%	454,072	529,182	14%	1,821,876	2,095,922	274,047	13%	6,539,241
Administration fees	333,325	352,423	5%	336,310	352,423	5%	335,912	352,423	5%	333,723	352,423	5%	1,339,270	1,409,691	70,421	5%	4,229,074
Europassist fees	6,948	7,273	4%	7,036	7,273	3%	7,023	7,273	3%	6,965	7,273	4%	27,971	29,094	1,122	4%	87,281
Fidelity cover	1,345	2,762	51%	1,345	3,007	55%	1,345	2,653	49%	1,345	2,927	54%	5,380	11,349	5,969	53%	38,391
BHF / HFA fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Audit fees	16,238	26,110	38%	16,238	28,432	43%	16,238	25,080	35%	16,238	27,673	41%	64,952	107,296	42,344	39%	362,948
Actuarial/professional services	13,886	-	-	13,887	-	-	13,886	-	13,886	-	-	55,545	-	(55,545)	-	-	-
Bank charges	3,070	4,195	27%	3,506	4,568	23%	4,697	4,030	-17%	3,311	4,446	26%	14,584	17,239	2,655	15%	58,314
Member communication	-	-	-	470	-	-	205	-	410	-	-	1,085	-	(1,085)	-	-	-
Principal officer fees	31,889	47,739	33%	31,889	51,984	39%	31,889	45,855	30%	31,889	50,596	37%	127,556	196,174	68,618	35%	663,596
Travel and entertainment	-	-	-	608	-	-	2,576	-	4,240	-	-	7,425	-	(7,425)	-	-	-
Inc / (Dec) in provision for bad debt	-	-	-	-	-	-	-	-	-	-	-	1,362	-	(1,362)	-	-	-
Sundry Expenses	129	52,188	100%	57,454	56,829	-1%	4,411	50,129	91%	17,351	55,312	69%	79,345	214,458	135,113	63%	725,443
Subscriptions (CMS)	-	-	-	-	-	-	165	-	165	-	-	165	-	(165)	-	-	-
Subscriptions (Other)	3,352	4,250	21%	3,352	4,628	28%	7,180	4,083	-76%	3,352	4,505	26%	17,236	17,466	230	1%	59,083
Consultancy fees	20,000	22,669	12%	20,000	24,685	19%	20,000	21,775	8%	20,000	24,026	17%	80,000	93,154	13,154	14%	315,112
Net healthcare result	(1,333,922)	(1,187,306)	14%	1,385,944	(155,710)	26%	(278,822)	(1,032,840)	20%	(867,976)	752,651	-8%	(1,094,775)	(1,623,204)	528,429	14%	(4,689,075)
Investment income	636,805	296,050	-115%	160,677	291,860	-45%	679,072	288,383	135%	212,330	289,288	-27%	1,688,884	1,165,581	523,303	45%	3,348,440
Realised gains (losses)	3,549	-	-	3,793	-	-	3,900	-	4,770	-	-	16,012	-	16,012	-	-	-
Unrealised gains (losses)	111,567	-	-	716,115	-	-	180,446	-	914,912	-	-	1,923,040	-	1,923,040	-	-	-
Other income	31,889	-	-	31,889	-	-	31,889	-	32,158	-	-	127,825	-	127,825	-	-	-
Portfolio management fees	(14,711)	(15,169)	3%	(20,701)	(14,955)	38%	(22,558)	(14,777)	53%	(25,724)	(14,823)	74%	(83,694)	(59,724)	(23,970)	40%	(171,572)
Investment management fees	(16,233)	(14,713)	-10%	(15,255)	(14,504)	5%	(13,976)	(14,331)	-2%	(17,596)	(14,376)	22%	(63,059)	(57,925)	(5,135)	9%	(166,404)
Net surplus/(deficit)	(581,056)	(921,138)		2,262,462	106,691		579,951	(773,565)		252,875	1,012,740	-75%	2,514,233	(575,271)	3,089,505		(1,678,611)

Claims Ratio (Including Provision):	111%	108%	77%	96%	98%	106%	105%	85%	98%	99%	98%
Claims pmpm	5,415	5,243	3,711	4,653	4,723	5,159	5,041	4,144	4,720	4,800	57,356

SUMMARY R'000	JANUARY			FEBRUARY			MARCH			APRIL			YEAR TO DATE			2019 FULL YEAR Budget
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	
Income	8,924	8,929	(6)	9,062	8,925	137	9,034	8,922	112	9,204	8,923	282	36,224	35,699	525	106,948
Expenditure	9,505	9,850	346	6,800	8,818	2,019	8,454	9,695	1,241	8,951	7,910	(1,041)	33,710	36,274	2,564	108,626
Surplus / Deficit	(581)	(921)	340	2,262	107	2,156	580	(774)	1,354	253	1,013	(760)	2,514	(675)	3,090	(1,679)
Membership	1,670	1,774	(104)	1,690	1,774	(84)	1,688	1,774	(86)	1,677	1,774	(97)	6,725	7,096	(371)	1,774

**ALLIANCE MIDMED MEDICAL SCHEME
BALANCE SHEETS**

	31-Dec-18	31-Jan-19	28-Feb-19	31-Mar-19	31/04/2019	31-May-19	30-Jun-19	31-Jul-19	31-Aug-19	30-Sep-19	31-Oct-19	30-Nov-19	31-Dec-19
ASSETS													
Non-Current Assets													
Current assets	84,303,621	85,858,740	84,813,399	85,669,887	86,340,851								
Outstanding contributions	996,300	1,156,190	1,165,780	1,139,816	1,291,216								
Member debt	45,745	46,329	45,971	48,010	31,034								
Supplier debt	N4 62,738	56,561	65,696	63,807	174,971								
Savings plan account advances	46,518	60,303	75,420	92,142	105,867								
Cash, call and Fixed Deposits	22,921,556	23,686,319	16,840,099	16,948,723	11,320,598								
Investments	60,318,422	60,938,297	66,708,291	67,467,682	73,507,786								
Prepayments	16,140	14,795	13,450	12,105	10,760								
Sundry debtors	-	-	-	-	-								
Accrued interest	3,622	7,365	6,113	5,022	6,038								
Provision for bad debts	(107,420)	(107,420)	(107,420)	(107,420)	(107,420)								
Total assets	84,303,621	85,858,740	84,813,399	85,669,887	86,340,850								
RESERVES AND LIABILITIES													
Reserves	45,905,028	45,323,972	47,586,434	48,166,385	48,419,260								
Accumulated Reserves brought forward	42,292,868	45,905,028	45,323,972	47,586,434	48,166,385								
Current period surplus / (deficit)	3,612,160	(581,056)	2,262,462	579,951	252,875								
Current Liabilities	38,398,593	40,534,768	37,226,965	37,503,502	37,921,590								
Sundry creditors and accruals	287,147	188,343	196,131	151,185	126,948								
Deposits not yet allocated	690,292	775,099	775,604	754,720	711,335								
Member and supplier credit balances	N1 2,417,563	3,058,369	1,212,283	1,683,452	2,599,265								
Provision for audit fees	184,000	200,238	216,476	81,834	70,472								
Member Savings Liability	32,185,156	32,250,799	32,342,449	32,300,395	31,647,837								
Provision for unpaid claims 2018	2,634,436	1,465,575	383,097	313,476	365,215								
Provision for unpaid claims 2019	N3 -	2,596,345	2,100,926	2,218,439	2,400,517								
Total reserves and liabilities	84,303,621	85,858,740	84,813,399	85,669,887	86,340,850								

Note N1 Relates to amounts owing to members and suppliers for claims that were received and processed but not paid as at month end. This is timing in nature as claims payments are made every Thursday (actual date of payment).

Note N2 This is timing in nature. Relates to deposits received on the last working day and only allocated to member level on first work day of the following month.

Note N3 Relates to the provision for claims incurred but not yet reported (IBNR) to and/or paid by the Scheme. The provision is based on run-off percentages which are determined based on historical claims payment patterns i.e. in the most recent month of service, it is expected that 72.96% of the total month's claims incurred have been paid by the Scheme by the end of the month. A provision is therefore raised for the remaining 27.04% of the total expected claims for the month. Members and providers have 5 months to submit claims.

Note N4 Increase is due to the reversal of claims for a dietician who fraudulently billed.

**ALLIANCE MIDMED MEDICAL SCHEME
CONSOLIDATED CASH FLOW STATEMENTS 2019**

	January Actual R	February Actual R	March Actual R	April Actual R	May Actual R	June Actual R	July Actual R	August Actual R	September Actual R	October Actual R	November Actual R	December Actual R	YTD Actual R
Net surplus / (deficit) for the period	(581,056)	2,262,462	579,951	252,875	-	-	-	-	-	-	-	-	2,514,232
Movement in working capital	1,965,695	(3,338,689)	288,065	159,103	-	-	-	-	-	-	-	-	(925,826)
Movement in current assets N1	(170,480)	(30,886)	11,528	(258,985)	-	-	-	-	-	-	-	-	(448,823)
Movement in claims provision	1,427,485	(1,577,897)	47,892	233,817	-	-	-	-	-	-	-	-	131,297
Movement in current liabilities	708,690	(1,729,906)	228,645	184,271	-	-	-	-	-	-	-	-	(608,300)
	1,384,639	(1,076,227)	868,016	411,979	-	-	-	-	-	-	-	-	1,588,406
Cash utilised in investing activities	(619,875)	(5,769,994)	(759,392)	(6,040,104)	-	-	-	-	-	-	-	-	(13,189,364)
Increase / (decrease) in cash	764,764	(6,846,221)	108,624	(5,628,125)	-	-	-	-	-	-	-	-	(11,600,959)
Represented by :													
Opening cash on hand:													
Cash at bank	22,921,556	23,686,319	16,840,099	16,948,723	-	-	-	-	-	-	-	-	22,921,556
Increase / (decrease) in cash	764,764	(6,846,221)	108,624	(5,628,125)	-	-	-	-	-	-	-	-	(11,600,959)
Closing cash on hand:	23,686,319	16,840,099	16,948,723	11,320,598	-	-	-	-	-	-	-	-	11,320,598

Notes:

N1 - Movement in Current Assets [A] - [B]	(170,480)	(30,886)	11,528	(258,985)	1,512,467	-	-	-	-	-	-	-	-
Prior month balance [A]	1,063,643	1,234,124	1,265,009	1,253,482	1,512,467	-	-	-	-	-	-	-	-
Current month balance [B]	1,234,124	1,265,009	1,253,482	1,512,467	-	-	-	-	-	-	-	-	-
Outstanding contributions	1,156,190	1,165,780	1,139,816	1,291,216	-	-	-	-	-	-	-	-	-
Member debt	46,329	45,971	48,010	31,034	-	-	-	-	-	-	-	-	-
Supplier debt	56,561	65,696	63,807	174,971	-	-	-	-	-	-	-	-	-
Savings plan account advances	60,303	75,420	92,142	105,867	-	-	-	-	-	-	-	-	-
Prepayments	14,795	13,450	12,105	10,760	-	-	-	-	-	-	-	-	-
Accrued interest	7,365	6,113	5,022	6,038	-	-	-	-	-	-	-	-	-
Provision for bad debts	(107,420)	(107,420)	(107,420)	(107,420)	-	-	-	-	-	-	-	-	-

ALLIANCE-MIDMED MEDICAL SCHEME
INVESTMENTS ANALYSIS AS AT END OF APRIL 2019
CASH AND EQUIVALENTS

Institution	Type	Period	Interest Rate	Balance including accrued interest	Interest received year to date	Interest accrued at month-end	Date of Maturity
				R	R	R	
ABSA	Call	Call	6.50%	15,813	333		
First Rand Bank	Call	Call	6.50%	595	13		
Investec	Call	Call	6.65%	3,688,559	74,847		
Nedbank	Call	Call	6.50%	2,060,797	20,504		
	Call	Call	7.30%	1,108,480	51,812		
Standard Bank	Call	Call	6.55%	3,682,909	71,865		
Interest including interest on fixed deposits capitalised						111,906	
	Alliance Midmed bank account			762,835	24,525	6,034	
	Alliance Midmed Demand Deposit (purpose is to fund the credit card facility)			610	13	4	
	Subtotal			11,320,598	355,818	6,038	
	Less: Investment management fees: Old Mutual				(63,059)		
	Less: Bank fees FNB corporate account				(14,584)		
	TOTAL CASH, CALL AND FIXED DEPOSITS			11,320,598	278,175	6,038	
	Effective return on investments			6.62%			
	Benchmark (STeFI)			6.61%			

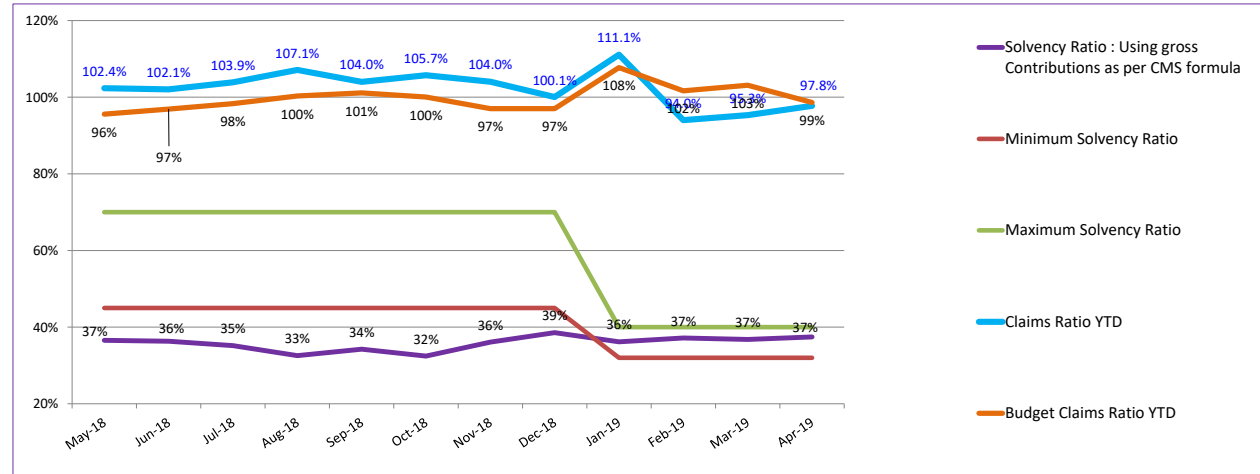
INVESTMENTS							
Institution	Initial Investment	Market Value	Int and Div Income	Portfolio management fees	Unrealised gains/(losses) in P&L	Realised gains/(losses)	Benchmark
Prudential portfolio managers	9,694,769	28,377,192		(83,694)	1,501,653	16,012	9.25% - CPI+5
Stanlib Income Fund	10,000,000	21,210,397	881,765		(261,136)		7.26% - STeFI
Allan Gray	17,639,986	23,920,197	451,300		682,524		7.18% - CPI+3
Total Investments:	37,334,755	73,507,786	1,333,065	(83,694)	1,923,040	16,012	
	Effective return YTD		14.24%				

Interest reconciliation	
- From Cash & equivalents	1,333,065
- From Investments	355,818
As per income statement	<u>1,688,884</u>

**ALLIANCE-MIDMED MEDICAL SCHEME
FINANCIAL INDICATORS - RESERVES**

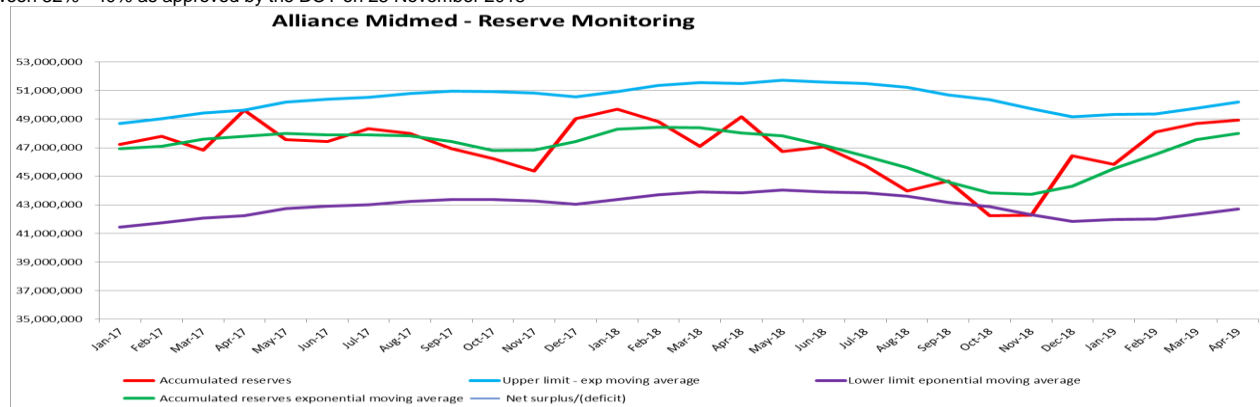
Solvency Ratio : Using gross Contributions as per CMS formula
 Minimum Solvency Ratio
 Maximum Solvency Ratio
 Claims Ratio YTD
 Budget Claims Ratio YTD
 Number of Members
 Number of Lives
 Schemes Reserves

	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
Solvency Ratio : Using gross Contributions as per CMS formula	36.5%	36.3%	35.2%	32.6%	34.2%	32.4%	36.1%	38.6%	36.2%	37.2%	36.8%	37.4%
Minimum Solvency Ratio	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
Maximum Solvency Ratio	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	40.0%	40.0%	40.0%	40.0%
Claims Ratio YTD	102.4%	102.1%	103.9%	107.1%	104.0%	105.7%	104.0%	100.1%	111.1%	94.0%	95.3%	97.8%
Budget Claims Ratio YTD	95.6%	96.9%	98.3%	100.3%	101.1%	100.1%	100.1%	97.0%	107.7%	101.7%	103.1%	98.6%
Number of Members	1,778	1,770	1,774	1,769	1,774	1,765	1,759	1,748	1,670	1,690	1,688	1,677
Number of Lives	4,224	4,210	4,207	4,195	4,189	4,174	4,171	4,150	3,909	3,920	3,909	3,894
Schemes Reserves	R 46,739,890	R 47,055,977	R 45,753,490	R 43,986,449	R 44,668,095	R 42,250,052	R 42,292,868	R 46,427,010	R 45,845,954	R 47,586,434	R 48,166,385	R 48,419,260



Scheme Strategy

Solvency Level to be maintained between 32% - 40% as approved by the BOT on 28 November 2018
 Minimum Reserves of R46.4 million



**ALLIANCE MIDMED MEDICAL SCHEME
FINANCIAL RATIOS AND TRENDS**

		Average 2015	Average 2016	Average 2017	Average 2018	Jan-19	Feb-19	Mar-19	Apr-19	YTD	TREND 2019
Current liabilities to cash	Current liabilities	29,784,600	34,215,119	36,570,583	38,528,698	40,534,768	37,226,965	37,503,502	37,921,590	37,921,590	
	Cash & Investments	46,270,749	49,750,407	70,005,410	83,606,958	84,624,616	83,548,390	84,416,405	84,828,384	84,828,384	
		0.64	0.69	0.52	0.46	0.48	0.45	0.44	0.45	0.45	

Comment: Current liabilities is a fraction of cash and investments - indicating that the scheme is adequately capable of meeting its debts in the normal course of its business

Current liabilities to cash	Current liabilities	5,561,995	7,460,405	24,517,441	38,528,698	40,534,768	37,226,965	37,503,502	37,921,590	37,921,590	
	Cash	14,983,130	16,079,090	31,903,579	36,061,722	23,686,319	16,840,099	16,948,723	11,320,598	11,320,598	
		0.37	0.46	0.77	1.07	1.71	2.21	2.21	3.35	3.35	

Comment: Current liabilities. As a fraction of scheme cash - current liabilities is higher indicating that the scheme does not have sufficient cash on hand to meet its debts in the normal course of business operations. This excludes investments which can be utilised to fund any shortfall if needed so no action required.

Claims ratio	Net premium income	6,058,026	6,700,733	7,255,389	7,568,455	8,139,964	8,149,681	8,138,437	8,039,916	32,467,998	
	Relevant healthcare exp	5,628,978	6,124,978	7,133,741	7,573,038	9,043,703	6,271,642	7,971,732	8,453,820	31,740,897	
		93%	91%	98%	100%	111%	77%	98%	105%	98%	

Comment: Just another view indicating a high claiming year in 2018 relative to contributions

Working capital ratio	Current assets	47,982,589	52,695,982	72,101,190	84,689,443	85,858,740	84,813,399	85,669,887	86,340,851	86,340,851	
	Current liabilities	5,561,995	7,460,405	24,517,441	38,528,698	40,534,768	37,226,965	37,503,502	37,921,590	37,921,590	
		8.63	7.06	2.94	2.20	2.12	2.28	2.28	2.28	2.28	

Comment: Ratio indicates that scheme current assets are more than adequate to meet scheme liabilities.

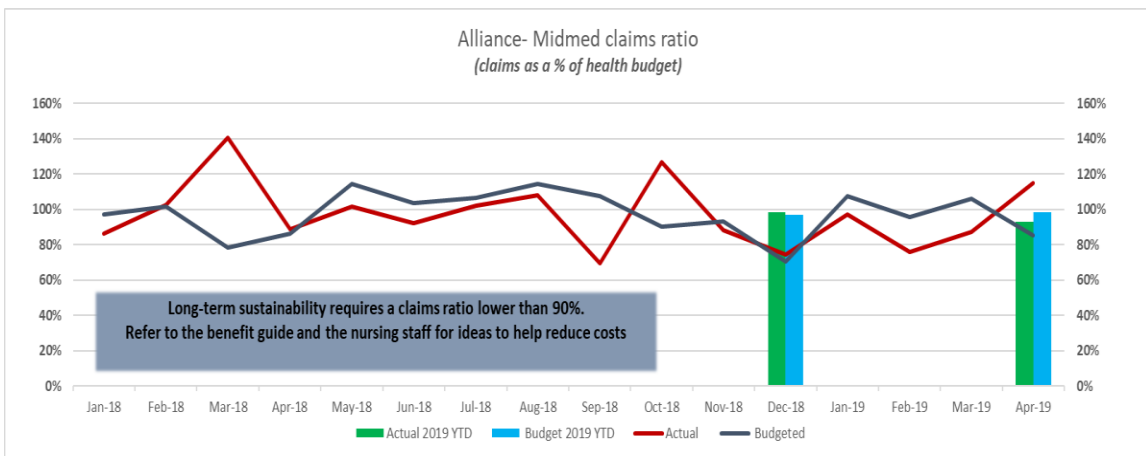
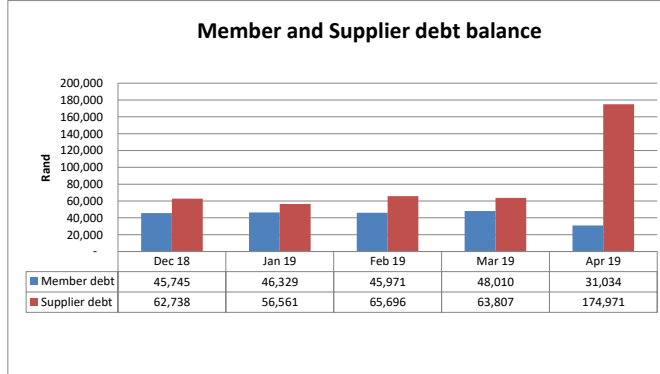
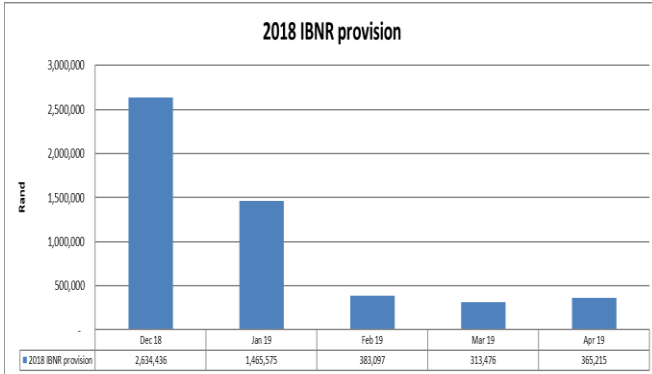
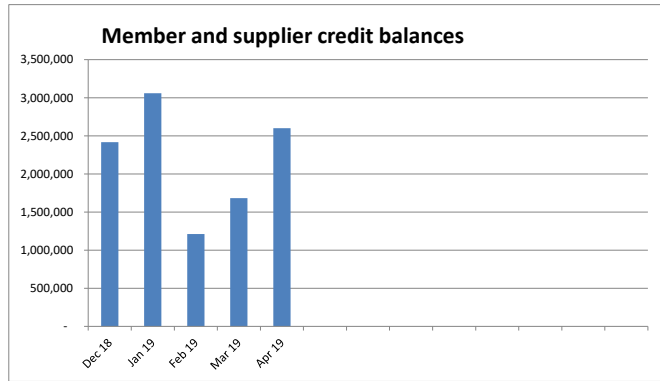
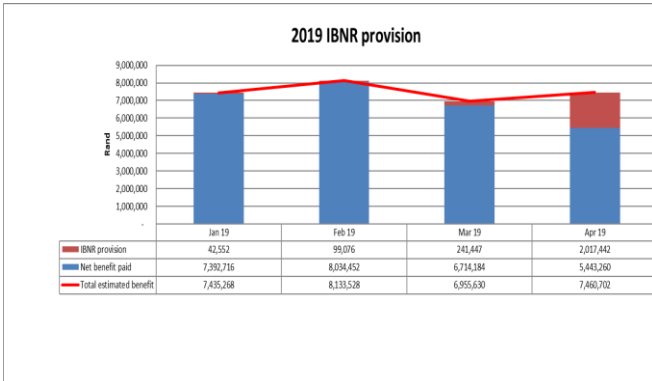
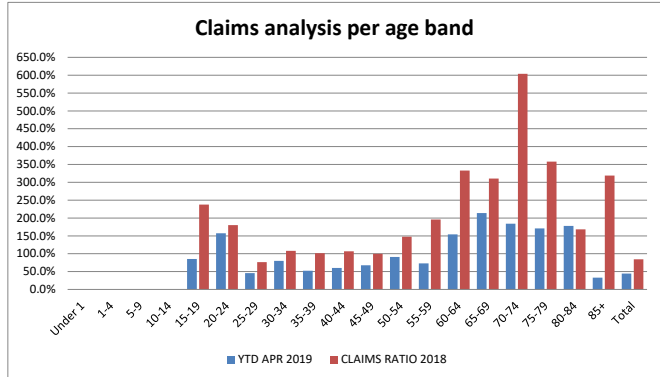
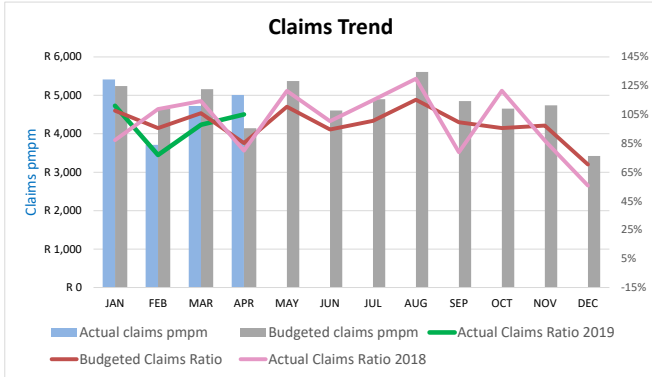
Acid test ratio	Cash, call and Fixed Deposits	14,983,130	16,079,090	31,903,579	36,061,722	23,686,319	16,840,099	16,948,723	11,320,598	11,320,598	
	Investments	31,287,619	33,671,317	38,101,831	47,545,236	60,938,297	66,708,291	67,467,682	73,507,786	73,507,786	
	Total 'near cash'	46,270,749	49,750,407	70,005,410	83,606,958	84,624,616	83,548,390	84,416,405	84,828,384	84,828,384	
	Current liabilities	5,561,995	7,460,405	24,517,441	38,528,698	40,534,768	37,226,965	37,503,502	37,921,590	37,921,590	
		8.32	6.67	2.86	2.17	2.09	2.24	2.25	2.24	2.24	

Comment: Ratio indicates that scheme cash reserves are more than adequate to meet scheme liabilities.

Reporting line performance %	Net premium income	6,058,026	6,698,922	7,255,389	7,568,455	8,139,964	8,149,681	8,138,437	8,039,916	32,467,998	
	Gross healthcare result	429,048	845,160	121,648	(4,583)	(903,740)	1,878,038	166,705	(413,904)	727,100	
	a Gross healthcare result %	7%	13%	2%	0%	-11%	23%	2%	-5%	2%	
	Net healthcare result	(69,846)	(63,977)	(377,454)	(500,677)	(1,333,922)	1,385,944	(278,822)	(867,976)	(1,094,776)	
	b Net healthcare result %	-1%	-1%	-5%	-7%	-16%	17%	-3%	-11%	-3%	
	Net surplus/(deficit)	89,973	457,221	51,212	(216,568)	(581,056)	2,262,462	579,951	252,875	2,514,232	
	c Net surplus/(deficit) %	1%	7%	1%	-3%	-7%	28%	7%	3%	8%	

Comment: (a) Different view of same pattern of claims ratios. (b) ratio worsens after accounting for non-health care expenditure. (c) Ratio improves after investment income. The reporting line before investment income must be positive - strategy noted in 5 year planning and pricing. Investment income ideally should go towards reserve building.

**ALLIANCE MIDMED MEDICAL SCHEME
CLAIMS AND CREDITORS**



The total claims paid as a percentage of the budget for claims payment. To maintain the Schemes solvency level, this ratio should be about 90%. Currently we are using reserves to subsidize the claims payment. We are however using less reserves than budget, meaning that the Schemes financial performance is better than expected.

ALLIANCE-MIDMED MEDICAL SCHEME DEBTORS AGE ANALYSIS AT END OF APRIL 2019

Name	Members	Gross Contributions excl backdates	Sum of TOTAL	Sum of BAL CURR	Sum of BAL 30DAYS	Sum of BAL 60DAYS	Sum of BAL 90DAYS	Sum of BAL 120DAYS	Sum of BAL 150PLUS
			*** INSURER (83) SELF PAYING ***	18	66,525	60,019	60,019	-	-
COLUMBUS (OLD MUTUAL PENSIONERS)	8	22,884	0	-	-	-	-	-	-
COLUMBUS STAINLESS	1,248	6,567,117	14,556	14,556	-	-	-	-	-
COLUMBUS STAINLESS PENSIONERS	181	792,315	306,531	306,446	85	-	-	-	-
COLUMBUS STAINLESS PENSIONERS - DISABILITY	13	60,042	2,600	2,600	-	-	-	-	-
COLUMBUS RETIREMENT (MOMENTUM40%)	2	5,052	0	-	-	-	-	-	-
COLUMBUS RETIREMENT(MOMENTUM 20%)	10	29,438	0	-	-	-	-	-	-
FERROMETALS	1	3,357	3,347	3,347	-	-	-	-	-
MFC RETIREMENT (MOMEN 33.3%)	0	0	0	-	-	-	-	-	-
OLD MUTUAL (MFC 33.3%)	4	12,142	0	-	-	-	-	-	-
MIDDELBURG FERROCHROME	11	72,073	72,073	72,073	-	-	-	-	-
MIDDELBURG FERROCHROME PENSIONER	16	68,557	65,925	65,925	-	-	-	-	-
RST SPECIAL METALS (PTY)LTD PENS	0	0	0	-	-	-	-	-	-
RST SPECIAL METALS PTY LTD	2	10,631	10,631	10,631	-	-	-	-	-
SAMANCOR CHROME	3	24,185	24,185	24,185	-	-	-	-	-
SAMANCOR CORPORATE	1	6,807	6,807	6,807	-	-	-	-	-
SAMANCOR MANGANESE PROPRIETARY LIMITED	53	188,783	187,739	193,665	(1,843)	(1,843)	(2,240)	-	-
SOUTH32 SA LIMITED	1	5,433	5,433	5,433	-	-	-	-	-
THOS BEGBIE & CO (PTY) LTD	69	431,244	431,244	431,244	-	-	-	-	-
THOS BEGBIE & CO (PTY) LTD PENS	31	143,385	144,166	144,166	-	-	-	-	-
THOS BEGBIE RETIRE (MOMENTUM 20%)	2	5,782	0	-	-	-	-	-	-
WESTERN CHROME MINES	1	8,689	8,689	8,689	-	-	-	-	-
WESTERN CHROME MINES PENSIONERS	2	11,134	11,134	11,134	-	-	-	-	-
MEMBERS / GROSS CONTRIBUTIONS	1,677	8,535,575	1,355,079	1,360,920	(1,758)	(1,843)	(2,240)	-	-

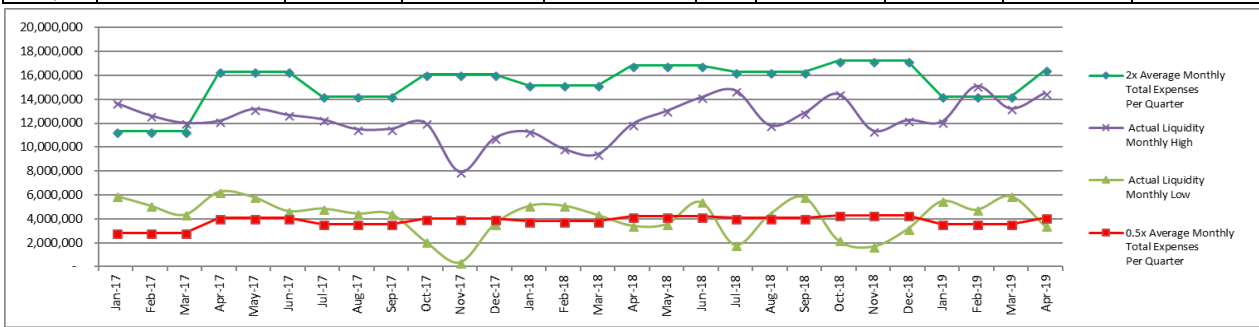


RECONCILIATION TO BALANCE SHEET
BALANCE PER AGE ANALYSIS
LESS: UNPAID SAVINGS CONTRIBUTIONS INCLUDED ABOVE
PER BALANCE SHEET

1,355,079
-63,862
1,291,217



Month	Relevant healthcare expenditure	Non-healthcare exp	Total Expenses	Average Monthly Total Expenses Per Quarter	Liquidity Level : Indicator		Actual liquidity Levels	
					2x Average Monthly Total Expenses Per Quarter	0.5x Average Monthly Total Expenses Per Quarter	Actual Liquidity Monthly Low	Actual Liquidity Monthly High
Jan-17	8,564,337	429,347	8,993,684		11,317,162	2,829,291	5,961,406	13,701,271
Feb-17	6,243,418	469,458	6,712,876		11,317,162	2,829,291	5,141,329	12,651,425
Mar-17	8,249,512	496,485	8,745,997	8,150,852	11,317,162	2,829,291	4,375,978	12,028,812
Apr-17	4,590,335	448,456	5,038,791		16,301,705	4,075,426	6,282,945	12,197,467
May-17	8,899,324	481,647	9,380,971		16,301,705	4,075,426	5,855,561	13,178,395
Jun-17	6,445,927	500,639	6,946,566	7,122,109	16,301,705	4,075,426	4,689,758	12,702,072
Jul-17	6,812,573	522,331	7,334,904		14,244,219	3,561,055	4,890,389	12,330,357
Aug-17	7,646,331	511,283	8,157,614		14,244,219	3,561,055	4,473,837	11,516,584
Sep-17	8,128,068	496,303	8,624,371	8,038,963	14,244,219	3,561,055	4,441,519	11,531,519
Oct-17	8,415,575	599,849	9,015,424		16,077,926	4,019,482	2,131,818	12,021,818
Nov-17	7,868,451	508,708	8,377,159		16,077,926	4,019,482	387,515	7,934,869
Dec-17	4,853,735	524,721	5,378,456	7,590,346	16,077,926	4,019,482	3,559,798	10,739,798
Jan-18	6,678,656	497,975	7,176,631		15,180,693	3,795,173	5,107,752	11,292,458
Feb-18	8,324,404	509,938	8,834,342		15,180,693	3,795,173	5,137,892	9,887,478
Mar-18	8,736,837	489,511	9,226,348	8,412,440	15,180,693	3,795,173	4,356,866	9,413,434
Apr-18	6,074,617	504,517	6,579,134		16,824,881	4,206,220	3,462,203	11,912,203
May-18	9,227,587	526,532	9,754,119		16,824,881	4,206,220	3,588,826	13,015,080
Jun-18	7,600,299	486,893	8,087,192	8,140,148	16,824,881	4,206,220	5,437,785	14,150,269
Jul-18	8,664,835	517,302	9,182,137		16,280,296	4,070,074	1,847,880	14,741,391
Aug-18	9,805,967	464,915	10,270,882		16,280,296	4,070,074	4,394,242	11,834,242
Sep-18	5,935,297	428,912	6,364,209	8,605,743	16,280,296	4,070,074	5,834,297	12,844,297
Oct-18	9,129,116	469,810	9,598,926		17,211,485	4,302,871	2,211,435	14,431,435
Nov-18	6,526,322	622,677	7,148,999		17,211,485	4,302,871	1,705,975	11,395,975
Dec-18	4,172,526	434,140	4,606,666	7,118,197	17,211,485	4,302,871	3,154,730	12,264,730
Jan-19	9,043,703	430,183	9,473,886		14,236,394	3,559,099	5,497,778	12,127,778
Feb-19	6,271,642	492,094	6,763,736		14,236,394	3,559,099	4,790,436	15,090,436
Mar-19	7,971,732	413,638	8,385,370	8,207,664	14,236,394	3,559,099	5,921,153	13,231,153
Apr-19	8,453,820	454,072	8,907,892		16,436,587	4,109,147	3,439,755	14,519,755



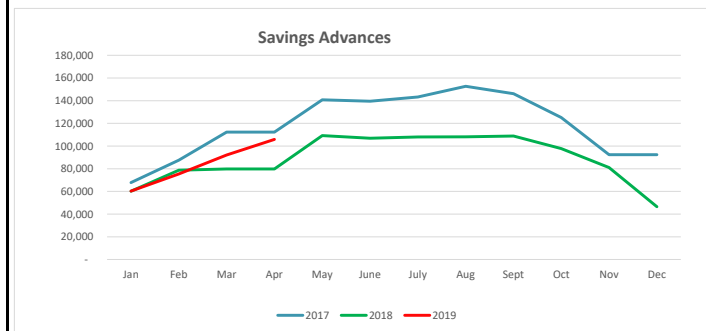
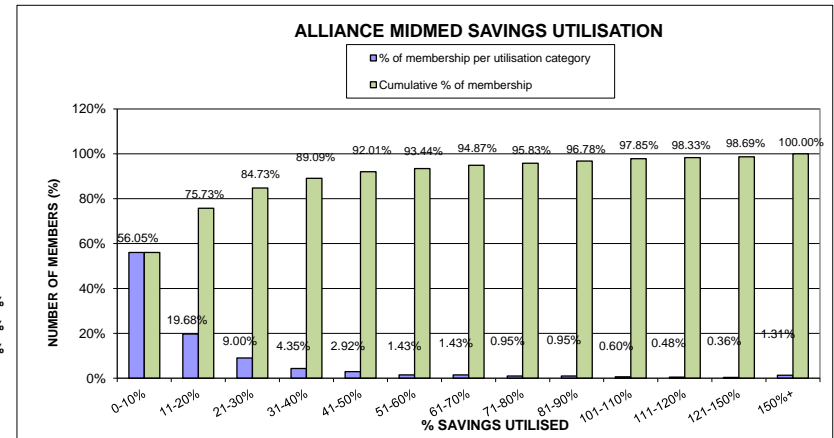
Note: The graph shows the 2 extremes of call balances. If below the lower than 0.5x we run the risk of too little cash on call to meet expenses, if over the above 2.0x then funds need to be invested as too much cash is on hand.

ALLIANCE-MIDMED MEDICAL SCHEME ANALYSIS OF SAVINGS

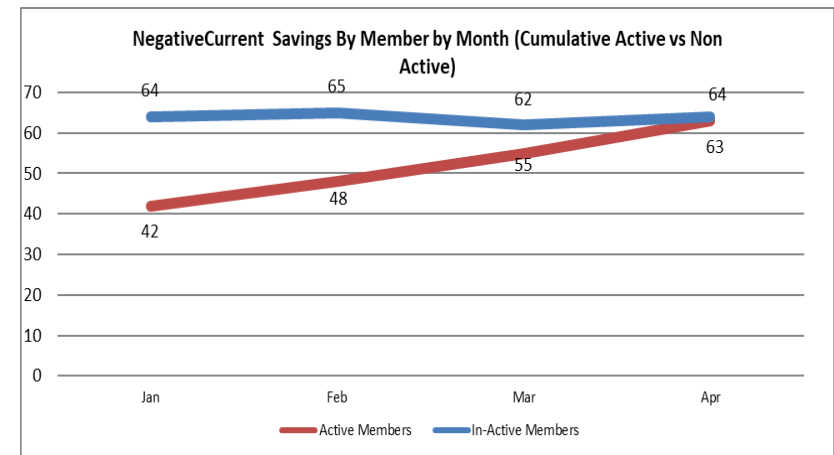
	January R	February R	March R	April R	May R	June R	July R	August R	September R	October R	November R	December R	Trend
Savings Contributions	468,611	430,763	431,553	416,142									
Savings balances	32,171,308	32,261,147	32,206,288	31,541,970									
Savings billed less savings received balance	56,801	57,386	56,334	63,863									

% Savings utilised

Number of contracts	Contributions YTD Apr 19 R	Projection for rest of year	Total savings contributions Jan - Dec 19	Claims paid from savings YTD Apr 19	Utilisation %	% of membership	
940	1,016,351	1,799,560	2,815,911	(55,891)	1.98%	56.1%	0-10%
330	394,695	721,328	1,116,023	(164,852)	14.77%	19.7%	11-20%
151	181,664	327,816	509,480	(123,286)	24.20%	9.0%	21-30%
73	89,689	154,472	244,161	(82,137)	33.64%	4.4%	31-40%
49	63,876	112,920	176,796	(79,874)	45.18%	2.9%	41-50%
24	28,105	50,320	78,425	(42,792)	54.56%	1.4%	51-60%
24	32,828	57,528	90,356	(58,759)	65.03%	1.4%	61-70%
16	19,678	33,056	52,734	(38,888)	73.74%	1.0%	71-80%
16	20,736	31,992	52,728	(44,873)	85.10%	1.0%	81-90%
10	117,414	311,960	429,374	(77,776)	18.11%	0.6%	101-110%
8	8,776	15,864	24,640	(28,395)	115.24%	0.5%	111-120%
6	7,875	13,416	21,291	(28,078)	131.88%	0.4%	121-150%
22	34,517	45,360	79,877	(174,556)	218.53%	1.3%	150%+
1,677	1,925,440	3,407,096	5,332,536	(992,604)	18.61%	100.0%	

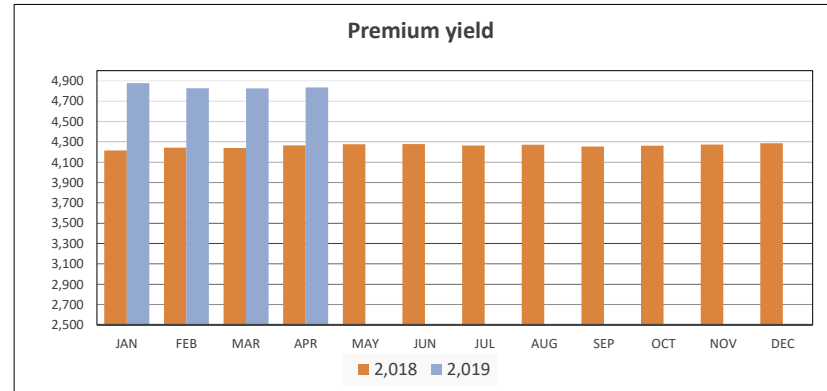
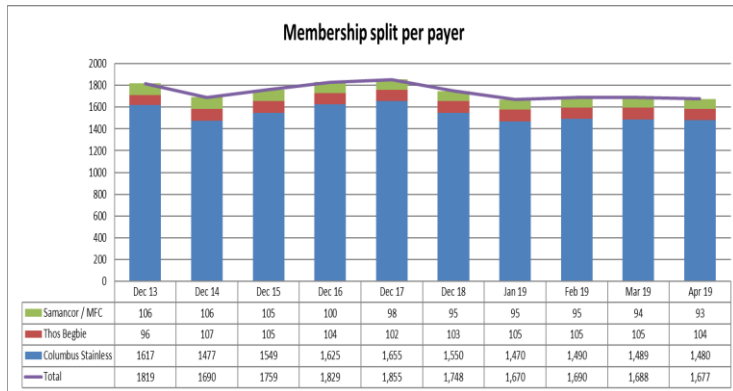
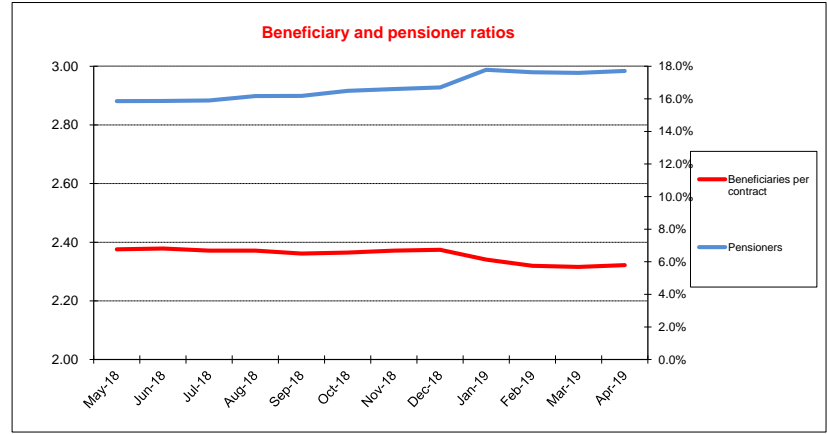
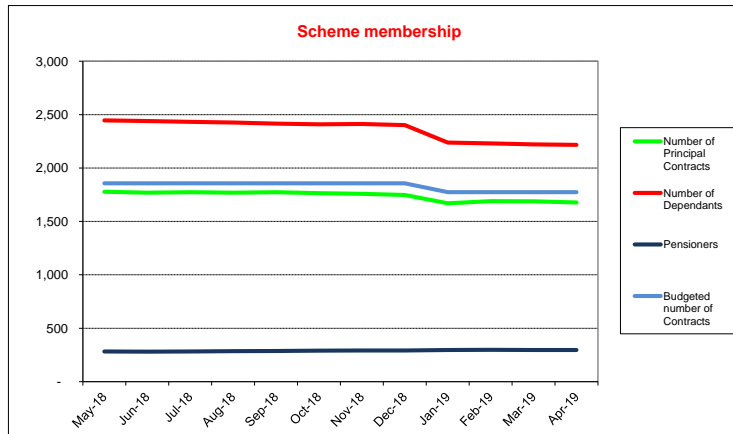


During the year a number of members typically utilise annual savings in excess of their year-to-date savings contributions and therefore are reported as having received advanced funding. This level increases during the year and around August/September the contributions begin 'catching' up with advances given, resulting in the levels decreasing to year end. The graph (above) shows that the 2017 and 2018 trend are similar. 2019 has followed a similar pattern.



ALLIANCE-MIDMED MEDICAL SCHEME MEMBER RATIOS AND TREND ANALYSIS

Description	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
Membership Ratios:												
Number of Principal Contracts	1,778	1,770	1,774	1,769	1,774	1,765	1,759	1,748	1,670	1,690	1,688	1,677
Budgeted number of Contracts	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,774	1,774	1,774	1,774
Principal contracts variance to budget	(79)	(87)	(83)	(88)	(83)	(92)	(98)	(109)	(104)	(84)	(86)	(97)
Number of Dependants	2,446	2,440	2,433	2,426	2,415	2,409	2,412	2,402	2,239	2,230	2,221	2,217
Beneficiaries per contract	2.38	2.38	2.37	2.37	2.36	2.36	2.37	2.37	2.34	2.32	2.32	2.32
Pensioners	282	281	282	286	287	291	292	292	297	298	297	297
Pensioner ratio	15.9%	15.9%	15.9%	16.2%	16.2%	16.5%	16.6%	16.7%	17.8%	17.6%	17.6%	17.7%
Beneficiaries > 65 years of age	289	291	289	293	297	296	296	297	299	297	296	294
Beneficiaries > 65 years of age ratio	6.84%	6.91%	6.87%	6.98%	7.09%	7.09%	7.10%	7.16%	7.65%	7.58%	7.57%	7.55%
Beneficiaries >= 60 years of age	432	434	435	438	438	442	442	443	451	449	449	449
Beneficiaries >= 60 years of age ratio	10.23%	10.31%	10.34%	10.44%	10.46%	10.59%	10.60%	10.67%	11.54%	11.45%	11.49%	11.53%



Alliance-Midmed Medical Scheme

The history of SEP adjustments from 2013 to 2019

Measure	2013	2014	2015	2016	2017	2018	2019
Max. legislated SEP increase	5.8	5.8	7.5	4.8	7.5	1.3	5.0
SEP change in basket medicines	3.9	4.6	5.7	3.8	7.5	6.3	

Mediscor will continue to track the actual impact of the annual SEP adjustments to a basket of medicines, and results will be published in the Mediscor Medicine Review.

General assumptions used In the 2019 budget

Description	Percentage
Contribution increase	10.70%
Increase in Scheme tariffs:	
- Hospitals	5.40%
- SEP	5.00%
- Remaining service provider tariffs	3.00%
Managed care: healthcare expenses	5.30%
Membership growth	0.00%
Non-health expenditure	
Administration fees	5.60%
Other administration costs	5.90%
Managed care: management services	5.60%
Investment return	11.00%