



## TRUSTEE INFORMATION AUGUST 2018

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# ALLIANCE-MIDMED MEDICAL SCHEME

## EXECUTIVE SUMMARY - HIGHLIGHTS - AUGUST 2018

### EXECUTIVE SUMMARY HIGHLIGHTS

#### 1. INCOME STATEMENT

##### **1.1 CONTRIBUTIONS**

Net contributions for the month were R7.6M which is R399K below budget. This is due to membership being 88 contracts below budget. Year-to-date (YTD) contributions at R60.8M are less than budget by R2.8M, with YTD total of 552 contracts less than budget.

##### **1.2 CLAIMS COST**

The claims costs for the month were R9.8M which is over budget by R724K. The YTD claims ratio is 107%, compared to the budgeted 100%, with average claims per member per month being R4 552 which is some R258 over budget. This includes an IBNR provision of R3.3M. The YTD top 10 high cost cases total R7.7M.

##### **1.3 NON-HEALTHCARE EXPENDITURE**

Non-healthcare costs for the month amounted to R465K, which is R84K below budget. YTD costs are R4.0M and is R162K below budget.

##### **1.4 NET HEALTHCARE RESULT**

The Scheme incurred a net healthcare deficit of R2.7M for the month in comparison with a budgeted net healthcare deficit of R1.7M. The YTD net deficit is R3.9M worse 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 R954K compared with a budgeted investment income of R300K. Investments reflected unrealised gains of R774K for the month. The all share returns on the JSE increased by 2.34% for the month. YTD net investment income is R3.3M compared to the budgeted R2.5M.

##### **1.6 NET SURPLUS/(DEFICIT) AND RESERVES**

The Scheme ended the month with a deficit of R1.8M (after investment income) which was worse than budget by R384K. YTD the net deficit is R5.0M compared to the budgeted deficit of R1.9M, a negative variance of R3.1M.

#### 2. BALANCE SHEET

##### **2.1 ACCUMULATED RESERVES**

The Scheme had accumulated funds of R44.0M as at the end of the month. This equates to a solvency ratio of 32.57% based on gross contributions. This has decreased from the 40.14% recorded for Dec-2017. This decrease is due to a combination of the higher contributions from annual premium increases and further impacted by the YTD net deficit.

##### **2.2 PROVISION FOR UNPAID CLAIMS**

The provision for outstanding claims currently stands at R3.9M. This includes R576K 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 R82.3M. This is R1.6M lower than December 2017.

##### **2.4 PERSONAL MEDICAL SAVINGS ACCOUNT (PMSA)**

Effective 1 October 2017, a rule amendment was approved by CMS whereby interest is no longer allocated to members.

#### 3. MEMBERSHIP

##### **3.1 PRINCIPAL MEMBERS AND BENEFICIARIES**

The Scheme billed 1 769 members for the month vs the budgeted 1 857. There were a total of 4 195 lives covered for the month which equates to 2.37 beneficiaries per contract.

##### **3.2 PENSIONERS**

The Scheme has 286 principal members classified as pensioners (over 60yrs). This equates to a ratio of 16.2% of the total membership. The number of beneficiaries greater than 65 years is 293. This equates to 6.98% of the total lives covered. The number of beneficiaries aged 60 or older is 438. This equates to 10.44% of the total lives covered.

**ALLIANCE-MIDMED MEDICAL SCHEME**  
**EXECUTIVE SUMMARY - FINANCIAL HIGHLIGHTS AUGUST 2018**

Income Statement	Current Month			Year to Date 2018			Prior Yr Full	Full year 2018
	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	8 213	8 642	(428)	66 080	69 132	(3 053)	94 568	103 699
Less: savings contribution income	663	692	(29)	5 288	5 539	(251)	7 503	8 309
<b>Net contributions from members</b>	<b>7 550</b>	<b>7 949</b>	<b>(399)</b>	<b>60 792</b>	<b>63 593</b>	<b>(2 801)</b>	<b>87 065</b>	<b>95 390</b>
Relevant healthcare expenditure	(9 806)	(9 082)	(724)	(65 113)	(63 794)	(1 319)	(85 605)	(92 536)
<b>Gross healthcare result</b>	<b>(2 256)</b>	<b>(1 133)</b>	<b>(1 123)</b>	<b>(4 321)</b>	<b>(201)</b>	<b>(4 121)</b>	<b>1 460</b>	<b>2 854</b>
Non-healthcare expenditure	(465)	(549)	84	(3 998)	(4 159)	162	(5 989)	(6 455)
<b>Net healthcare result</b>	<b>(2 721)</b>	<b>(1 683)</b>	<b>(1 038)</b>	<b>(8 319)</b>	<b>(4 360)</b>	<b>(3 959)</b>	<b>(4 529)</b>	<b>(3 601)</b>
Net Investment income	954	300	654	3 280	2 479	801	5 144	3 655
<b>Net surplus/(deficit)</b>	<b>(1 767)</b>	<b>(1 383)</b>	<b>(384)</b>	<b>(5 039)</b>	<b>(1 881)</b>	<b>(3 158)</b>	<b>615</b>	<b>54</b>
<b>Data per contract:</b>								
Average premium per contract	4 267.98	4 280.65	(12.67)	4 249.99	4 280.65	(30.66)	3 927.49	4 280.65
Average claims cost per contract	(5 543.23)	(4 890.89)	(652.34)	(4 552.10)	(4 294.17)	(257.93)	(3 861.64)	(4 152.59)
Average gross healthcare result per contract	(1 275.24)	(610.24)	(665.01)	(302.11)	(13.52)	(288.59)	65.85	128.06
<b>Administration costs data:</b>								
Average non-healthcare expenditure per contract	262.81	295.84	33.03	279.47	279.97	0.50	270.17	289.66
Non-healthcare as % of Risk Contributions	6.2%	6.9%	0.75%	6.6%	6.5%	-0.04%	6.88%	6.8%
Non-healthcare as % of Gross Contributions	5.7%			6.0%			6.33%	

BALANCE SHEET DATA	ACTUAL	PRIOR YEAR-END
Accumulated Reserves	43 986 449	49 025 822
Cumulative unrealised net gains/(losses) in acc funds	11 768 469	11 062 726
Cash at Bank and Investments	82 326 092	83 935 510
Provision for unpaid claims	3 925 147	2 006 451
Annualised reserve ratio - Net Contributions	35.41%	43.60%
Annualised reserve ratio - Gross Contributions	32.57%	40.14%

Note: Due to the increase in VAT, the impact on the full year budget is an increase in cost by R657K, resulting in a budgeted loss of R603K for the 2018 year

**ALLIANCE MIDMED MEDICAL SCHEME  
CONSOLIDATED INCOME STATEMENT 2018**

	JANUARY			FEBRUARY			MARCH			APRIL		
	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR
<b>NUMBER OF CONTRACTS</b>	<b>1 816</b>	<b>1 857</b>	<b>-2%</b>	<b>1 807</b>	<b>1 857</b>	<b>-3%</b>	<b>1 803</b>	<b>1 857</b>	<b>-3%</b>	<b>1 787</b>	<b>1 857</b>	<b>-4%</b>
Gross contributions	8 302 518	8 641 556	-4%	8 296 476	8 641 556	-4%	8 399 622	8 641 556	-3%	8 217 307	8 641 556	-5%
Less: savings contributions	646 982	692 390	-7%	647 292	692 390	-7%	760 408	692 390	10%	621 637	692 390	-10%
<b>Net contribution income</b>	<b>7 655 536</b>	<b>7 949 166</b>	<b>-4%</b>	<b>7 649 184</b>	<b>7 949 166</b>	<b>-4%</b>	<b>7 639 214</b>	<b>7 949 166</b>	<b>-4%</b>	<b>7 595 670</b>	<b>7 949 166</b>	<b>-4%</b>
<b>Relevant healthcare expenditure</b>	<b>6 678 656</b>	<b>7 738 418</b>	<b>14%</b>	<b>8 324 404</b>	<b>8 092 561</b>	<b>-3%</b>	<b>8 736 837</b>	<b>6 218 229</b>	<b>-41%</b>	<b>6 074 617</b>	<b>6 851 032</b>	<b>11%</b>
Claims paid by month of payment	4 287 519	6 337 045	14%	7 157 391	7 395 552	-3%	7 994 261	6 402 490	-29%	5 866 550	6 181 195	10%
Movement in 2018 claims provision	1 985 725	917 086		675 620	212 722		287 475	(668 549)		(276 543)	185 550	
2017 claims over provision	-	-		-	-		-	-		-	-	
Claims discounts	(4 967)	-		-	-		(2 633)	-		-	-	
MVA Recoveries	-	-		-	-		-	-		-	-	
Denis Claims paid	267 658	298 482	10%	289 851	298 482	3%	298 945	298 482	0%	293 266	298 482	2%
Europassist claims paid	-	38 526	100%	59 376	38 526	-54%	16 647	38 526	57%	49 315	38 526	
<b>Accredited managed care</b>	<b>142 722</b>	<b>147 279</b>		<b>142 165</b>	<b>147 279</b>		<b>142 142</b>	<b>147 279</b>		<b>142 029</b>	<b>147 279</b>	
Managed Care fees	77 511	79 125	2%	77 169	79 125	2%	76 956	79 125	3%	76 941	79 125	3%
Denis	20 657	21 784	5%	20 634	21 784	5%	20 810	21 784	4%	20 712	21 784	5%
Mediscor	44 554	46 370	4%	44 362	46 370	4%	44 376	46 370	4%	44 376	46 370	4%
<b>Gross healthcare result</b>	<b>976 880</b>	<b>210 748</b>	<b>10%</b>	<b>(675 220)</b>	<b>(143 395)</b>	<b>-7%</b>	<b>(1 097 623)</b>	<b>1 730 937</b>	<b>-44%</b>	<b>1 521 053</b>	<b>1 098 134</b>	<b>7%</b>
<b>Non-healthcare expenditure</b>	<b>497 975</b>	<b>461 228</b>	<b>-8%</b>	<b>509 938</b>	<b>504 153</b>	<b>-1%</b>	<b>489 511</b>	<b>535 750</b>	<b>9%</b>	<b>504 517</b>	<b>481 644</b>	<b>-5%</b>
Administration fees	339 258	346 331	2%	337 763	346 331	2%	336 829	346 331	3%	336 769	346 331	3%
Europassist fees	6 997	7 539	7%	6 963	7 539	8%	6 947	7 539	8%	6 946	7 539	8%
Fidelity cover	1 333	1 854	28%	1 333	1 854	28%	1 333	1 854	28%	1 333	1 854	28%
BHF / HFA fees	23 356	-		-	24 213	0%	-	-	0%	-	-	0%
Audit fees	16 656	17 529	5%	16 656	17 529	5%	16 656	17 529	5%	16 851	17 529	4%
Actuarial/professional services	-	-		26 220	-	0%	13 110	-	0%	13 110	-	0%
Bank charges	2 435	2 816	14%	3 083	3 074	0%	3 731	3 428	-9%	2 951	3 880	24%
Member communication	1 007	-		1 528	522		-	153		375	1 849	
Principal officer fees	30 710	32 049	4%	30 710	32 049	4%	30 710	32 049	4%	30 710	32 049	4%
Travel and entertainment	923	-		-	-		-	3 263		-	-	
Inc / (Dec) in provision for bad debt	-	-		10 470	-		-	-		-	1 456	
Sundry Expenses	53 679	35 036	-53%	45 878	52 969	13%	47 200	84 002	44%	73 059	44 489	-64%
Subscriptions (CMS)	-	-		-	-	0%	-	1 163	0%	-	-	0%
Subscriptions (Other)	3 152	2 854	-10%	3 152	2 854		2 440	4 122		2 461	4 122	
Consultancy fees	18 468	15 219	-21%	26 181	15 219	-72%	30 554	34 317	11%	19 951	20 545	3%
<b>Net healthcare result</b>	<b>478 905</b>	<b>(250 480)</b>	<b>2%</b>	<b>(1 185 158)</b>	<b>(647 548)</b>	<b>-8%</b>	<b>(1 587 134)</b>	<b>1 195 187</b>	<b>-36%</b>	<b>1 016 536</b>	<b>616 490</b>	<b>2%</b>
Investment income	335 922	312 715	-7%	303 842	311 306	-2%	325 379	314 132	4%	363 004	320 667	13%
Realised gains (losses)	4 746	-		4 742	-		4 173	-		4 521	-	
Unrealised gains (losses)	(158 447)	-		22 778	-		(474 265)	-		682 611	-	
Other income	30 710	32 049	4%	30 710	32 049		30 710	32 049		30 710	32 049	
Portfolio management fees	(17 835)	(17 666)	-1%	(15 871)	(17 593)	-10%	(17 663)	(17 738)	0%	(17 472)	(18 073)	-3%
Investment management fees	(17 344)	(17 133)	-1%	(15 935)	(17 063)	-7%	(17 626)	(17 204)	2%	(17 191)	(17 529)	-2%
<b>Net surplus/(deficit)</b>	<b>656 656</b>	<b>59 486</b>	<b>1004%</b>	<b>(854 892)</b>	<b>(338 849)</b>	<b>152%</b>	<b>(1 736 426)</b>	<b>1 506 426</b>	<b>-215%</b>	<b>2 062 719</b>	<b>933 605</b>	<b>121%</b>

<b>Claims Ratio (Including Provision):</b>	<b>87%</b>	<b>97%</b>	<b>109%</b>	<b>102%</b>	<b>114%</b>	<b>78%</b>	<b>80%</b>	<b>86%</b>
<b>Claims pmpm</b>	<b>3 678</b>	<b>4 167</b>	<b>4 607</b>	<b>4 358</b>	<b>4 846</b>	<b>3 349</b>	<b>3 399</b>	<b>3 689</b>

SUMMARY	JANUARY			FEBRUARY			MARCH			APRIL		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
<b>R'000</b>												
<b>Income</b>	7 868	8 294	(425)	8 011	8 293	(281)	7 525	8 295	(770)	8 677	8 302	375
<b>Expenditure</b>	7 212	8 234	1 023	8 866	8 631	(235)	9 262	6 789	(2 473)	6 614	7 368	754
<b>Surplus / Deficit</b>	657	59	597	(855)	(339)	(516)	(1 736)	1 506	(3 243)	2 063	934	1 129
<b>Membership</b>	1 816	1 857	(41)	1 807	1 857	(50)	1 803	1 857	(54)	1 787	1 857	(70)

**ALLIANCE MIDMED MEDICAL SCHEME  
CONSOLIDATED INCOME STATEMENT 2018 (CONTINUED ...)**

	MAY			JUNE			JULY			AUGUST		
	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR
<b>NUMBER OF CONTRACTS</b>	1 778	1 857	-4%	1 770	1 857	-5%	1 774	1 857	-4%	1 769	1 857	-5%
Gross contributions	8 225 131	8 641 556	-5%	8 234 996	8 641 556	-5%	8 190 207	8 641 556	-5%	8 213 444	8 641 556	-5%
Less: savings contributions	628 703	692 390	-9%	666 364	692 390	-4%	653 092	692 390	-6%	663 382	692 390	-4%
<b>Net contribution income</b>	<b>7 596 428</b>	<b>7 949 166</b>	<b>-4%</b>	<b>7 568 632</b>	<b>7 949 166</b>	<b>-5%</b>	<b>7 537 115</b>	<b>7 949 166</b>	<b>-5%</b>	<b>7 550 062</b>	<b>7 949 166</b>	<b>-5%</b>
<b>Relevant healthcare expenditure</b>	<b>9 227 587</b>	<b>9 089 122</b>	<b>-2%</b>	<b>7 600 299</b>	<b>8 231 733</b>	<b>8%</b>	<b>8 664 835</b>	<b>8 490 650</b>	<b>-2%</b>	<b>9 805 967</b>	<b>9 082 376</b>	<b>-8%</b>
Claims paid by month of payment	7 894 666	7 742 679	-11%	7 397 815	7 978 365	10%	8 269 174	7 889 362	-4%	8 991 507	8 350 647	-11%
Movement in 2018 claims provision	719 310	862 156		(217 608)	(230 920)		117 001	117 001		237 844	247 442	
2017 claims over provision	-	-		-	-		-	-		-	-	
Claims discounts	(3 744)	-		-	-		(2 455)	-		-	-	
MVA Recoveries	-	-		(33 063)	-		-	-		-	-	
Denis Claims paid	456 506	298 482	-53%	312 322	298 482	-5%	240 247	298 482	20%	422 838	298 482	-42%
Europassist claims paid	19 197	38 526	50%	-	38 526	0%	79 715	38 526	-107%	10 691	38 526	72%
<b>Accredited managed care</b>	<b>141 652</b>	<b>147 279</b>		<b>140 833</b>	<b>147 279</b>		<b>141 011</b>	<b>147 279</b>		<b>143 087</b>	<b>147 279</b>	
Managed Care fees	76 647	79 125	3%	76 173	79 125	4%	76 388	79 125	3%	78 614	79 125	1%
Denis	20 702	21 784	5%	20 633	21 784	5%	20 628	21 784	5%	20 589	21 784	5%
Mediscor	44 303	46 370	4%	44 027	46 370	5%	43 994	46 370	5%	43 884	46 370	5%
<b>Gross healthcare result</b>	<b>(1 631 159)</b>	<b>(1 139 956)</b>	<b>-6%</b>	<b>(31 667)</b>	<b>(282 567)</b>	<b>3%</b>	<b>(1 127 720)</b>	<b>(541 484)</b>	<b>-7%</b>	<b>(2 255 905)</b>	<b>(1 133 211)</b>	<b>-13%</b>
<b>Non-healthcare expenditure</b>	<b>526 532</b>	<b>520 629</b>	<b>-1%</b>	<b>486 893</b>	<b>541 150</b>	<b>10%</b>	<b>517 302</b>	<b>565 282</b>	<b>8%</b>	<b>464 915</b>	<b>549 375</b>	<b>15%</b>
Administration fees	335 459	346 331	3%	333 386	346 331	4%	334 328	346 331	3%	333 386	346 331	4%
Europassist fees	6 911	7 539	8%	6 880	7 539	9%	6 896	7 539	9%	6 876	7 539	9%
Fidelity cover	1 333	1 854	28%	1 333	1 854	28%	1 333	1 854	28%	1 333	1 854	28%
BHF / HFA fees	4 050	-	0%	-	-	0%	-	-	0%	-	-	0%
Audit fees	22 341	17 529	-27%	16 851	20 309	17%	16 851	17 529	4%	16 851	17 529	4%
Actuarial/professional services	13 340	-	0%	13 225	-	0%	13 225	-	0%	13 225	-	0%
Bank charges	2 937	3 600	18%	3 420	3 763	9%	3 057	3 407	10%	3 132	3 384	7%
Member communication	381	992		977	-		195	377		195	473	
Principal officer fees	30 710	32 049	4%	30 710	32 049		30 710	42 626		30 710	34 165	
Travel and entertainment	1 456	2 002		2 130	4 497	53%	1 251	4 935	75%	13 129	3 472	
Inc / (Dec) in provision for bad debt	-	-		-	-		-	-		-	-	
Sundry Expenses	49 794	49 484	-1%	55 297	94 878	42%	49 216	79 795	38%	24 269	109 961	78%
Subscriptions (CMS)	33 511	34 580		-	5 262	0%	33 676	34 580	3%	-	-	0%
Subscriptions (Other)	3 180	4 122		3 892	4 122		3 180	4 122		3 180	4 122	
Consultancy fees	21 130	20 545	-3%	18 792	20 545	9%	23 386	22 186	-5%	18 630	20 545	9%
<b>Net healthcare result</b>	<b>(2 157 691)</b>	<b>(1 660 585)</b>	<b>-7%</b>	<b>(518 561)</b>	<b>(823 717)</b>	<b>13%</b>	<b>(1 645 022)</b>	<b>(1 106 766)</b>	<b>1%</b>	<b>(2 720 820)</b>	<b>(1 682 585)</b>	<b>2%</b>
Investment income	328 515	318 879	3%	308 721	312 875	-1%	423 761	308 467	37%	179 167	301 524	-41%
Realised gains (losses)	4 645	-		4 649	-		4 601	-		4 794	-	
Unrealised gains (losses)	(584 319)	-		525 352	-		(81 703)	-		773 736	-	
Other income	30 710	32 049		30 710	32 049		30 710	32 049		30 710	32 049	
Portfolio management fees	(18 568)	(17 981)	3%	(18 101)	(17 674)	2%	(17 887)	(17 448)	3%	(17 964)	(17 092)	5%
Investment management fees	(17 281)	(17 440)	-1%	(16 684)	(17 141)	-3%	(16 947)	(16 922)	0%	(16 664)	(16 577)	1%
<b>Net surplus/(deficit)</b>	<b>(2 413 989)</b>	<b>(1 345 078)</b>	<b>79%</b>	<b>316 087</b>	<b>(513 608)</b>	<b>-162%</b>	<b>(1 302 486)</b>	<b>(800 620)</b>	<b>63%</b>	<b>(1 767 041)</b>	<b>(1 382 681)</b>	<b>28%</b>

<b>Claims Ratio (Including Provision):</b>	121%	114%	100%	104%	115%	107%	130%	114%
<b>Claims pmpm</b>	5 190	4 895	4 294	4 433	4 884	4 572	5 543	4 891

SUMMARY R'000	MAY			JUNE			JULY			AUGUST		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
<b>Income</b>	7 376	8 300	(924)	8 438	8 294	144	7 914	8 290	(375)	8 538	8 283	256
<b>Expenditure</b>	9 790	9 645	(145)	8 122	8 808	(686)	9 217	9 090	127	10 306	9 665	640
<b>Surplus / Deficit</b>	(2 414)	(1 345)	(1 069)	316	(514)	830	(1 302)	(801)	(502)	(1 767)	(1 383)	(384)
<b>Membership</b>	1 778	1 857	(79)	1 770	1 857	(87)	1 774	1 857	(83)	1 769	1 857	(88)

	YEAR TO DATE				FULL YR
	ACTUAL	BUDGET	VARIANCE	% VAR	BUDGET
<b>NUMBER OF CONTRACTS</b>	<b>14 304</b>	<b>14 856</b>	<b>-552</b>	<b>-4%</b>	<b>22 284</b>
Gross contributions	66 079 699	69 132 448	(3 052 749)	-4%	103 698 672
Less: savings contributions	5 287 860	5 539 122	(251 262)	-5%	8 308 684
<b>Net contribution income</b>	<b>60 791 839</b>	<b>63 593 326</b>	<b>(2 801 487)</b>	<b>-4%</b>	<b>95 389 988</b>
<b>Relevant healthcare expenditure</b>	<b>65 113 200</b>	<b>63 794 120</b>	<b>(1 319 080)</b>	<b>-2%</b>	<b>92 536 211</b>
Claims paid by month of payment	57 858 882	58 277 336	(1 288 024)	-2%	86 476 433
Movement in 2018 claims provision	3 348 966	1 642 488	-	-	<b>248 333</b>
2017 claims over provision	-	-	-	-	-
Claims discounts	(13 800)	-	13 800	-	-
MVA Recoveries	(33 063)	-	33 063	-	-
Denis Claims paid	2 581 632	2 387 857	(193 775)	-8%	3 581 786
Europassist claims paid	234 941	308 210	(73 268)	24%	462 315
<b>Accredited managed care</b>	<b>1 135 642</b>	<b>1 178 229</b>	<b>42 588</b>		<b>1 767 344</b>
Managed Care fees	616 399	632 997	(16 598)	3%	949 495
Denis	165 365	174 274	(8 909)	5%	261 411
Mediscor	353 878	370 959	(17 081)	5%	556 438
<b>Gross healthcare result</b>	<b>(4 321 361)</b>	<b>(200 795)</b>	<b>(4 120 567)</b>	<b>-6%</b>	<b>2 853 778</b>
<b>Non-healthcare expenditure</b>	<b>3 997 584</b>	<b>4 159 210</b>	<b>161 626</b>	<b>4%</b>	<b>6 454 675</b>
Administration fees	2 687 178	2 770 644	83 466	3%	4 155 966
Europassist fees	55 416	60 315	4 899	8%	90 473
Fidelity cover	10 667	14 833	4 167	28%	22 250
BHF / HFA fees	27 406	24 213	(3 193)	0%	24 213
Audit fees	139 711	143 013	3 302	2%	213 941
Actuarial/professional services	105 455	-	(105 455)	0%	107 800
Bank charges	24 746	27 353	2 606	10%	41 058
Member communication	4 658	4 367	(291)	-	7 886
Principal officer fees	245 682	269 086	23 405	9%	405 745
Travel and entertainment	18 889	18 169	(720)	-	75 497
Inc / (Dec) in provision for bad debt	10 470	1 456	(9 014)	-	3 588
Sundry Expenses	398 391	550 615	152 224	28%	888 952
Subscriptions (CMS)	67 186	75 585	8 399	0%	76 197
Subscriptions (Other)	24 636	30 438	5 801	-	45 694
Consultancy fees	177 092	169 122	(7 970)	-5%	295 416
<b>Net healthcare result</b>	<b>(8 318 945)</b>	<b>(4 360 005)</b>	<b>(3 958 941)</b>	<b>-3%</b>	<b>(3 600 898)</b>
Investment income	2 568 311	2 500 566	67 745	3%	3 680 675
Realised gains (losses)	36 871	-	36 871	-	-
Unrealised gains (losses)	705 743	-	705 743	-	-
Other income	245 682	256 395	(10 713)	-4%	384 592
Portfolio management fees	(141 362)	(141 265)	(97)	0%	(208 302)
Investment management fees	(135 672)	(137 010)	1 338	-1%	(202 027)
<b>Net surplus/(deficit)</b>	<b>(5 039 372)</b>	<b>(1 881 319)</b>	<b>(3 158 054)</b>	<b>168%</b>	<b>54 040</b>

<b>Claims Ratio (Including Provision):</b>	<b>107%</b>	<b>100%</b>	<b>97%</b>
<b>Claims ppm</b>	<b>4 552</b>	<b>4 294</b>	<b>4 153</b>

SUMMARY	YEAR TO DATE			2018 FULL YEAR
	Actual	Budget	Variance	
R'000				Budget
<b>Income</b>	64 348	66 350	(2 002)	99 455
<b>Expenditure</b>	69 388	68 232	(1 156)	99 401
<b>Surplus / Deficit</b>	(5 039)	(1 881)	(3 158)	54
<b>Membership</b>	14 304	14 856	(552)	22 284

**ALLIANCE MIDMED MEDICAL SCHEME  
BALANCE SHEETS**

	31-Dec-17	31-Jan-18	28-Feb-18	31-Mar-18	30-Apr-18	31-May-18	30-Jun-18	31-Jul-18	31-Aug-18	30-Sep-18	31-Oct-18	30-Nov-18	31-Dec-18
<b>ASSETS</b>													
<b>Non-Current Assets</b>													
<b>Current assets</b>	<b>84 708 069</b>	<b>86 731 200</b>	<b>88 990 316</b>	<b>85 774 798</b>	<b>87 719 649</b>	<b>84 230 135</b>	<b>85 159 898</b>	<b>84 989 729</b>	<b>83 092 739</b>				
Outstanding contributions	709 130	657 763	1 047 819	844 296	756 094	750 051	604 438	724 198	585 656				
Member debt	12 609	11 687	28 004	27 907	29 382	29 045	27 633	27 059	28 652				
Supplier debt	24 498	35 122	417 269	377 613	403 509	414 244	134 085	93 009	81 496				
Savings plan account advances	45 394	60 212	78 772	79 821	102 673	109 215	106 891	107 998	108 132				
Cash, call and Fixed Deposits	44 111 540	46 258 826	47 651 709	45 111 517	46 318 087	38 335 887	39 092 485	33 724 949	31 216 026				
Investments	39 823 971	39 726 717	39 797 110	39 365 373	40 138 569	44 624 404	45 229 927	50 349 482	51 110 066				
Prepayments	16 000	14 667	13 333	12 000	10 667	9 333	8 000	6 667	5 333				
Accrued interest	2 488	3 766	4 331	4 300	8 699	5 984	4 469	4 398	5 407				
Provision for bad debts	(37 560)	(37 560)	(48 031)	(48 031)	(48 031)	(48 031)	(48 031)	(48 031)	(48 031)				
<b>Total assets</b>	<b>84 708 069</b>	<b>86 731 200</b>	<b>88 990 316</b>	<b>85 774 798</b>	<b>87 719 649</b>	<b>84 230 135</b>	<b>85 159 898</b>	<b>84 989 729</b>	<b>83 092 739</b>				
<b>RESERVES AND LIABILITIES</b>													
<b>Reserves</b>	<b>49 025 822</b>	<b>49 682 477</b>	<b>48 827 586</b>	<b>47 091 159</b>	<b>49 153 879</b>	<b>46 739 890</b>	<b>47 055 977</b>	<b>45 753 490</b>	<b>43 986 449</b>				
Accumulated Reserves brought forward	45 356 798	49 025 822	49 682 477	48 827 586	47 091 159	49 153 879	46 739 890	47 055 977	45 753 490				
Current period surplus / (deficit)	3 669 024	656 656	(854 892)	(1 736 426)	2 062 719	(2 413 989)	316 087	(1 302 486)	(1 767 041)				
<b>Current Liabilities</b>	<b>35 682 247</b>	<b>37 048 723</b>	<b>40 162 731</b>	<b>38 683 639</b>	<b>38 565 771</b>	<b>37 490 245</b>	<b>38 103 921</b>	<b>39 236 238</b>	<b>39 106 289</b>				
Sundry creditors and accruals	205 383	168 886	670 492	208 963	663 298	249 309	202 499	289 606	202 230				
Deposits not yet allocated	171 318	206 993	656 034	198 835	247 844	253 014	207 453	206 785	228 066				
Member and supplier credit balances	1 784 379	1 909 746	3 365 070	2 377 146	1 731 187	1 707 970	2 383 707	3 431 442	2 906 458				
Provision for audit fees	189 810	149 523	166 179	87 929	104 780	83 669	100 519	117 370	134 220				
Member Savings Liability	31 324 905	31 645 971	31 959 065	32 247 755	32 543 548	31 218 511	31 459 158	31 503 306	31 710 168				
Provision for unpaid claims 2017	2 006 451	981 879	684 547	614 191	602 838	586 187	576 607	576 607	576 182				
Provision for unpaid claims 2018	-	1 985 725	2 661 344	2 948 819	2 672 276	3 391 586	3 173 978	3 111 122	3 348 966				
<b>Total reserves and liabilities</b>	<b>49 025 822</b>	<b>49 682 477</b>	<b>48 827 586</b>	<b>47 091 159</b>	<b>49 153 879</b>	<b>46 739 890</b>	<b>47 055 977</b>	<b>45 753 490</b>	<b>43 986 449</b>				

- 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** The increase in supplier debt is a result of reversing COID claims that was previously paid, this has been recovered in June.
- Note N3** 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.

**ALLIANCE MIDMED MEDICAL SCHEME  
CONSOLIDATED CASH FLOW STATEMENTS 2018**

	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	656 656	(854 892)	(1 736 426)	2 062 719	(2 413 989)	316 087	(1 302 486)	(1 767 041)	-	-	-	-	(5 039 372)
Movement in working capital	1 393 377	2 318 167	(1 235 502)	(82 954)	(1 082 375)	1 046 033	1 054 505	18 702	-	-	-	-	3 429 954
Movement in current assets	26 901	(795 841)	243 590	34 914	(6 850)	432 358	(77 812)	148 651	-	-	-	-	5 912
Movement in claims provision	961 153	378 287	217 119	(287 897)	702 660	(227 188)	(62 856)	237 419	-	-	-	-	1 918 696
Movement in current liabilities	405 323	2 735 721	(1 696 211)	170 029	(1 778 185)	840 864	1 195 173	(367 368)	-	-	-	-	1 505 346
<b>Cash utilised in investing activities</b>	<b>2 050 033</b>	<b>1 463 276</b>	<b>(2 971 928)</b>	<b>1 979 766</b>	<b>(3 496 364)</b>	<b>1 362 120</b>	<b>(247 981)</b>	<b>(1 748 339)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 609 419)</b>
	97 254	(70 393)	431 737	(773 196)	(4 485 836)	(605 523)	(5 119 554)	(760 584)	-	-	-	-	(11 286 095)
<b>Increase / (decrease) in cash</b>	<b>2 147 287</b>	<b>1 392 882</b>	<b>(2 540 192)</b>	<b>1 206 570</b>	<b>(7 982 200)</b>	<b>756 598</b>	<b>(5 367 536)</b>	<b>(2 508 923)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12 895 514)</b>
<b>Represented by :</b>													
<b>Opening cash on hand:</b>													
Cash at bank	44 111 540	46 258 826	47 651 709	45 111 517	46 318 087	38 335 887	39 092 485	33 724 949	-	-	-	-	44 111 540
Increase / (decrease) in cash	2 147 287	1 392 882	(2 540 192)	1 206 570	(7 982 200)	756 598	(5 367 536)	(2 508 923)	-	-	-	-	(12 895 514)
<b>Closing cash on hand:</b>	<b>46 258 826</b>	<b>47 651 709</b>	<b>45 111 517</b>	<b>46 318 087</b>	<b>38 335 887</b>	<b>39 092 485</b>	<b>33 724 949</b>	<b>31 216 026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31 216 026</b>

**Notes:**

N1 - Movement in Current Assets [A] - [B]	26 901	(795 841)	243 590	34 914	(6 850)	432 358	(77 812)	148 651	766 647	-	-	-	
Prior month balance [A]	772 559	745 657	1 541 498	1 297 907	1 262 993	1 269 843	837 486	915 298	766 647	-	-	-	
Current month balance [B]	745 657	1 541 498	1 297 907	1 262 993	1 269 843	837 486	915 298	766 647	-	-	-	-	
Outstanding contributions	657 763	1 047 819	844 296	756 094	750 051	604 438	724 198	585 656	-	-	-	-	
Member debt	11 687	28 004	27 907	29 382	29 045	27 633	27 059	28 652	-	-	-	-	
Supplier debt	35 122	417 269	377 613	403 509	414 244	134 085	93 009	81 496	-	-	-	-	
Savings plan account advances	60 212	78 772	79 821	102 673	109 215	106 891	107 998	108 132	-	-	-	-	
Prepayments	14 667	13 333	12 000	10 667	9 333	8 000	6 667	5 333	-	-	-	-	
Accrued interest	3 766	4 331	4 300	8 699	5 984	4 469	4 398	5 407	-	-	-	-	
Provision for bad debts	(37 560)	(48 031)	(48 031)	(48 031)	(48 031)	(48 031)	(48 031)	(48 031)	-	-	-	-	



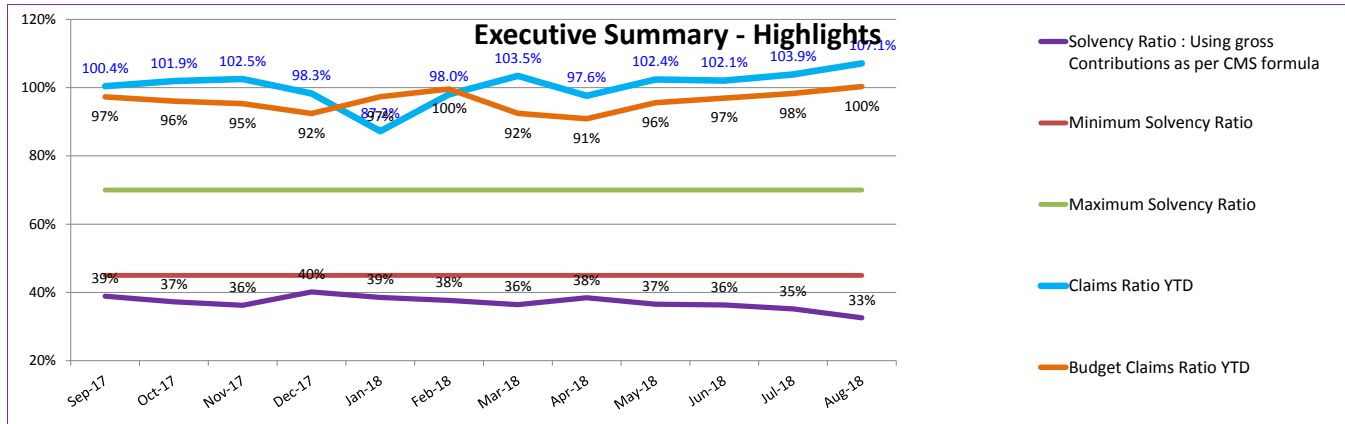
**ALLIANCE-MIDMED MEDICAL SCHEME**  
**INVESTMENTS ANALYSIS AS AT END OF AUGUST 2018**  
**CASH AND EQUIVALENTS**

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	
<b>ABSA</b>	Call	Call	6.25%	84 289	3 474		
	Call	Call	6.25%	-	24 855		
	Fixed Deposit	12 month	7.88%	1 568 286			2019/02/01
	Fixed Deposit	12 month	7.80%	520 301			2019/02/22
	Fixed Deposit	11 month	7.75%	533 017			2018/09/25
	Fixed Deposit	8 month	7.55%	522 236			2018/09/28
<b>First Rand Bank</b>	Call	Call	6.25%	570	679		
	Call	Call	6.25%	-	5 435		
	Fixed Deposit	12 month	8.08%	1 067 255			2018/11/01
	Fixed Deposit	12 month	8.45%	1 031 323			2019/04/05
	Fixed Deposit	12 month	7.75%	1 070 068			2018/10/05
<b>Investec</b>	Call	Call	6.40%	4 144 514	89 029		
	Call	Call	6.40%	-	35 074		
	Fixed Deposit	12 month	8.00%	1 044 712			2019/02/08
	Fixed Deposit	12 month	8.05%	1 051 387			2019/01/11
	Fixed Deposit	12 month	8.05%	1 051 167			2019/01/12
	Fixed Deposit	12 month	7.77%	516 604			2019/03/29
	Fixed Deposit	9 month	7.65%	522 531			2018/10/29
	Fixed Deposit	12 month	8.35%	1 063 140			2018/11/29
<b>Nedbank</b>	Call	Call	6.25%	2 027 359	37 770		
	Call	Call	7.05%	1 517 956	89 944		
	Call	Call	6.25%	-	21 665		
	Fixed Deposit	12 month	8.25%	1 059 219			2018/12/13
	Fixed Deposit	12 month	8.08%	533 337			2018/10/18
	Fixed Deposit	12 month	7.80%	2 075 222			2019/03/09
<b>Standard Bank</b>	Call	Call	6.35%	4 099 610	94 864		
	Call	Call	6.35%	-	14 483		
	Fixed Deposit	12 month	7.70%	1 072 570			2018/09/21
	Fixed Deposit	12 month	8.00%	1 055 671			2018/12/21
	Fixed Deposit	12 month	8.28%	521 184			2019/02/15
	Fixed Deposit	12 month	7.73%	1 029 842			2019/04/12
Interest including interest on fixed deposits capitalised					1 431 713		
<b>Subtotal</b>				30 783 370	1 848 986	-	
Alliance Midmed bank account				432 467	34 646	5 405	
Alliance Midmed Demand Deposit (purpose is to fund the credit card facility)				189	28	2	
Less: Investment management fees: Old Mutual					(135 672)		
Less: Bank fees FNB corporate account					(24 746)		
<b>TOTAL CASH, CALL AND FIXED DEPOSITS</b>				31 216 026	1 723 241	5 407	
<b>Effective return on investments</b>				7.38%			

<b>INVESTMENTS</b>							
Institution	Initial Investment	Market Value	Int and Div Income	Portfolio management fees	Unrealised gains/(losses) in P&L	Realised gains/(losses)	
<b>Coronation fund managers</b>	14 587 265	18 215 152	579 780	(55 405)	(60 852)	7 848	
<b>Prudential portfolio managers</b>	9 652 698	22 737 409		(85 957)	713 961	29 023	
<b>Stanlib Income Fund</b>	10 000 000	10 157 505	104 871		52 634		
<b>Total Investments:</b>	<b>34 239 963</b>	<b>51 110 066</b>	<b>684 652</b>	<b>(141 362)</b>	<b>705 743</b>	<b>36 871</b>	
	Effective return YTD		4.40%				

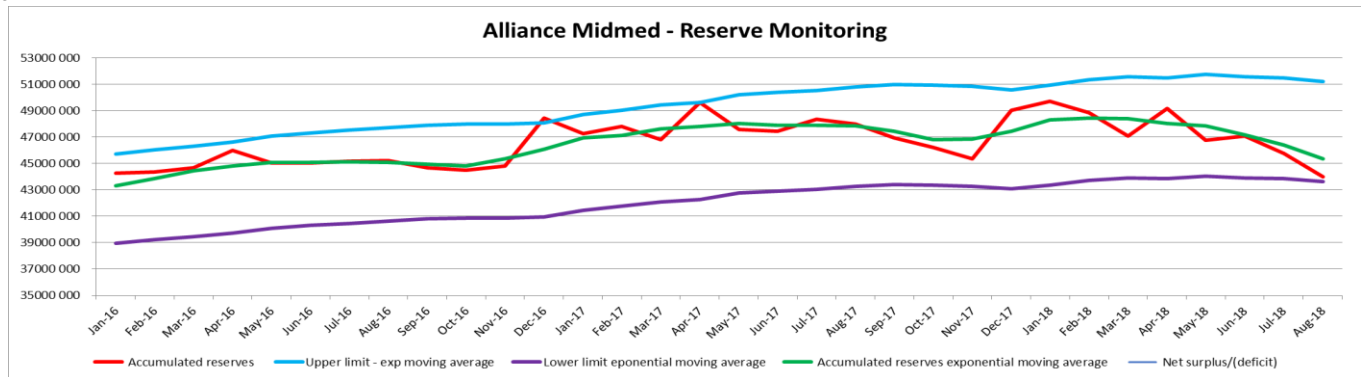
### ALLIANCE-MIDMED MEDICAL SCHEME FINANCIAL INDICATORS - RESERVES

	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Solvency Ratio : Using gross Contributions as per CMS formula	38.9%	37.2%	36.2%	40.1%	38.5%	37.7%	36.4%	38.4%	36.5%	36.3%	35.2%	32.6%
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%	70.0%	70.0%	70.0%	70.0%
Claims Ratio YTD	100.4%	101.9%	102.5%	98.3%	87.2%	98.0%	103.5%	97.6%	102.4%	102.1%	103.9%	107.1%
Budget Claims Ratio YTD	97.3%	96.1%	95.3%	92.4%	97.3%	99.6%	92.5%	90.9%	95.6%	96.9%	98.3%	100.3%
Number of Members	1 857	1 851	1 847	1 855	1 816	1 807	1 803	1 787	1 778	1 770	1 774	1 769
Number of Lives	4 432	4 424	4 420	4 413	4 238	4 243	4 237	4 228	4 224	4 210	4 207	4 195
Schemes Reserves	R 46 923 780	R 46 231 040	R 45 356 798	R 49 025 822	R 49 682 477	R 48 827 586	R 47 091 159	R 49 153 879	R 46 739 890	R 47 055 977	R 45 753 490	R 43 986 449



#### Scheme Strategy

Solvency Level to be maintained between 45% -70%  
Minimum Reserves of R35 million



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

		Aug-15	Aug-16	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Current liabilities to cash	Current liabilities	30 320 973	39 581 981	36 573 581	38 455 866	39 314 327	37 654 763	35 682 247
	Cash & Investments	44 355 555	49 942 967	82 168 688	83 039 705	83 140 950	80 584 139	83 935 510
		0.68	0.79	0.45	0.46	0.47	0.47	0.43

**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	5 837 061	12 912 623	36 573 581	38 455 866	39 314 327	37 654 763	35 682 247
	Cash	13 187 530	15 597 711	43 754 282	44 407 456	43 546 453	40 809 070	44 111 540
		0.44	0.83	0.84	0.87	0.90	0.92	0.81

**Comment:** Current liabilities. As a fraction of scheme cash - current liabilities is smaller indicating that the scheme is more than adequately capable of meeting its debts in the normal course of business operations.

Claims ratio	Net premium income	6 089 443	6 743 195	7 274 389	7 263 912	7 286 297	7 257 255	7 221 601
	Relevant healthcare exp	7 912 964	6 541 216	7 646 331	8 128 068	8 415 575	7 868 451	3 741 040
		130%	97%	105%	112%	115%	108%	52%

Working capital ratio	Current assets	46 128 909	57 749 537	84 556 410	85 379 646	85 545 367	83 011 561	84 708 069
	Current liabilities	5 837 061	12 912 623	36 573 581	38 455 866	39 314 327	37 654 763	35 682 247
		7.90	4.47	2.31	2.22	2.18	2.20	2.37

Acid test ratio	Cash, call and Fixed Deposits	13 187 530	15 597 711	43 754 282	44 407 456	43 546 453	40 809 070	44 111 540
	Investments	31 168 025	34 345 256	38 414 406	38 632 249	39 594 497	39 775 070	39 823 971
	Total 'near cash'	44 355 555	49 942 967	82 168 688	83 039 705	83 140 950	80 584 139	83 935 510
	Current liabilities	5 837 061	12 912 623	36 573 581	38 455 866	39 314 327	37 654 763	35 682 247
		7.60	3.87	2.25	2.16	2.11	2.14	2.35

Reporting line performance %	Net premium income	6 089 443	6 743 195	7 274 389	7 263 912	7 286 297	7 257 255	7 221 601
	Gross healthcare result	(1 823 521)	201 979	(371 942)	(864 156)	(1 129 278)	(611 196)	3 480 561
	a Gross healthcare result %	-30%	3%	-5%	-12%	-15%	-8%	48%
	Net healthcare result	(2 295 556)	(253 471)	(883 225)	(1 360 459)	(1 729 127)	(1 119 904)	2 955 840
	b Net healthcare result %	-38%	-4%	-12%	-19%	-24%	-15%	41%
	Net surplus/(deficit)	(2 445 204)	58 960	(346 903)	(1 059 050)	(692 740)	(874 242)	3 669 024
	c Net surplus/(deficit) %	-40%	1%	-5%	-15%	-10%	-12%	51%

**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  
FINANCIAL RATIOS AND TRENDS (CONTINUED...)**

		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	YTD	TREND 2018
Current liabilities to cash	Current liabilities	37 048 723	40 162 731	38 683 639	38 565 771	37 490 245	38 103 921	39 236 238	39 106 289	39 106 289	
	Cash & Investments	85 985 543	87 448 819	84 476 890	86 456 656	82 960 292	84 322 412	84 074 431	82 326 092	82 326 092	
		0.43	0.46	0.46	0.45	0.45	0.45	0.47	0.48	0.48	

**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	37 048 723	40 162 731	38 683 639	38 565 771	37 490 245	38 103 921	39 236 238	39 106 289	39 106 289	
	Cash	46 258 826	47 651 709	45 111 517	46 318 087	38 335 887	39 092 485	33 724 949	31 216 026	31 216 026	
		0.80	0.84	0.86	0.83	0.98	0.97	1.16	1.25	1.25	

**Comment:** Current liabilities. As a fraction of scheme cash - current liabilities is smaller indicating that the scheme is more than adequately capable of meeting its debts in the normal course of business operations.

Claims ratio	Net premium income	7 655 536	7 649 184	7 639 214	7 595 670	7 596 428	7 568 632	7 537 115	7 550 062	60 791 839	
	Relevant healthcare exp	6 678 656	8 324 404	8 736 837	6 074 617	9 227 587	7 600 299	8 664 835	9 805 967	65 113 200	
		87%	109%	114%	80%	121%	100%	115%	130%	107%	

**Comment:** Just another view indicating a high claiming year, relative to contributions. Better (less) than YTD budget.

Working capital ratio	Current assets	86 731 200	88 990 316	85 774 798	87 719 649	84 230 135	85 159 898	84 989 729	83 092 739	83 092 739	
	Current liabilities	37 048 723	40 162 731	38 683 639	38 565 771	37 490 245	38 103 921	39 236 238	39 106 289	39 106 289	
		2.34	2.22	2.22	2.27	2.25	2.23	2.17	2.12	2.12	

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

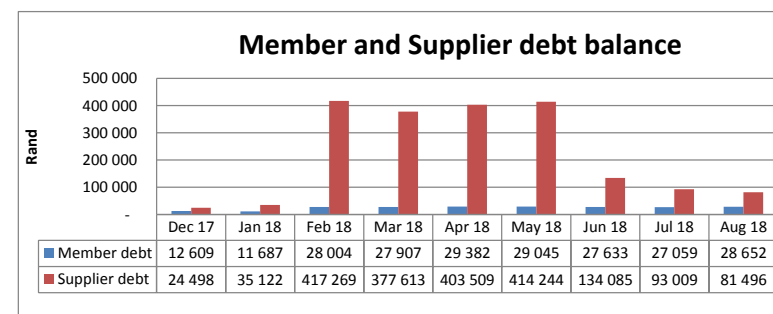
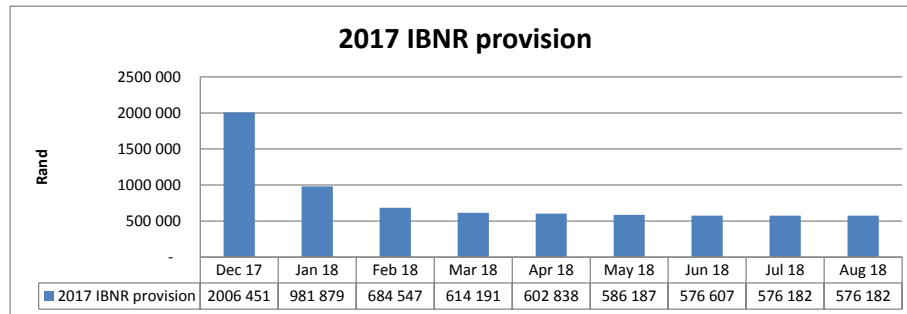
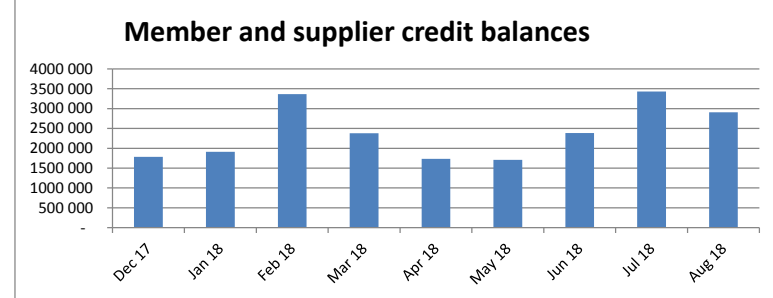
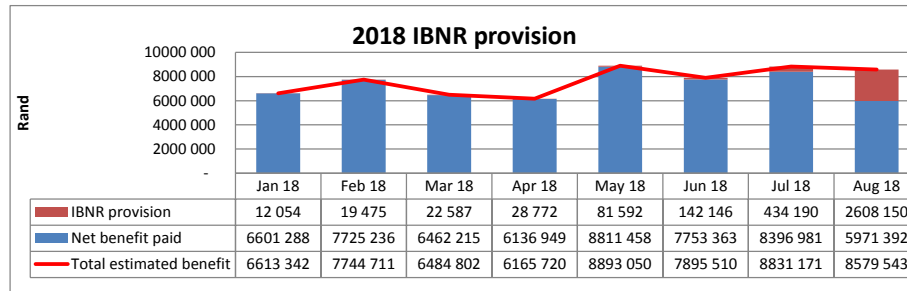
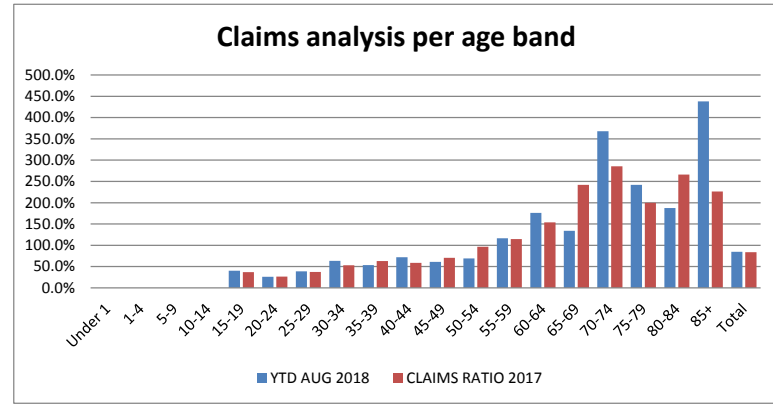
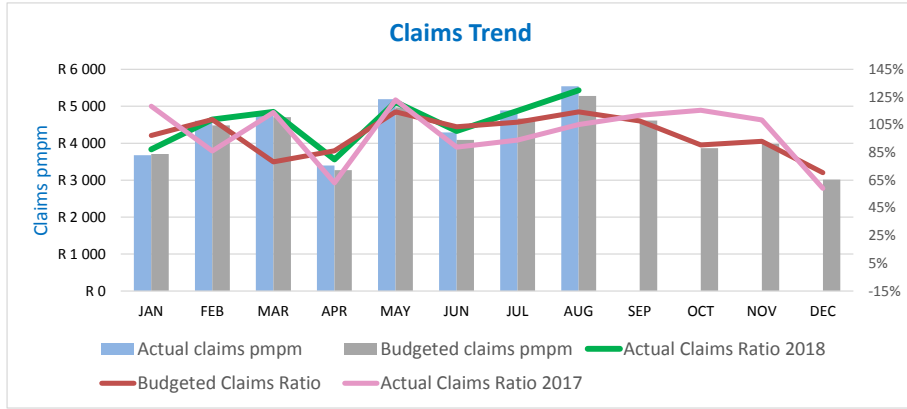
Acid test ratio	Cash, call and Fixed Deposits	46 258 826	47 651 709	45 111 517	46 318 087	38 335 887	39 092 485	33 724 949	31 216 026	31 216 026	
	Investments	39 726 717	39 797 110	39 365 373	40 138 569	44 624 404	45 229 927	50 349 482	51 110 066	51 110 066	
	Total 'near cash'	85 985 543	87 448 819	84 476 890	86 456 656	82 960 292	84 322 412	84 074 431	82 326 092	82 326 092	
	Current liabilities	37 048 723	40 162 731	38 683 639	38 565 771	37 490 245	38 103 921	39 236 238	39 106 289	39 106 289	
		2.32	2.18	2.18	2.24	2.21	2.21	2.14	2.11	2.11	

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

Reporting line performance %	Net premium income	7 655 536	7 649 184	7 639 214	7 595 670	7 596 428	7 568 632	7 537 115	7 550 062	60 791 839	
	Gross healthcare result	976 880	(675 220)	(1 097 623)	1 521 053	(1 631 159)	(31 667)	(1 127 720)	(2 255 905)	(4 321 361)	
	a Gross healthcare result %	13%	-9%	-14%	20%	-21%	0%	-15%	-30%	-7%	
	Net healthcare result	478 905	(1 185 158)	(1 587 134)	1 016 536	(2 157 691)	(518 561)	(1 645 022)	(2 720 820)	(8 318 945)	
	b Net healthcare result %	6%	-15%	-21%	13%	-28%	-7%	-22%	-36%	-14%	
	Net surplus/(deficit)	656 656	(854 892)	(1 736 426)	2 062 719	(2 413 989)	316 087	(1 302 486)	(1 767 041)	(5 039 372)	
	c Net surplus/(deficit) %	9%	-11%	-23%	27%	-32%	4%	-17%	-23%	-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.

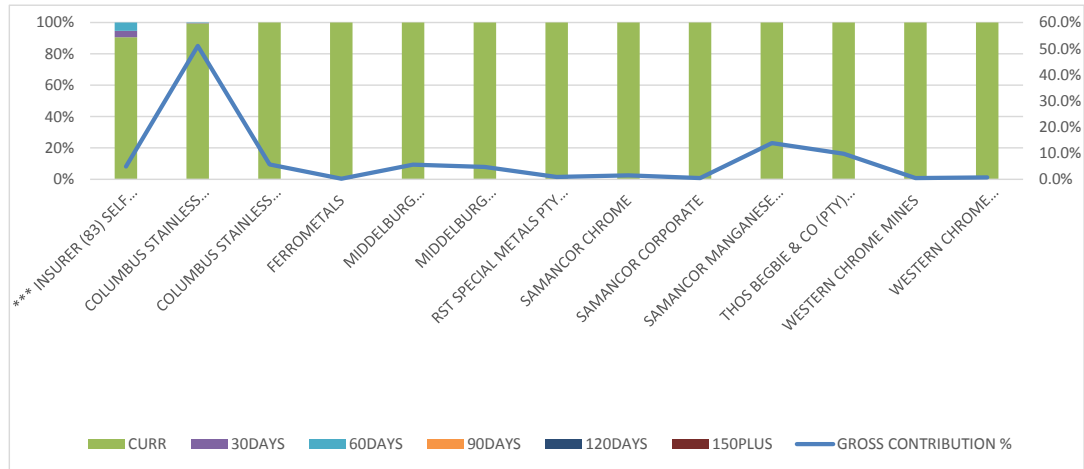
**ALLIANCE MIDMED MEDICAL SCHEME  
CLAIMS AND CREDITORS**



Note: the increase in supplier debt is a result of reversing previously processed COVID claims, this has been recovered in June.

## ALLIANCE-MIDMED MEDICAL SCHEME DEBTORS AGE ANALYSIS AT END OF AUGUST 2018

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 ***	19	64 005	68 237	61 797	2 825	3 615	-	-	-
COLUMBUS (OLD MUTUAL PENSIONERS)	8	20 665	0	-	-	-	-	-	-
COLUMBUS STAINLESS	1 340	6 445 184	0	-	-	-	-	-	-
COLUMBUS STAINLESS PENSIONERS	170	664 772	285 554	283 878	912	764	-	-	-
COLUMBUS STAINLESS PENSIONERS - DISABILITY	17	73 898	3 201	3 201	-	-	-	-	-
COLUMBUS RETIREMENT (MOMENTUM40%)	2	4 564	0	-	-	-	-	-	-
COLUMBUS RETIREMENT(MOMENTUM 20%)	11	28 505	0	-	-	-	-	-	-
FERROMETALS	1	3 032	2 959	2 959	-	-	-	-	-
OLD MUTUAL (MFC 33.3%)	5	12 880	0	-	-	-	-	-	-
MIDDELBURG FERROCHROME	12	72 955	72 955	72 955	-	-	-	-	-
MIDDELBURG FERROCHROME PENSIONER	16	61 263	59 200	59 200	-	-	-	-	-
RST SPECIAL METALS PTY LTD	3	12 257	12 257	12 257	-	-	-	-	-
SAMANCOR CHROME	3	20 147	20 147	20 147	-	-	-	-	-
SAMANCOR CORPORATE	1	6 149	6 149	6 149	-	-	-	-	-
SAMANCOR MANGANESE PROPRIETARY LIMITED	54	180 596	32 158	32 158	-	-	-	-	-
SOUTH32 SA LIMITED	1	4 908	0	-	-	-	-	-	-
THOS BEGBIE & CO (PTY) LTD	71	386 706	0	-	-	-	-	-	-
THOS BEGBIE & CO (PTY) LTD PENS	30	127 167	45 118	45 333	(215)	-	-	-	-
THOS BEGBIE RETIRE (MOMENTUM 20%)	2	5 223	0	-	-	-	-	-	-
WESTERN CHROME MINES	1	6 149	6 149	6 149	-	-	-	-	-
WESTERN CHROME MINES PENSIONERS	2	10 057	10 057	10 057	-	-	-	-	-
<b>MEMBERS / GROSS CONTRIBUTIONS</b>	<b>1 769</b>	<b>8 211 082</b>	<b>624 142</b>	<b>616 240</b>	<b>3 523</b>	<b>4 379</b>	<b>-</b>	<b>-</b>	<b>-</b>



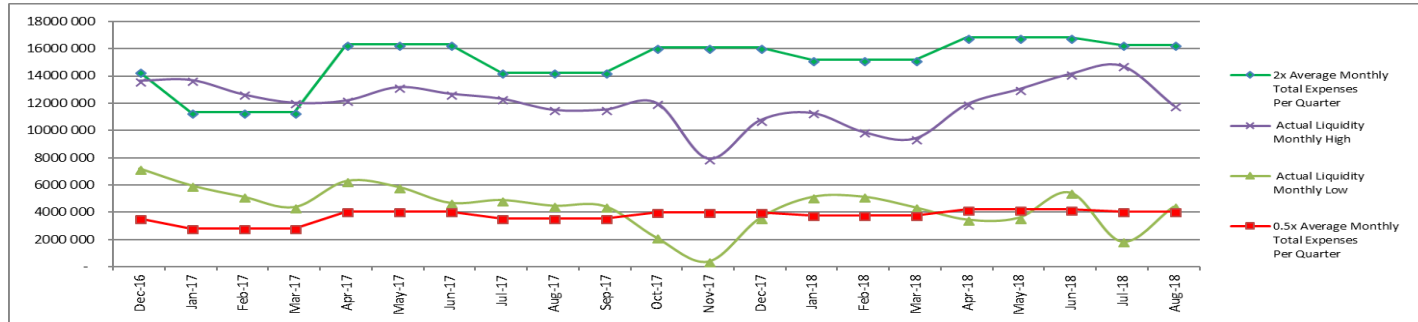
### RECONCILIATION TO BALANCE SHEET

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

624 142
-38 485
<b>585 656</b>



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
Dec-16	3 452 138	489 601	3 941 739	5 658 581	14 285 409	3 571 352	7 196 187	13 648 012
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



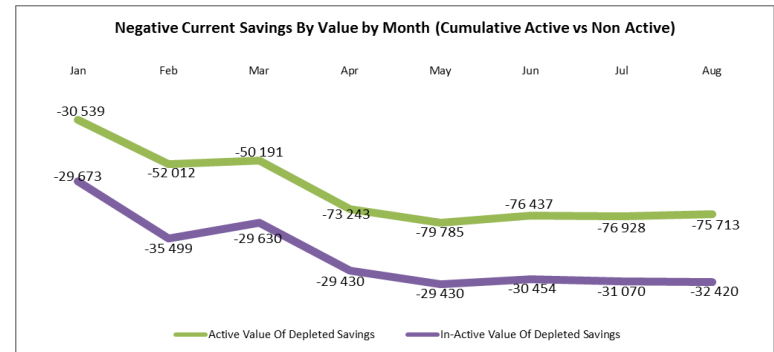
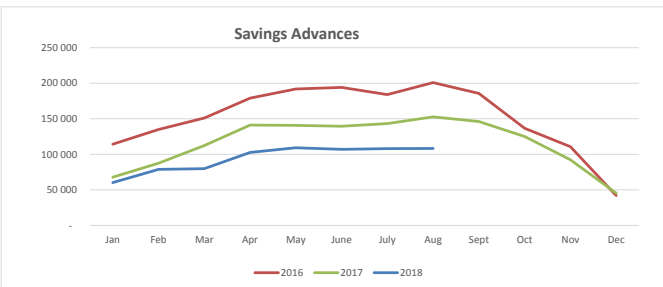
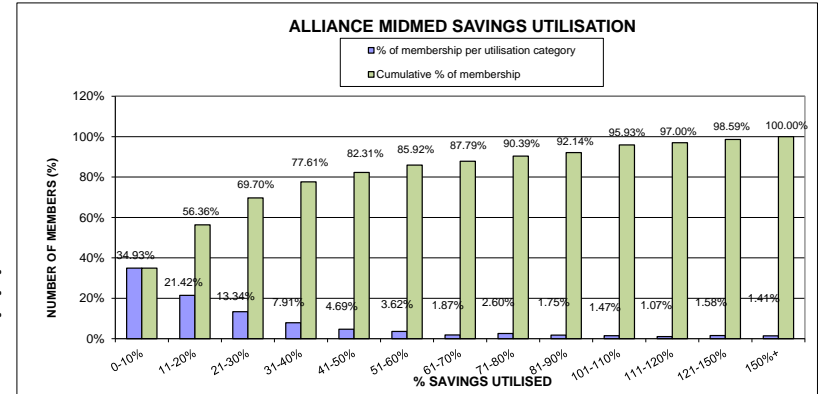
Note: The graph shows the 2 extremes of call balances. If below the lower than 0.5x we run the risk of too little cash on call to meet expenses, if over the above 2.0x then funds need to be invested as too much cash is on hand.

## 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	646 982	647 292	760 408	621 637	628 703	666 364	653 092	663 382					
Savings balances	31 582 359	31 875 196	32 167 934	32 440 875	31 109 295	31 352 267	31 437 984	31 599 134					
Savings billed less savings received balance	22 837	45 736	(45 383)	(1 513)	35 344	32 614	40 125	38 485					

### % Savings utilised

Number of contracts	Contributions YTD Aug 18 R	Projection for rest of year	Total savings contributions Jan - Dec 18	Claims paid from savings YTD Aug 18	Utilisation %	% of membership	
618	1 628 691	824 816	2 453 507	(84 732)	3.45%	34.9%	0-10%
379	1 209 156	605 776	1 814 932	(270 333)	14.89%	21.4%	11-20%
236	753 497	372 796	1 126 293	(276 631)	24.56%	13.3%	21-30%
140	427 661	209 192	636 853	(219 238)	34.43%	7.9%	31-40%
83	254 000	124 928	378 928	(169 511)	44.73%	4.7%	41-50%
64	201 368	100 008	301 376	(166 941)	55.39%	3.6%	51-60%
33	123 786	60 860	184 646	(119 599)	64.77%	1.9%	61-70%
46	163 536	77 148	240 684	(179 016)	74.38%	2.6%	71-80%
31	112 444	54 544	166 988	(140 420)	84.09%	1.8%	81-90%
26	61 121	30 632	91 753	(94 741)	103.26%	1.5%	101-110%
19	57 133	26 268	83 401	(96 560)	115.78%	1.1%	111-120%
28	76 155	39 084	115 239	(154 152)	133.77%	1.6%	121-150%
25	83 670	37 076	120 746	(256 652)	212.56%	1.4%	150%+
<b>1 769</b>	<b>5 287 860</b>	<b>2 629 936</b>	<b>7 917 796</b>	<b>(2 422 294)</b>	<b>30.59%</b>	<b>100.0%</b>	

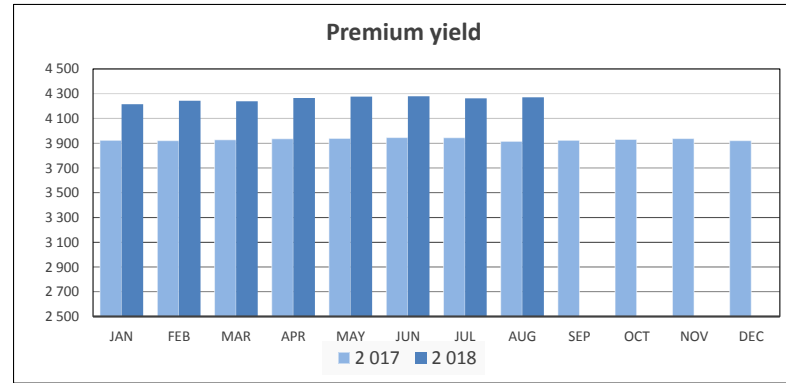
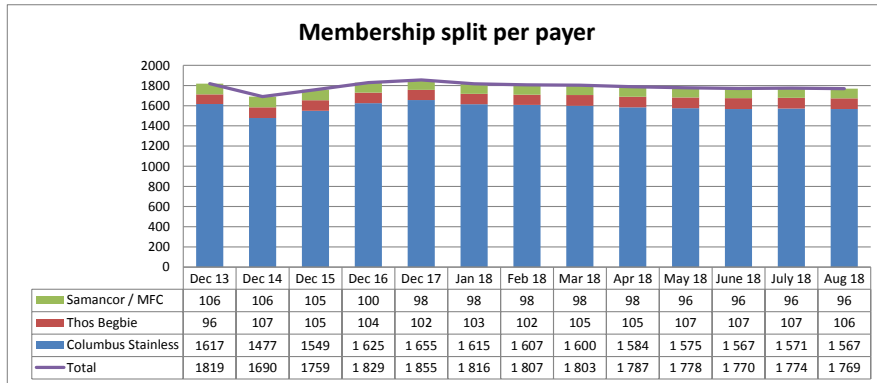
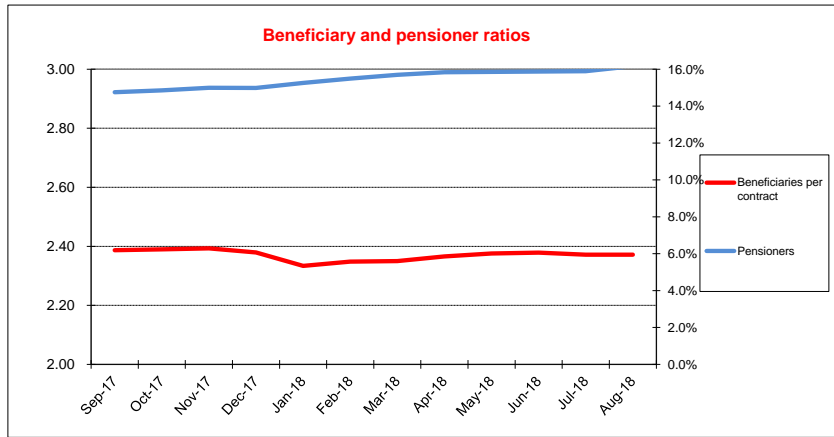
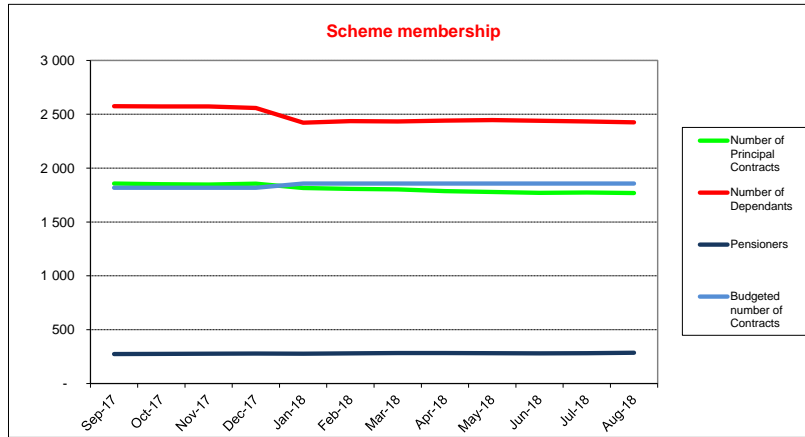


During the year a number of members typically utilise annual savings in excess of their year-to-date savings contributions and therefore are reported as having received advanced funding. This level increases during the year and around August/September the contributions begin 'catching up' with advances given, resulting in the levels decreasing to year end. The graph (above) shows that the 2016 and 2017 trend are similar. 2018 should follow a similar pattern.



## ALLIANCE-MIDMED MEDICAL SCHEME MEMBER RATIOS AND TREND ANALYSIS

Description	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
<b>Membership Ratios:</b>												
Number of Principal Contracts	1 857	1 851	1 847	1 855	1 816	1 807	1 803	1 787	1 778	1 770	1 774	1 769
Budgeted number of Contracts	1 818	1 818	1 818	1 818	1 857	1 857	1 857	1 857	1 857	1 857	1 857	1 857
Principal contracts variance to budget	39	33	29	37	(41)	(50)	(54)	(70)	(79)	(87)	(83)	(88)
Number of Dependants	2 575	2 573	2 573	2 558	2 422	2 436	2 434	2 441	2 446	2 440	2 433	2 426
Beneficiaries per contract	2.39	2.39	2.39	2.38	2.33	2.35	2.35	2.37	2.38	2.38	2.37	2.37
Pensioners	274	275	277	278	277	280	283	283	282	281	282	286
Pensioner ratio	14.8%	14.9%	15.0%	15.0%	15.3%	15.5%	15.7%	15.8%	15.9%	15.9%	15.9%	16.2%
Beneficiaries > 65 years of age	285	284	283	282	280	283	288	289	289	291	289	293
Beneficiaries > 65 years of age ratio	6.43%	6.42%	6.40%	6.39%	6.61%	6.67%	6.80%	6.84%	6.84%	6.91%	6.87%	6.98%
Beneficiaries >= 60 years of age	420	422	425	428	426	430	433	434	432	434	435	438
Beneficiaries >= 60 years of age ratio	9.48%	9.54%	9.62%	9.70%	10.05%	10.13%	10.22%	10.26%	10.23%	10.31%	10.34%	10.44%



## Alliance-Midmed Medical Scheme

### The history of SEP adjustments from 2012 to 2018

Measure	2012	2013	2014	2015	2016	2017	2018
Max. legislated SEP increase	2.1	5.8	5.8	7.5	4.8	7.5	1.3
SEP change in basket medicines	1.2	3.9	4.6	5.7	3.8		

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 2018 budget

Description	Percentage
Contribution increase	8.95%
Increase in Scheme tariffs:	
- Hospitals	7.25%
- SEP	5.00%
- Remaining service provider tariffs	5.50%
Managed care: healthcare expenses	5.77%
Membership growth	0.00%
<b>Non-health expenditure</b>	
Administration fees	5.80%
Other administration costs	5.30%
Managed care: management services	5.77%
Investment return	6.50%