



TRUSTEE INFORMATION FEBRUARY 2019

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ALLIANCE-MIDMED MEDICAL SCHEME EXECUTIVE SUMMARY - HIGHLIGHTS - FEBRUARY 2019

EXECUTIVE SUMMARY HIGHLIGHTS

1. INCOME STATEMENT

1.1 CONTRIBUTIONS

Net contributions for the month were R8.2M which is R484K below budget. This is due to membership being 84 contracts below budget. Year-to-date (YTD) contributions at R16.3M are less than budget by R977K, with YTD total of 188 contracts less than budget.

1.2 CLAIMS COST

The claims costs for the month were R6.3M which is below budget by R2M. The YTD claims ratio is 94%, compared to the budgeted 102%, with average claims per member per month being R4 558 which is some R390 below budget. This includes an IBNR provision of R2.1M. The YTD top 10 high cost cases total R3.3M.

1.3 NON-HEALTHCARE EXPENDITURE

Non-healthcare costs for the month amounted to R492K, which is R42K below budget. YTD costs are R131K below budget.

1.4 NET HEALTHCARE RESULT

The Scheme incurred a net healthcare surplus of R1.4M for the month in comparison with a budgeted net healthcare deficit of R156K. The YTD net surplus of R52K is R1.4M 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 R877K compared with a budgeted investment income of R262K. Investments reflected unrealised gains of R716K for the month. The all share returns on the JSE increased by 3.41% for the month. YTD net investment income is R1.6M compared to the budgeted R529K.

1.6 NET SURPLUS/(DEFICIT) AND RESERVES

The Scheme ended the month with a net surplus of R2.3M (after investment income) which was better than budget by R2.2M. YTD the net surplus is R1.7M compared to the budgeted deficit of R814K.

2. BALANCE SHEET

2.1 ACCUMULATED RESERVES

The Scheme had accumulated funds of R47.6M as at the end of the month. This equates to a solvency ratio of 37.16% based on gross contributions. This has decreased from the 38.56% 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 R2.5M. This includes R383K 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 R83.5M. This is R308K up on December 2018.

3. MEMBERSHIP

3.1 PRINCIPAL MEMBERS AND BENEFICIARIES

The Scheme billed 1 690 members for the month vs the budgeted 1 774. There were a total of 3 920 lives covered for the month which equates to 2.32 beneficiaries per contract.

3.2 PENSIONERS

The Scheme has 298 principal members classified as pensioners (over 60yrs). This equates to a ratio of 17.6% of the total membership. The number of beneficiaries greater than 65 years is 297. This equates to 7.58% of the total lives covered. The number of beneficiaries aged 60 or older is 449. This equates to 11.45% of the total lives covered.

ALLIANCE-MIDMED MEDICAL SCHEME
EXECUTIVE SUMMARY - FINANCIAL HIGHLIGHTS FEBRUARY 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	8,580	9,087	(507)	17,189	18,175	(986)	98,685	109,049
Less: savings contribution income	431	454	(23)	899	908	(9)	7,863	5,450
Net contributions from members	8,150	8,633	(484)	16,290	17,267	(977)	90,821	103,599
Relevant healthcare expenditure	(6,272)	(8,255)	1,984	(15,315)	(17,556)	2,241	(90,876)	(101,749)
Gross healthcare result	1,878	378	1,500	974	(290)	1,264	(55)	1,850
Non-healthcare expenditure	(492)	(534)	42	(922)	(1,053)	131	(5,953)	(6,539)
Net healthcare result	1,386	(156)	1,542	52	(1,343)	1,395	(6,008)	(4,689)
Net Investment income	877	262	614	1,629	529	1,101	3,409	3,010
Net surplus/(deficit)	2,262	107	2,156	1,681	(814)	2,496	(2,599)	(1,679)
Data per contract:								
Average premium per contract	4,822.30	4,866.56	(44.26)	4,848.11	4,866.56	(18.45)	4,253.93	58,398.72
Average claims cost per contract	(3,711.03)	(4,653.41)	942.38	(4,558.14)	(4,948.18)	390.04	4,256.51	(57,355.78)
Average gross healthcare result per contract	1,111.27	213.15	898.12	289.97	(81.62)	371.59	2.58	1,042.93
Administration costs data:								
Average non-healthcare expenditure per contract	291.18	300.92	9.74	274.49	296.91	22.42	278.83	3,686.16
Non-healthcare as % of Risk Contributions	6.0%	6.2%	0.15%	5.7%	6.1%	0.44%	6.6%	6.3%
Non-healthcare as % of Gross Contributions	5.7%			5.4%			6.0%	

BALANCE SHEET DATA	ACTUAL	PRIOR YEAR-END
Accumulated Reserves	47,586,434	46,427,010
Cumulative unrealised net gains/(losses) in acc funds	9,312,253	8,373,003
Cash at Bank and Investments	83,548,390	83,239,978
Provision for unpaid claims	2,484,023	2,112,454
Annualised reserve ratio - Net Contributions	39.14%	41.90%
Annualised reserve ratio - Gross Contributions	37.16%	38.56%

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

	JANUARY			FEBRUARY			YEAR TO DATE				FULL YR
	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR	BUDGET
NUMBER OF CONTRACTS	1,670	1,774	-6%	1,690	1,774	-5%	3,360	3,548	-188	-5%	1,774
Gross contributions	8,608,575	9,087,409	-5%	8,580,444	9,087,409	-6%	17,189,019	18,174,817	(985,798)	-5%	109,048,903
Less: savings contributions	468,611	454,132	3%	430,763	454,132	-5%	899,374	908,264	(8,890)	-1%	5,449,581
Net contribution income	8,139,964	8,633,277	-6%	8,149,681	8,633,277	-6%	16,289,645	17,266,554	(976,909)	-6%	103,599,321
Relevant healthcare expenditure	9,043,703	9,300,974	3%	6,271,642	8,255,156	24%	15,315,345	17,556,129	2,240,784	13%	101,749,156
Claims paid by month of payment	6,061,785	8,778,619	1%	6,273,847	7,732,801	25%	12,335,632	16,511,421	2,074,862	13%	95,480,904
Movement in 2019 claims provision	2,596,345	-		(495,419)	-		2,100,926	-	-		-
2018 claims over provision	-	-		-	-		-	-	-		-
Claims discounts	(1,937)	-		0	-		(1,937)	-	1,937		-
MVA Recoveries	-	-		-	-		-	-	-		-
Denis Claims paid	185,435	330,769	44%	310,981	330,769	6%	496,416	661,538	165,122	25%	3,969,227
Europassist claims paid	57,878	42,694	-36%	36,706	42,694	14%	94,584	85,387	(9,197)	-11%	512,323
Accredited managed care	144,197	148,892		145,527	148,892		289,724	297,784	8,059		1,786,702
Managed Care fees	80,227	79,991	0%	80,951	79,991	-1%	161,178	159,982	(1,196)	-1%	959,895
Denis	20,122	22,023	9%	20,194	22,023	8%	40,316	44,046	3,730	8%	264,274
Mediscor	43,848	46,878	6%	44,382	46,878	5%	88,230	93,756	5,525	6%	562,533
Gross healthcare result	(903,740)	(667,697)	-3%	1,878,038	378,121	18%	974,299	(289,576)	1,263,875	7%	1,850,166
Non-healthcare expenditure	430,183	519,609	17%	492,094	533,831	8%	922,276	1,053,440	131,163	12%	6,539,241
Administration fees	333,325	352,423	5%	336,310	352,423	5%	669,635	704,846	35,211	5%	4,229,074
Europassist fees	6,948	7,273	4%	7,036	7,273	3%	13,984	14,547	563	4%	87,281
Fidelity cover	1,345	2,762	51%	1,345	3,007	55%	2,690	5,769	3,079	53%	38,391
BHF / HFA fees	-	-		-	-		-	-	-		-
Audit fees	16,238	26,110	38%	16,238	28,432	43%	32,476	54,542	22,066	40%	362,948
Actuarial/professional services	13,886	-		13,887	-		27,773	-	(27,773)		-
Bank charges	3,070	4,195	27%	3,506	4,568	23%	6,576	8,763	2,188	25%	58,314
Member communication	-	-		470	-		470	-	(470)		-
Principal officer fees	31,889	47,739	33%	31,889	51,984	39%	63,778	99,723	35,945	36%	663,596
Travel and entertainment	-	-		608	-		608	-	(608)		-
Inc / (Dec) in provision for bad debt	-	-		-	-		-	-	-		-
Sundry Expenses	129	52,188	100%	57,454	56,829	-1%	57,583	109,017	51,434	47%	725,443
Subscriptions (CMS)	-	-		-	-		-	-	-		-
Subscriptions (Other)	3,352	4,250	21%	3,352	4,628	28%	6,704	8,879	2,175	24%	59,083
Consultancy fees	20,000	22,669	12%	20,000	24,685	19%	40,000	47,354	7,354	16%	315,112
Net healthcare result	(1,333,922)	(1,187,306)	14%	1,385,944	(155,710)	26%	52,023	(1,343,015)	1,395,039	20%	(4,689,075)
Investment income	636,805	296,050	-115%	160,677	291,860	-45%	797,482	587,910	209,572	36%	3,348,440
Realised gains (losses)	3,549	-		3,793	-		7,342	-	7,342		-
Unrealised gains (losses)	111,567	-		716,115	-		827,682	-	827,682		-
Other income	31,889	-		31,889	-		63,778	-	63,778		-
Portfolio management fees	(14,711)	(15,169)	3%	(20,701)	(14,955)	38%	(35,412)	(30,124)	(5,288)	18%	(171,572)
Investment management fees	(16,233)	(14,713)	-10%	(15,255)	(14,504)	5%	(31,488)	(29,217)	(2,271)	8%	(166,404)
Net surplus/(deficit)	(581,056)	(921,138)	-37%	2,262,462	106,691	2021%	1,681,407	(814,446)	2,495,854	-306%	(1,678,611)

Claims Ratio (Including Provision):	111%	108%	77%	96%	94%	102%	98%
Claims pmpm	5,415	5,243	3,711	4,653	4,558	4,948	57,356

SUMMARY	JANUARY			FEBRUARY			YEAR TO DATE			2019 FULL YEAR
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Budget
R'000										
Income	8,924	8,929	(6)	9,062	8,925	137	17,986	17,854	131	106,948
Expenditure	9,505	9,850	346	6,800	8,818	2,019	16,305	18,669	2,364	108,626
Surplus / Deficit	(581)	(921)	340	2,262	107	2,156	1,681	(814)	2,496	(1,679)
Membership	1,670	1,774	(104)	1,690	1,774	(84)	3,360	3,548	(188)	1,774

**ALLIANCE MIDMED MEDICAL SCHEME
BALANCE SHEETS**

	31-Dec-18	31-Jan-19	28-Feb-19	31-Mar-19	30-Apr-19	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										
Outstanding contributions	996,300	1,156,190	1,165,780										
Member debt	45,745	46,329	45,971										
Supplier debt	62,738	56,561	65,696										
Savings plan account advances	46,518	60,303	75,420										
Cash, call and Fixed Deposits	22,921,556	23,686,319	16,840,099										
Investments	60,318,422	60,938,297	66,708,291										
Prepayments	16,140	14,795	13,450										
Sundry debtors	-	-	-										
Accrued interest	3,622	7,365	6,113										
Provision for bad debts	(107,420)	(107,420)	(107,420)										
Total assets	84,303,621	85,858,740	84,813,399										
RESERVES AND LIABILITIES													
Reserves	45,905,028	45,323,972	47,586,434										
Accumulated Reserves brought forward	42,292,868	45,905,028	45,323,972										
Current period surplus / (deficit)	3,612,160	(581,056)	2,262,462										
Current Liabilities	38,398,593	40,534,768	37,226,965										
Sundry creditors and accruals	287,147	188,343	196,131										
Deposits not yet allocated	N2 690,292	775,099	775,604										
Member and supplier credit balances	N1 2,417,563	3,058,369	1,212,283										
Provision for audit fees	184,000	200,238	216,476										
Member Savings Liability	32,185,156	32,250,799	32,342,449										
Provision for unpaid claims 2018	2,634,436	1,465,575	383,097										
Provision for unpaid claims 2019	N3 -	2,596,345	2,100,926										
Total reserves and liabilities	84,303,621	85,858,740	84,813,399										

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 are based on historical claims payment patterns i.e. in the most recent month of service, it is expected that 73.36% 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 26.64% of the total expected claims for the month. Members and providers have 6 months to submit claims.

**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	-	-	-	-	-	-	-	-	-	-	1,681,406
Movement in working capital	1,965,695	(3,338,689)	-	-	-	-	-	-	-	-	-	-	(1,372,994)
Movement in current assets	(170,480)	(30,886)	-	-	-	-	-	-	-	-	-	-	(201,366)
Movement in claims provision	1,427,485	(1,577,897)	-	-	-	-	-	-	-	-	-	-	(150,413)
Movement in current liabilities	708,690	(1,729,906)	-	-	-	-	-	-	-	-	-	-	(1,021,216)
	1,384,639	(1,076,227)	-	-	-	-	-	-	-	-	-	-	308,412
Cash utilised in investing activities	(619,875)	(5,769,994)	-	-	-	-	-	-	-	-	-	-	(6,389,869)
Increase / (decrease) in cash	764,764	(6,846,221)	-	-	-	-	-	-	-	-	-	-	(6,081,457)
Represented by :													
Opening cash on hand:													
Cash at bank	22,921,556	23,686,319	-	-	-	-	-	-	-	-	-	-	22,921,556
Increase / (decrease) in cash	764,764	(6,846,221)	-	-	-	-	-	-	-	-	-	-	(6,081,457)
Closing cash on hand:	23,686,319	16,840,099	-	-	-	-	-	-	-	-	-	-	16,840,099

Notes:

N1 - Movement in Current Assets [A] - [B]	(170,480)	(30,886)	1,265,009	-	-	-	-	-	-	-	-	-	-
Prior month balance	[A] 1,063,643	1,234,124	1,265,009	-	-	-	-	-	-	-	-	-	-
Current month balance	[B] 1,234,124	1,265,009	-	-	-	-	-	-	-	-	-	-	-
Outstanding contributions	1,156,190	1,165,780	-	-	-	-	-	-	-	-	-	-	-
Member debt	46,329	45,971	-	-	-	-	-	-	-	-	-	-	-
Supplier debt	56,561	65,696	-	-	-	-	-	-	-	-	-	-	-
Savings plan account advances	60,303	75,420	-	-	-	-	-	-	-	-	-	-	-
Prepayments	14,795	13,450	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	7,365	6,113	-	-	-	-	-	-	-	-	-	-	-
Provision for bad debts	(107,420)	(107,420)	-	-	-	-	-	-	-	-	-	-	-

**ALLIANCE-MIDMED MEDICAL SCHEME
INVESTMENTS ANALYSIS AS AT END OF FEBRUARY 2019**

CASH AND EQUIVALENTS

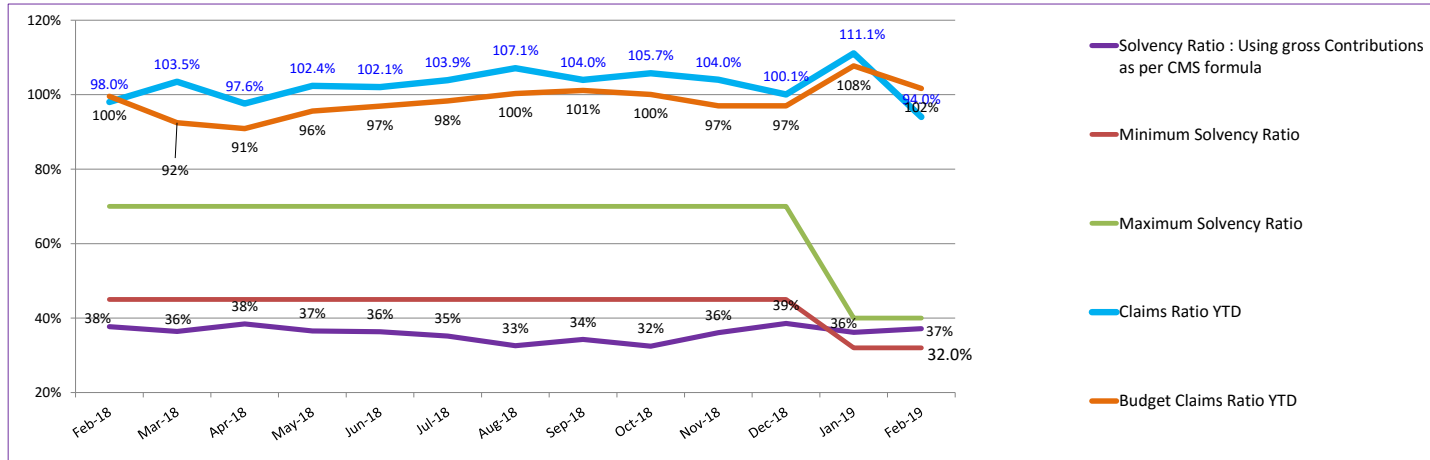
Institution	Type	Period	Interest Rate	Balance including accrued interest	Interest received year to date	Interest accrued at month-end	Date of Maturity
				R	R	R	
ABSA	Call	Call	6.50%	15,642	163		
First Rand Bank	Call	Call	6.50%	588	6		
	Fixed Deposit	12 month	7.73%	1,069,631			05/04/2019
Investec	Call	Call	6.65%	3,488,682	34,969		
	Fixed Deposit	12 month	7.77%	535,870			29/03/2019
Nedbank	Call	Call	6.50%	1,307,194	6,901		
	Call	Call	7.30%	1,685,144	28,477		
	Fixed Deposit	12 month	7.80%	2,152,581			09/03/2019
Standard Bank	Call	Call	6.55%	3,483,902	32,858		
	Fixed Deposit	12 month	7.73%	1,068,149			12/04/2019
Interest including interest on fixed deposits capitalised					89,638		
Alliance Midmed bank account				2,031,589	13,475	6,110	
Alliance Midmed Demand Deposit (purpose is to fund the credit card facility)				1,127	3	3	
Subtotal				16,840,099	206,490	6,113	
Less: Investment management fees: Old Mutual					(31,488)		
Less: Bank fees FNB corporate account					(6,576)		
TOTAL CASH, CALL AND FIXED DEPOSITS				16,840,099	168,427	6,113	
Effective return on investments				7.11%			

INVESTMENTS

Institution	Initial Investment	Market Value	Int and Div Income	Portfolio management fees	Unrealised gains/(losses) in P&L	Realised gains/(losses)
Prudential portfolio managers	9,717,686	22,516,396		(35,412)	627,299	7,342
Stanlib Income Fund	10,000,000	20,913,724	438,400		(114,445)	
Allan Gray	17,639,986	23,278,171	152,591		314,829	
Total Investments:	37,357,672	66,708,291	590,991	(35,412)	827,682	7,342
	Effective return YTD		13.07%			

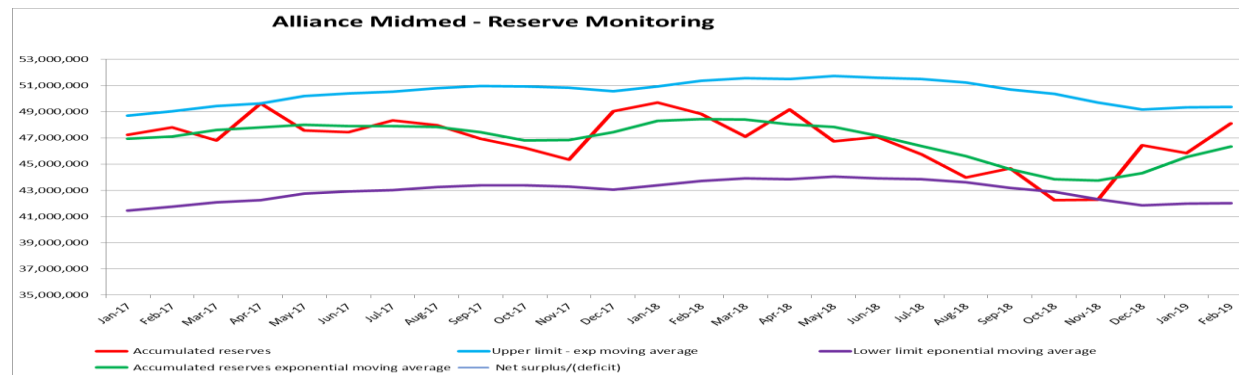
**ALLIANCE-MIDMED MEDICAL SCHEME
FINANCIAL INDICATORS - RESERVES**

	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Solvency Ratio : Using gross Contributions as per CMS formula	37.7%	36.4%	38.4%	36.5%	36.3%	35.2%	32.6%	34.2%	32.4%	36.1%	38.6%	36.2%	37.2%
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%	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%	70.0%
Claims Ratio YTD	98.0%	103.5%	97.6%	102.4%	102.1%	103.9%	107.1%	104.0%	105.7%	104.0%	100.1%	111.1%	94.0%
Budget Claims Ratio YTD	99.6%	92.5%	90.9%	95.6%	96.9%	98.3%	100.3%	101.1%	100.1%	97.0%	97.0%	107.7%	101.7%
Number of Members	1,807	1,803	1,787	1,778	1,770	1,774	1,769	1,774	1,765	1,759	1,748	1,670	1,690
Number of Lives	4,243	4,237	4,228	4,224	4,210	4,207	4,195	4,189	4,174	4,171	4,150	3,909	3,920
Schemes Reserves	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	R 44,668,095	R 42,250,052	R 42,292,868	R 46,427,010	R 45,845,954	R 47,586,434



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

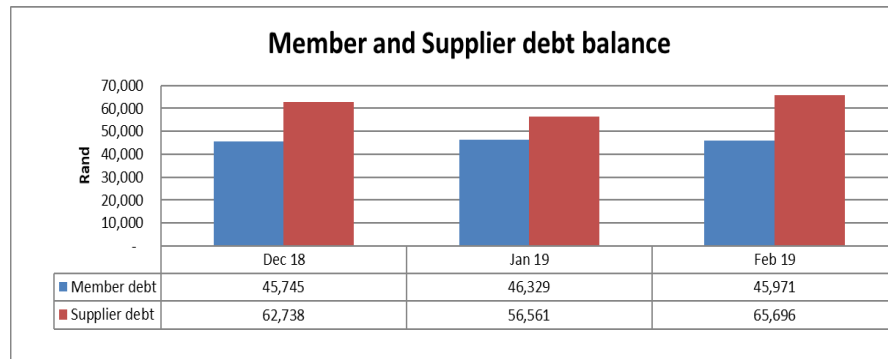
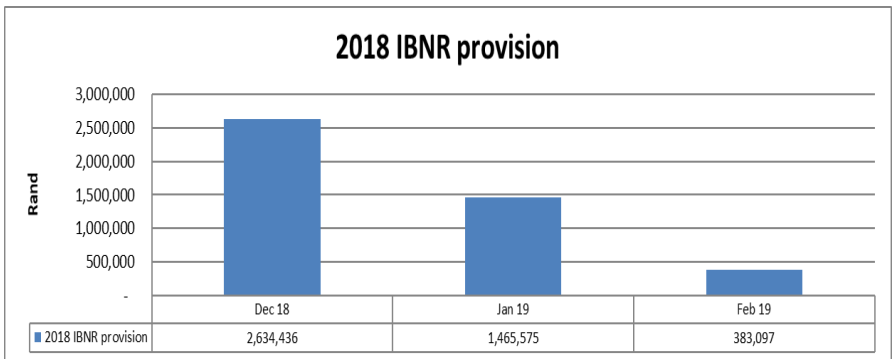
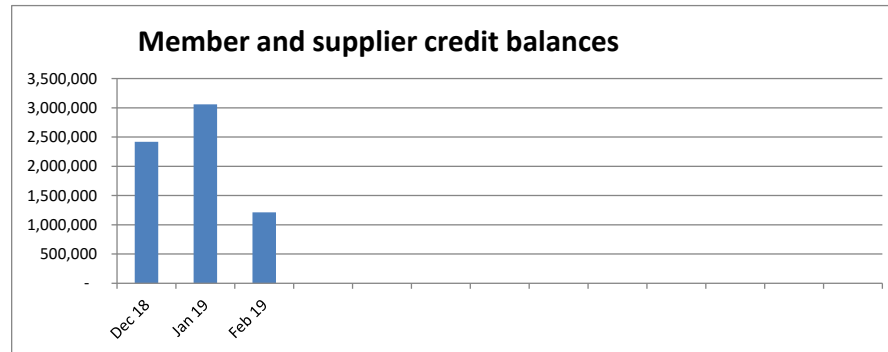
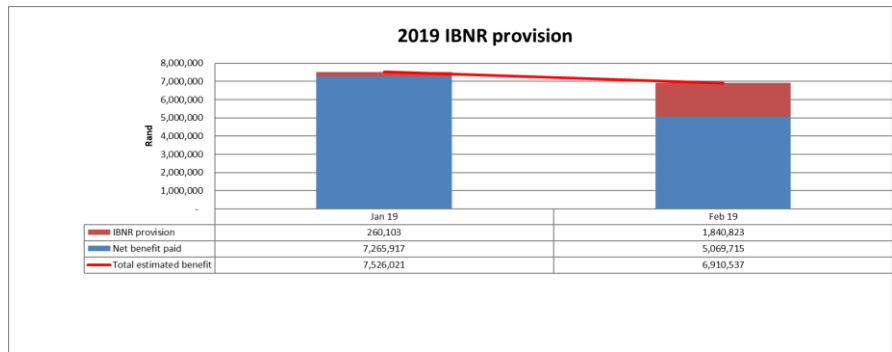
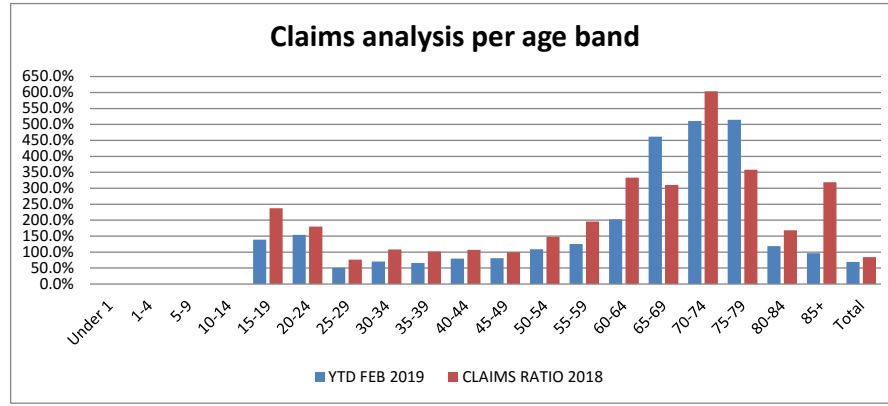
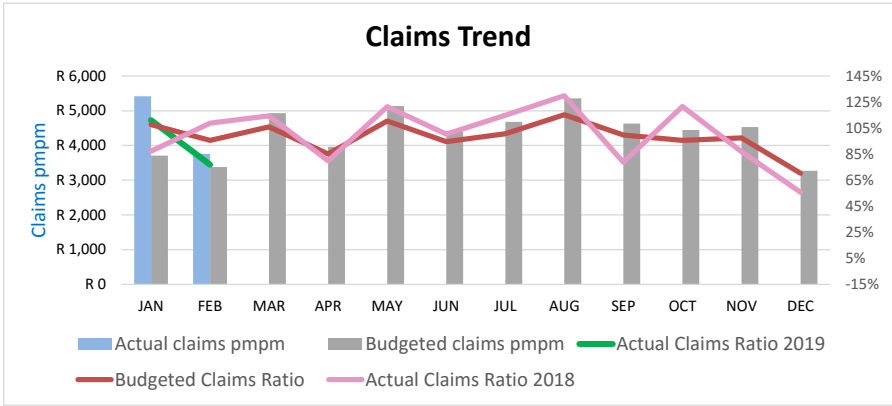


**ALLIANCE MIDMED MEDICAL SCHEME
FINANCIAL RATIOS AND TRENDS**

		Average 2015	Average 2016	Average 2017	Average 2018	Jan-19	Feb-19	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	37,226,965	
	Cash & Investments	46,270,749	49,750,407	70,005,410	83,606,958	84,624,616	83,548,390	83,548,390	
		0.64	0.69	0.52	0.46	0.48	0.45	0.45	
<p>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</p>									
Current liabilities to cash	Current liabilities	5,561,995	7,460,405	24,517,441	38,528,698	40,534,768	37,226,965	37,226,965	
	Cash	14,983,130	16,079,090	31,903,579	36,061,722	23,686,319	16,840,099	16,840,099	
		0.37	0.46	0.77	1.07	1.71	2.21	2.21	
<p>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.</p>									
Claims ratio	Net premium income	6,058,026	6,700,733	7,255,389	7,568,455	8,139,964	8,149,681	16,289,645	
	Relevant healthcare exp	5,628,978	6,124,978	7,133,741	7,573,038	9,043,703	6,271,642	15,315,345	
		93%	91%	98%	100%	111%	77%	94%	
<p>Comment: Just another view indicating a high claiming year in 2018 relative to contributions</p>									
Working capital ratio	Current assets	47,982,589	52,695,982	72,101,190	84,689,443	85,858,740	84,813,399	84,813,399	
	Current liabilities	5,561,995	7,460,405	24,517,441	38,528,698	40,534,768	37,226,965	37,226,965	
		8.63	7.06	2.94	2.20	2.12	2.28	2.28	
<p>Comment: Ratio indicates that scheme current assets are more than adequate to meet scheme liabilities.</p>									
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	16,840,099	
	Investments	31,287,619	33,671,317	38,101,831	47,545,236	60,938,297	66,708,291	66,708,291	
	Total 'near cash'	46,270,749	49,750,407	70,005,410	83,606,958	84,624,616	83,548,390	83,548,390	
	Current liabilities	5,561,995	7,460,405	24,517,441	38,528,698	40,534,768	37,226,965	37,226,965	
		8.32	6.67	2.86	2.17	2.09	2.24	2.24	
<p>Comment: Ratio indicates that scheme cash reserves are more than adequate to meet scheme liabilities.</p>									
Reporting line performance %	Net premium income	6,058,026	6,698,922	7,255,389	7,568,455	8,139,964	8,149,681	16,289,645	
	Gross healthcare result	429,048	845,160	121,648	(4,583)	(903,740)	1,878,038	974,298	
	a Gross healthcare result %	7%	13%	2%	0%	-11%	23%	6%	
	Net healthcare result	(69,846)	(63,977)	(377,454)	(500,677)	(1,333,922)	1,385,944	52,022	
	b Net healthcare result %	-1%	-1%	-5%	-7%	-16%	17%	0%	
	Net surplus/(deficit)	89,973	457,221	51,212	(216,568)	(581,056)	2,262,462	1,681,406	
c Net surplus/(deficit) %	1%	7%	1%	-3%	-7%	28%	10%		

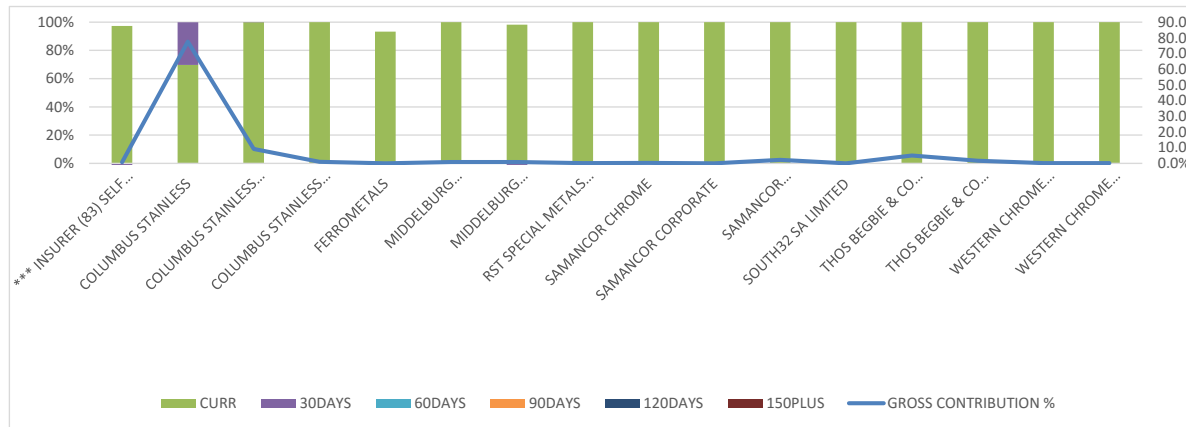
Comment: (a) Different view of same pattern of claims ratios. (b) ratio worsens after accounting for non-health care expenditure. (c) Ratio improves after investment income. The reporting line before investment income must be positive - strategy noted in 5 year planning and pricing. Investment income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

**ALLIANCE MIDMED MEDICAL SCHEME
CLAIMS AND CREDITORS**



ALLIANCE-MIDMED MEDICAL SCHEME DEBTORS AGE ANALYSIS AT END OF FEBRUARY 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 ***	17	63,444	58,355	60,061	(1,706)	-
COLUMBUS (OLD MUTUAL PENSIONERS)	8	22,884	0	-	-	-	-	-	-
COLUMBUS STAINLESS	1,256	6,597,980	9,760	6,807	2,953	-	-	-	-
COLUMBUS STAINLESS PENSIONERS	180	785,197	330,298	329,892	406	-	-	-	-
COLUMBUS STAINLESS PENSIONERS - DISABILITY	17	81,411	3,544	3,544	-	-	-	-	-
COLUMBUS RETIREMENT (MOMENTUM40%)	2	5,052	0	-	-	-	-	-	-
COLUMBUS RETIREMENT(MOMENTUM 20%)	10	29,438	0	-	-	-	-	-	-
FERROMETALS	1	3,357	3,114	3,357	(243)	-	-	-	-
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	17	71,028	69,725	71,028	(1,303)	-	-	-	-
RST SPECIAL METALS (PTY)LTD PENS	0	0	0	-	-	-	-	-	-
RST SPECIAL METALS PTY LTD	2	10,631	10,631	10,631	-	-	-	-	-
SAMANCOR CHROME	3	22,303	22,303	22,303	-	-	-	-	-
SAMANCOR CORPORATE	1	6,807	6,807	6,807	-	-	-	-	-
SAMANCOR MANGANESE PROPRIETARY LIMITED	54	192,740	32,690	32,690	-	-	-	-	-
SOUTH32 SA LIMITED	1	5,433	5,433	5,433	-	-	-	-	-
THOS BEGGIE & CO (PTY) LTD	70	430,599	430,599	430,599	-	-	-	-	-
THOS BEGGIE & CO (PTY) LTD PENS	31	143,385	148,010	148,010	-	-	-	-	-
THOS BEGGIE RETIRE (MOMENTUM 20%)	2	5,782	0	-	-	-	-	-	-
WESTERN CHROME MINES	1	8,689	8,689	8,689	-	-	-	-	-
WESTERN CHROME MINES PENSIONERS	2	11,134	11,133	11,133	-	-	-	-	-
MEMBERS / GROSS CONTRIBUTIONS	1,690	8,581,509	1,223,165	1,223,058	107	-	-	-	-



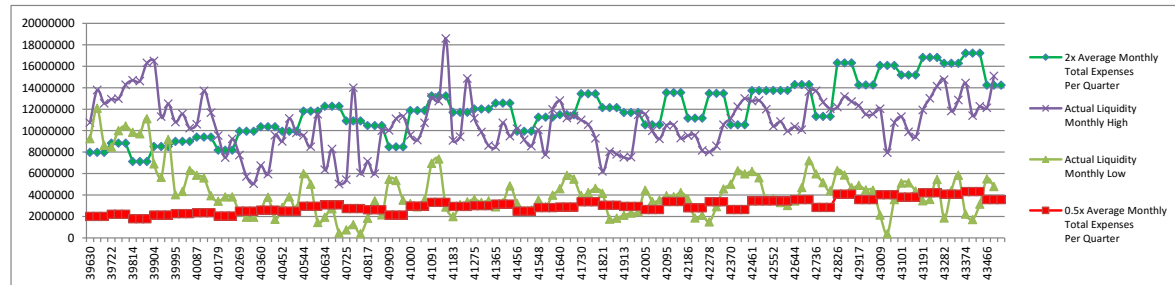
RECONCILIATION TO BALANCE SHEET

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

1,223,165
-57,385
1,165,779



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



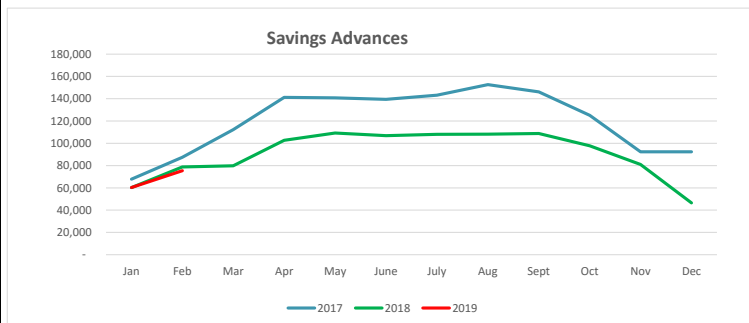
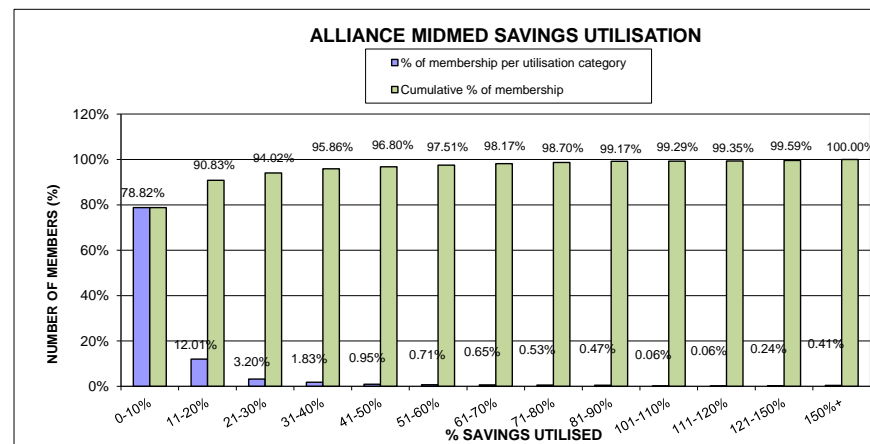
Note: The graph shows the 2 extremes of call balances. If below the lower than 0.5x we run the risk of too little cash on call to meet expenses, if over the above 2.0x then funds need to be invested as too much cash is on hand.

ALLIANCE-MIDMED MEDICAL SCHEME ANALYSIS OF SAVINGS

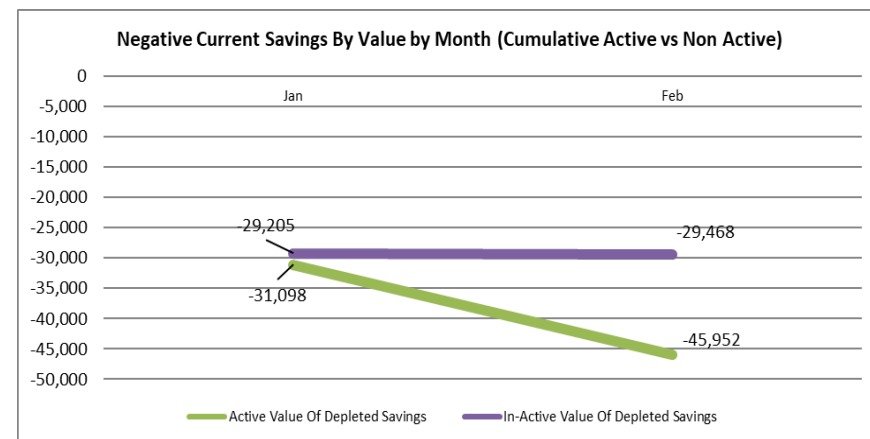
	January R	February R	March R	April R	May R	June R	July R	August R	September R	October R	November R	December R	Trend
Savings Contributions	468,611	430,763											
Savings balances	32,171,308	32,261,147											
Savings billed less savings received balance	56,801	57,386											

% Savings utilised

Number of contracts	Contributions YTD Feb 19 R	Projection for rest of year	Total savings contributions Jan - Dec 19	Claims paid from savings YTD Feb 19	Utilisation %	% of membership	
1,332	815,526	3,288,190	4,103,716	(108,136)	2.64%	78.8%	0-10%
203	139,276	573,640	712,916	(98,873)	13.87%	12.0%	11-20%
54	39,062	150,950	190,012	(46,089)	24.26%	3.2%	21-30%
31	26,249	94,510	120,759	(40,601)	33.62%	1.8%	31-40%
16	12,449	44,840	57,289	(25,282)	44.13%	0.9%	41-50%
12	9,431	33,210	42,641	(23,470)	55.04%	0.7%	51-60%
11	7,871	29,380	37,251	(23,728)	63.70%	0.7%	61-70%
9	6,146	21,250	27,396	(20,353)	74.29%	0.5%	71-80%
8	5,538	17,220	22,758	(19,173)	84.25%	0.5%	81-90%
1	35,136	352,550	387,686	(17,177)	4.43%	0.1%	101-110%
1	946	3,860	4,806	(5,752)	119.69%	0.1%	111-120%
4	2,898	9,950	12,848	(17,191)	133.80%	0.2%	121-150%
7	10,358	12,690	23,048	(55,190)	239.46%	0.4%	150%+
1,690	1,077,745	4,282,250	5,359,995	(488,355)	9.11%	100.0%	

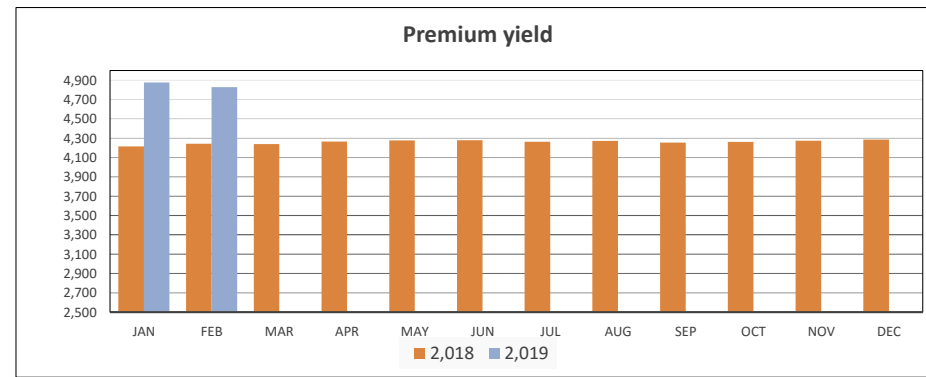
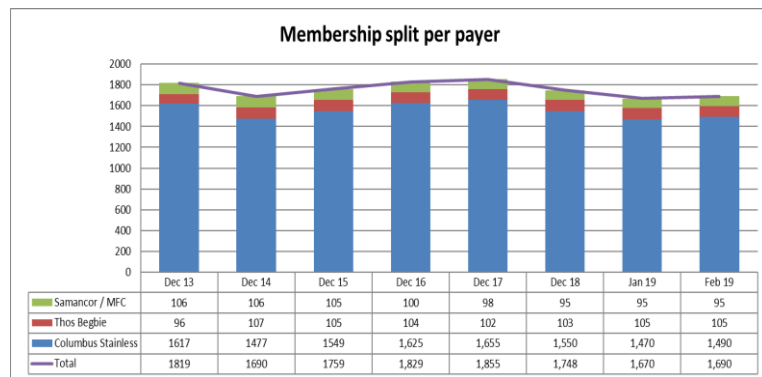
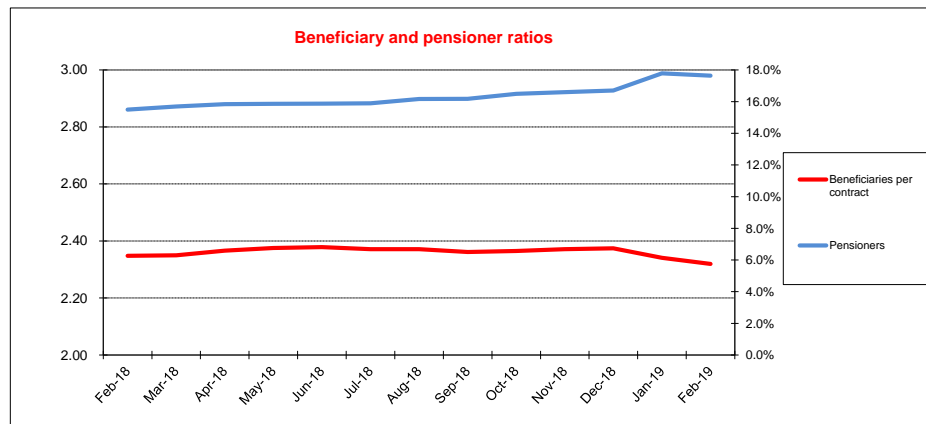
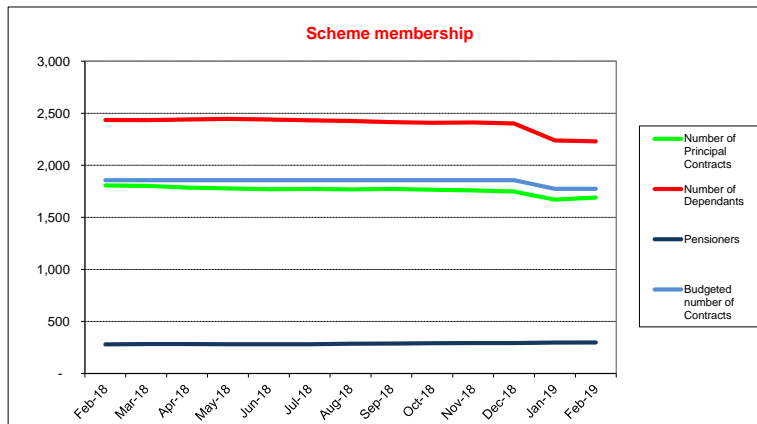


During the year a number of members typically utilise annual savings in excess of their year-to-date savings contributions and therefore are reported as having received advanced funding. This level increases during the year and around August/September the contributions begin 'catching' up with advances 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	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Membership Ratios:													
Number of Principal Contracts	1,807	1,803	1,787	1,778	1,770	1,774	1,769	1,774	1,765	1,759	1,748	1,670	1,690
Budgeted number of Contracts	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,857	1,774	1,774
Principal contracts variance to budget	(50)	(54)	(70)	(79)	(87)	(83)	(88)	(83)	(92)	(98)	(109)	(104)	(84)
Number of Dependants	2,436	2,434	2,441	2,446	2,440	2,433	2,426	2,415	2,409	2,412	2,402	2,239	2,230
Beneficiaries per contract	2.35	2.35	2.37	2.38	2.38	2.37	2.37	2.36	2.36	2.37	2.37	2.34	2.32
Pensioners	280	283	283	282	281	282	286	287	291	292	292	297	298
Pensioner ratio	15.5%	15.7%	15.8%	15.9%	15.9%	15.9%	16.2%	16.2%	16.5%	16.6%	16.7%	17.8%	17.6%
Beneficiaries > 65 years of age	283	288	289	289	291	289	293	297	296	296	297	299	297
Beneficiaries > 65 years of age ratio	6.67%	6.80%	6.84%	6.84%	6.91%	6.87%	6.98%	7.09%	7.09%	7.10%	7.16%	7.65%	7.58%
Beneficiaries >= 60 years of age	430	433	434	432	434	435	438	438	442	442	443	451	449
Beneficiaries >= 60 years of age ratio	10.13%	10.22%	10.26%	10.23%	10.31%	10.34%	10.44%	10.46%	10.59%	10.60%	10.67%	11.54%	11.45%



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	1.3	

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%