



## TRUSTEE INFORMATION JUNE 2018

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# ALLIANCE-MIDMED MEDICAL SCHEME EXECUTIVE SUMMARY - HIGHLIGHTS - JUNE 2018

## EXECUTIVE SUMMARY HIGHLIGHTS

### 1. INCOME STATEMENT

#### **1.1 CONTRIBUTIONS**

Net contributions for the month were R7.6M which is R381K below budget. This is due to membership being 87 contracts below budget. Year-to-date (YTD) contributions at R45.7M are less than budget by R2.0M, with YTD total of 381 contracts less than budget.

#### **1.2 CLAIMS COST**

The claims costs for the month were R7.6M which is below budget by R631K. The YTD claims ratio is 102%, compared to the budgeted 97%, with average claims per member per month being R4 334 which is some R186 over budget. This includes an IBNR provision of R3.2M. The YTD top 10 high cost cases total R4.9M. Refer page 8 for the top 10 claims.

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

Non-healthcare costs for the month amounted to R487K, which is R54K below budget. YTD costs are R3.0M and is R29K below budget.

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

The Scheme incurred a net healthcare deficit of R519K for the month in comparison with a budgeted net healthcare deficit of R824K. The YTD net deficit is R2.4M 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 R835K compared with a budgeted investment income of R310K. Investments reflected unrealised gains of R525K for the month. The all share returns on the JSE increased by 2.78% for the month. YTD net investment income is R2.0M compared to the budgeted R1.9M.

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

The Scheme ended the month with a surplus of R316K (after investment income) which was better than budget by R830K. YTD the net deficit is R2.0M compared to the budgeted surplus of R302K, a negative variance of R2.3M.

### 2. BALANCE SHEET

#### **2.1 ACCUMULATED RESERVES**

The Scheme had accumulated funds of R47.0M as at the end of the month. This equates to a solvency ratio of 36.31% 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 R3.8M. This includes R577K 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 R84.3M. This is R387K higher 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 1 770 members for the month vs the budgeted 1 857. There were a total of 4 210 lives covered for the month which equates to 2.38 beneficiaries per contract.

#### **3.2 PENSIONERS**

The Scheme has 281 principal members classified as pensioners (over 60yrs). This equates to a ratio of 15.9% of the total membership. The number of beneficiaries greater than 65 years is 291. This equates to 6.91% of the total lives covered. The number of beneficiaries aged 60 or older is 434. This equates to 10.31% of the total lives covered.

## ALLIANCE-MIDMED MEDICAL SCHEME

### EXECUTIVE SUMMARY - FINANCIAL HIGHLIGHTS JUNE 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	8 235	8 642	(407)	49 676	51 849	(2 173)	94 568	103 699
Less: savings contribution income	666	692	(26)	3 971	4 154	(183)	7 503	8 309
<b>Net contributions from members</b>	<b>7 569</b>	<b>7 949</b>	<b>(381)</b>	<b>45 705</b>	<b>47 695</b>	<b>(1 990)</b>	<b>87 065</b>	<b>95 390</b>
Relevant healthcare expenditure	(7 600)	(8 232)	631	(46 642)	(46 221)	(421)	(85 605)	(92 536)
<b>Gross healthcare result</b>	<b>(32)</b>	<b>(283)</b>	<b>251</b>	<b>(938)</b>	<b>1 474</b>	<b>(2 412)</b>	<b>1 460</b>	<b>2 854</b>
Non-healthcare expenditure	(487)	(541)	54	(3 015)	(3 045)	29	(5 989)	(6 455)
<b>Net healthcare result</b>	<b>(519)</b>	<b>(824)</b>	<b>305</b>	<b>(3 953)</b>	<b>(1 571)</b>	<b>(2 382)</b>	<b>(4 529)</b>	<b>(3 601)</b>
Net Investment income	835	310	525	1 983	1 873	111	5 144	3 655
<b>Net surplus/(deficit)</b>	<b>316</b>	<b>(514)</b>	<b>830</b>	<b>(1 970)</b>	<b>302</b>	<b>(2 272)</b>	<b>615</b>	<b>54</b>
<b>Data per contract:</b>								
Average premium per contract	4 276.06	4 280.65	(4.59)	4 247.25	4 280.65	(33.40)	3 927.49	4 280.65
Average claims cost per contract	(4 293.95)	(4 432.81)	138.86	(4 334.39)	(4 148.37)	(186.03)	(3 861.64)	(4 152.59)
Average gross healthcare result per contract	(17.89)	(152.16)	134.27	(87.14)	132.28	(219.43)	65.85	128.06
<b>Administration costs data:</b>								
Average non-healthcare expenditure per contract	275.08	291.41	16.33	280.21	273.25	(6.96)	270.17	289.66
Non-healthcare as % of Risk Contributions	6.4%	6.8%	0.37%	6.6%	6.4%	-0.21%	6.88%	6.8%
Non-healthcare as % of Gross Contributions	5.9%			6.1%			6.33%	

BALANCE SHEET DATA	ACTUAL	PRIOR YEAR-END
Accumulated Reserves	47 055 977	49 025 822
Cumulative unrealised net gains/(losses) in acc funds	11 076 436	11 062 726
Cash at Bank and Investments	84 322 412	83 935 510
Provision for unpaid claims	3 750 585	2 006 451
Annualised reserve ratio - Net Contributions	39.49%	43.60%
Annualised reserve ratio - Gross Contributions	36.31%	40.14%

Note

The pensionable age for the scheme is generally accepted as 60 years, with the exception of the following groups :

Thos Begbie & Co (Pty) Ltd	No fixed pensionable age due to skills shortage
Samancor Manganese - Mfc	Pensionable age is 63
Middelburg Ferrochrome	Members on provident fund-pensionable age is 63
	Members on pension fund-pensionable age is 60

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			YEAR TO DATE			FULL YR	
	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR	BUDGET
<b>NUMBER OF CONTRACTS</b>	1 778	1 857	-4%	1 770	1 857	-5%	10 761	11 142	-381	-3%	22 284
Gross contributions	8 225 131	8 641 556	-5%	8 234 996	8 641 556	-5%	49 676 048	51 849 336	(2 173 288)	-4%	103 698 672
Less: savings contributions	628 703	692 390	-9%	666 364	692 390	-4%	3 971 386	4 154 342	(182 956)	-4%	8 308 684
<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>45 704 662</b>	<b>47 694 994</b>	<b>(1 990 332)</b>	<b>-4%</b>	<b>95 389 988</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>46 642 398</b>	<b>46 221 094</b>	<b>(421 305)</b>	<b>-1%</b>	<b>92 536 211</b>
Claims paid by month of payment	7 894 666	7 742 679	-11%	7 397 815	7 978 365	10%	40 598 201	42 037 327	(456 808)	-1%	86 476 433
Movement in 2018 claims provision	719 310	862 156		(217 608)	(230 920)		3 173 978	1 278 045	-		<b>248 333</b>
2017 claims over provision	-	-		-	-		-	-	-		-
Claims discounts	(3 744)	-		-	-		(11 344)	-	11 344		-
MVA Recoveries	-	-		(33 063)	-		(33 063)	-	33 063		-
Denis Claims paid	456 506	298 482	-53%	312 322	298 482	-5%	1 918 547	1 790 893	(127 654)	-7%	3 581 786
Europassist claims paid	19 197	38 526	50%	-	38 526	0%	144 536	231 157	86 622	37%	462 315
<b>Accredited managed care</b>	<b>141 652</b>	<b>147 279</b>		<b>140 833</b>	<b>147 279</b>		<b>851 543</b>	<b>883 672</b>	<b>32 129</b>		<b>1 767 344</b>
Managed Care fees	76 647	79 125	3%	76 173	79 125	4%	461 396	474 747	13 351	3%	949 495
Denis	20 702	21 784	5%	20 633	21 784	5%	124 148	130 705	6 557	5%	261 411
Mediscor	44 303	46 370	4%	44 027	46 370	5%	265 999	278 219	12 220	4%	556 438
<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>(937 736)</b>	<b>1 473 901</b>	<b>(2 411 637)</b>	<b>-5%</b>	<b>2 853 778</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>3 015 367</b>	<b>3 044 554</b>	<b>29 187</b>	<b>1%</b>	<b>6 454 675</b>
Administration fees	335 459	346 331	3%	333 386	346 331	4%	2 019 464	2 077 983	58 519	3%	4 155 966
Europassist fees	6 911	7 539	8%	6 880	7 539	9%	41 645	45 237	3 592	8%	90 473
Fidelity cover	1 333	1 854	28%	1 333	1 854	28%	8 000	11 125	3 125	28%	22 250
BHF / HFA fees	4 050	-	0%	-	-	0%	27 406	24 213	(3 193)	0%	24 213
Audit fees	22 341	17 529	-27%	16 851	20 309	17%	106 010	107 955	1 945	2%	213 941
Actuarial/professional services	13 340	-	0%	13 225	-	0%	79 005	-	(79 005)	0%	107 800
Bank charges	2 937	3 600	18%	3 420	3 763	9%	18 557	20 561	2 004	10%	41 058
Member communication	381	992		977	-		4 269	3 517	(752)		7 886
Principal officer fees	30 710	32 049	4%	30 710	32 049		184 261	192 296	8 035	4%	405 745
Travel and entertainment	1 456	2 002		2 130	4 497	53%	4 509	9 762	5 254		75 497
Inc / (Dec) in provision for bad debt	-	-		-	-		10 470	1 456	(9 014)		3 588
Sundry Expenses	49 794	49 484	-1%	55 297	94 878	42%	324 907	360 859	35 952	10%	888 952
Subscriptions (CMS)	33 511	34 580		-	5 262	0%	33 511	41 005	7 494	0%	76 197
Subscriptions (Other)	3 180	4 122		3 892	4 122		18 277	22 194	3 917		45 694
Consultancy fees	21 130	20 545	-3%	18 792	20 545	9%	135 077	126 391	(8 686)	-7%	295 416
<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>(3 953 103)</b>	<b>(1 570 653)</b>	<b>(2 382 450)</b>	<b>-4%</b>	<b>(3 600 898)</b>
Investment income	328 515	318 879	3%	308 721	312 875	-1%	1 965 383	1 890 574	74 809	4%	3 680 675
Realised gains (losses)	4 645	-		4 649	-		27 476	-	27 476		-
Unrealised gains (losses)	(584 319)	-		525 352	-		13 710	-	13 710		-
Other income	30 710	32 049		30 710	32 049		184 261	192 296	(8 035)	-4%	384 592
Portfolio management fees	(18 568)	(17 981)	3%	(18 101)	(17 674)	2%	(105 510)	(106 725)	1 214	-1%	(208 302)
Investment management fees	(17 281)	(17 440)	-1%	(16 684)	(17 141)	-3%	(102 062)	(103 510)	1 449	-1%	(202 027)
<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>(1 969 845)</b>	<b>301 982</b>	<b>(2 271 828)</b>	<b>-752%</b>	<b>54 040</b>

<b>Claims Ratio (Including Provision):</b>	121%	114%	100%	104%	102%	97%	97%
<b>Claims pmpm</b>	5 190	4 895	4 294	4 433	4 334	4 148	4 153

SUMMARY	MAY			JUNE			YEAR TO DATE			2018 FULL YEAR
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>Income</b>	7 376	8 300	(924)	8 438	8 294	144	47 895	49 778	(1 882)	99 455
<b>Expenditure</b>	9 790	9 645	(145)	8 122	8 808	(686)	49 865	49 476	(389)	99 401
<b>Surplus / Deficit</b>	(2 414)	(1 345)	(1 069)	316	(514)	830	(1 970)	302	(2 272)	54
<b>Membership</b>	1 778	1 857	(79)	1 770	1 857	(87)	10 761	11 142	(381)	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>						
Outstanding contributions	709 130	657 763	1 047 819	844 296	756 094	750 051	604 438						
Member debt	12 609	11 687	28 004	27 907	29 382	29 045	27 633						
Supplier debt	24 498	35 122	417 269	377 613	403 509	414 244	134 085						
Savings plan account advances	45 394	60 212	78 772	79 821	102 673	109 215	106 891						
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						
Investments	39 823 971	39 726 717	39 797 110	39 365 373	40 138 569	44 624 404	45 229 927						
Prepayments	16 000	14 667	13 333	12 000	10 667	9 333	8 000						
Accrued interest	2 488	3 766	4 331	4 300	8 699	5 984	4 469						
Provision for bad debts	(37 560)	(37 560)	(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>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>						
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						
Current period surplus / (deficit)	3 669 024	656 656	(854 892)	(1 736 426)	2 062 719	(2 413 989)	316 087						
<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>						
Sundry creditors and accruals	205 383	168 886	670 492	208 963	663 298	249 309	202 499						
Deposits not yet allocated	171 318	206 993	656 034	198 835	247 844	253 014	207 453						
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						
Provision for audit fees	189 810	149 523	166 179	87 929	104 780	83 669	100 519						
Member Savings Liability	31 324 905	31 645 971	31 959 065	32 247 755	32 543 548	31 218 511	31 459 158						
Provision for unpaid claims 2017	2 006 451	981 879	684 547	614 191	602 838	586 187	576 607						
Provision for unpaid claims 2018	-	1 985 725	2 661 344	2 948 819	2 672 276	3 391 586	3 173 978						
<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>						

- 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	-	-	-	-	-	-	(1 969 845)
Movement in working capital	1 393 377	2 318 167	(1 235 502)	(82 954)	(1 082 375)	1 046 033	-	-	-	-	-	-	2 356 747
Movement in current assets	26 901	(795 841)	243 590	34 914	(6 850)	432 358	-	-	-	-	-	-	(64 927)
Movement in claims provision	961 153	378 287	217 119	(287 897)	702 660	(227 188)	-	-	-	-	-	-	1 744 134
Movement in current liabilities	405 323	2 735 721	(1 696 211)	170 029	(1 778 185)	840 864	-	-	-	-	-	-	677 540
<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>386 902</b>
	97 254	(70 393)	431 737	(773 196)	(4 485 836)	(605 523)	-	-	-	-	-	-	(5 405 956)
<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>(5 019 054)</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	-	-	-	-	-	-	44 111 540
Increase / (decrease) in cash	2 147 287	1 392 882	(2 540 192)	1 206 570	(7 982 200)	756 598	-	-	-	-	-	-	(5 019 054)
<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>39 092 485</b>

**Notes:**

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

**ALLIANCE-MIDMED MEDICAL SCHEME  
INVESTMENTS ANALYSIS AS AT END OF JUNE 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	
ABSA	Call	Call	6.25%	83 401	2 587		
	Call	Call	6.25%	-	24 855		
	Fixed Deposit	12 month	7.88%	1 548 221			2019/02/01
	Fixed Deposit	12 month	7.80%	513 677			2019/02/22
	Fixed Deposit	12 month	7.70%	1 068 351			2018/08/10
	Fixed Deposit	11 month	7.75%	526 435			2018/09/25
	Fixed Deposit	8 month	7.55%	515 824			2018/09/28
First Rand Bank	Call	Call	6.25%	3 503	109		
	Call	Call	6.25%	-	5 435		
	Fixed Deposit	12 month	8.08%	1 053 538			2018/11/01
	Fixed Deposit	12 month	7.85%	1 074 199			2018/07/20
	Fixed Deposit	12 month	8.45%	1 018 201			2019/04/05
	Fixed Deposit	12 month	7.75%	1 056 904			2018/10/05
	Fixed Deposit	12 month	7.68%	1 070 442			2018/07/31
Investec	Call	Call	6.40%	4 287 147	61 712		
	Call	Call	6.40%	-	35 074		
	Fixed Deposit	12 month	8.00%	1 031 123			2019/02/08
	Fixed Deposit	12 month	8.05%	1 037 714			2019/01/11
	Fixed Deposit	12 month	8.05%	1 037 493			2019/01/12
	Fixed Deposit	12 month	7.77%	510 005			2019/03/29
	Fixed Deposit	9 month	7.65%	516 034			2018/10/29
	Fixed Deposit	12 month	7.70%	1 064 764			2018/08/28
	Fixed Deposit	12 month	8.35%	1 048 956			2018/11/29
	Fixed Deposit	14 day	6.55%	1 001 974			2018/07/04
Nedbank	Call	Call	6.25%	2 139 311	29 722		
	Call	Call	7.05%	2 471 527	63 515		
	Call	Call	6.25%	1	21 665		
	Fixed Deposit	12 month	8.25%	1 045 205			2018/12/13
	Fixed Deposit	12 month	8.08%	538 384			2018/07/19
	Fixed Deposit	12 month	7.80%	2 048 723			2019/03/09
	Fixed Deposit	12 month	7.83%	526 691			2018/10/25
Standard Bank	Call	Call	6.35%	5 216 502	71 691		
	Call	Call	6.35%	-	14 483		
	Fixed Deposit	12 month	7.70%	1 059 490			2018/09/21
	Fixed Deposit	12 month	8.00%	1 042 082			2018/12/21
	Fixed Deposit	12 month	8.28%	514 517			2019/02/15
	Fixed Deposit	12 month	7.73%	1 016 720			2019/04/12
Interest including interest on fixed deposits capitalised					1 133 724		
<b>Subtotal</b>				38 687 059	1 464 571	-	
Alliance Midmed bank account				404 719	30 248	4 465	
Alliance Midmed Demand Deposit				707	23	4	
Less: Investment management fees: Old Mutual					(102 062)		
Less: Bank fees FNB corporate account					(18 557)		
<b>TOTAL CASH, CALL AND FIXED DEPOSITS</b>				39 092 485	1 374 223	4 469	
<b>Effective return on investments</b>				7.29%			

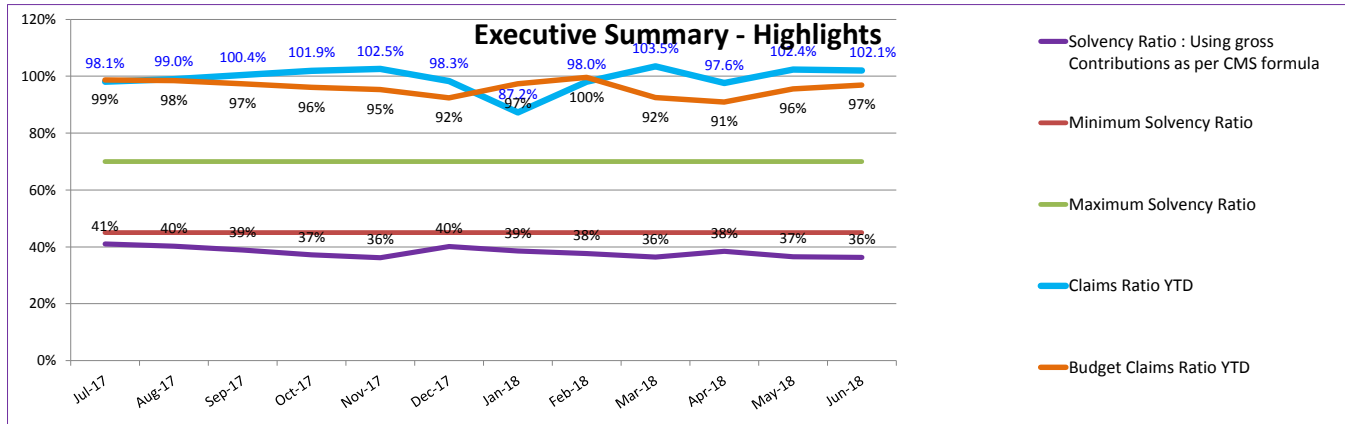
**INVESTMENTS**

Institution	Initial Investment	Market Value	Int and Div Income	Portfolio management fees	Unrealised gains/(losses) in P&L	Realised gains/(losses)
Coronation fund managers	14 489 863	17 936 847	470 541	(41 653)	(241 754)	5 934
Prudential portfolio managers	9 674 798	22 250 614		(63 858)	212 999	21 542
Stanlib Income Fund	5 000 000	5 042 466			42 466	
<b>Total Investments:</b>	<b>29 164 660</b>	<b>45 229 927</b>	<b>470 541</b>	<b>(105 510)</b>	<b>13 710</b>	<b>27 476</b>
Effective return YTD			1.96%			



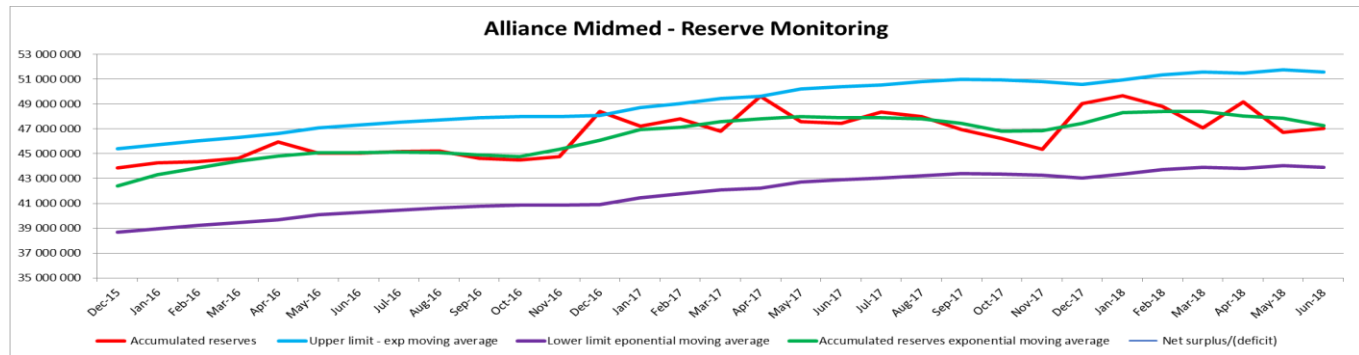
**ALLIANCE-MIDMED MEDICAL SCHEME  
FINANCIAL INDICATORS - RESERVES**

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Solvency Ratio : Using gross Contributions as per CMS formula	41.0%	40.2%	38.9%	37.2%	36.2%	40.1%	38.5%	37.7%	36.4%	38.4%	36.5%	36.3%
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	98.1%	99.0%	100.4%	101.9%	102.5%	98.3%	87.2%	98.0%	103.5%	97.6%	102.4%	102.1%
Budget Claims Ratio YTD	98.6%	98.4%	97.3%	96.1%	95.3%	92.4%	97.3%	99.6%	92.5%	90.9%	95.6%	96.9%
Number of Members	1 839	1 854	1 857	1 851	1 847	1 855	1 816	1 807	1 803	1 787	1 778	1 770
Number of Lives	4 417	4 413	4 432	4 424	4 420	4 413	4 238	4 243	4 237	4 228	4 224	4 210
Schemes Reserves	R 48 329 733	R 47 982 830	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



**Scheme Strategy**

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



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

		Jun-15	Jun-16	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Current liabilities to cash	Current liabilities	30 008 701	32 626 607	35 799 606	36 417 859	36 573 581	38 455 866	39 314 327	37 654 763	35 682 247
	Cash & Investments	47 034 172	48 948 600	81 228 536	82 579 411	82 168 688	83 039 705	83 140 950	80 584 139	83 935 510
		0.64	0.67	0.44	0.44	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	5 797 397	5 941 034	35 799 606	36 417 859	36 573 581	38 455 866	39 314 327	37 654 763	35 682 247
	Cash	15 861 434	16 102 689	44 149 811	44 614 220	43 754 282	44 407 456	43 546 453	40 809 070	44 111 540
		0.37	0.37	0.81	0.82	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	6 080 840	6 688 865	7 260 800	7 255 584	7 274 389	7 263 912	7 286 297	7 257 255	7 221 601
	Relevant healthcare exp	5 799 819	6 206 093	6 445 927	6 812 573	7 646 331	8 128 068	8 415 575	7 868 451	3 741 040
		95%	93%	89%	94%	105%	112%	115%	108%	52%

Working capital ratio	Current assets	48 819 406	50 964 439	83 224 302	84 747 592	84 556 410	85 379 646	85 545 367	83 011 561	84 708 069
	Current liabilities	5 797 397	5 941 034	35 799 606	36 417 859	36 573 581	38 455 866	39 314 327	37 654 763	35 682 247
		8.42	8.58	2.32	2.33	2.31	2.22	2.18	2.20	2.37

Acid test ratio	Cash, call and Fixed Deposits	15 861 434	16 102 689	44 149 811	44 614 220	43 754 282	44 407 456	43 546 453	40 809 070	44 111 540
	Investments	31 172 738	32 845 911	37 078 725	37 965 190	38 414 406	38 632 249	39 594 497	39 775 070	39 823 971
	Total 'near cash'	47 034 172	48 948 600	81 228 536	82 579 411	82 168 688	83 039 705	83 140 950	80 584 139	83 935 510
	Current liabilities	5 797 397	5 941 034	35 799 606	36 417 859	36 573 581	38 455 866	39 314 327	37 654 763	35 682 247
		8.11	8.24	2.27	2.27	2.25	2.16	2.11	2.14	2.35

Reporting line performance %	Net premium income	6 080 840	6 688 865	7 260 800	7255584	7274389	7 263 912	7 286 297	7 257 255	7 221 601
	Gross healthcare result	281 021	482 772	814 873	443011	(371 942)	(864 156)	(1 129 278)	(611 196)	3 480 561
	a Gross healthcare result %	5%	7%	11%	6%	-5%	-12%	-15%	-8%	48%
	Net healthcare result	(198 340)	12 408	314 234	(79 320)	(883 225)	(1 360 459)	(1 729 127)	(1 119 904)	2 955 840
	b Net healthcare result %	-3%	0%	4%	-1%	-12%	-19%	-24%	-15%	41%
	Net surplus/(deficit)	(235 496)	(11 384)	(157 747)	905 037	(346 903)	(1 059 050)	(692 740)	(874 242)	3 669 024
	c Net surplus/(deficit) %	-4%	0%	-2%	12%	-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	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	38 103 921	
	Cash & Investments	85 985 543	87 448 819	84 476 890	86 456 656	82 960 292	84 322 412	84 322 412	
		0.43	0.46	0.46	0.45	0.45	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	37 048 723	40 162 731	38 683 639	38 565 771	37 490 245	38 103 921	38 103 921	
	Cash	46 258 826	47 651 709	45 111 517	46 318 087	38 335 887	39 092 485	39 092 485	
		0.80	0.84	0.86	0.83	0.98	0.97	0.97	

**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	45 704 662	
	Relevant healthcare exp	6 678 656	8 324 404	8 736 837	6 074 617	9 227 587	7 600 299	46 642 398	
		87%	109%	114%	80%	121%	100%	102%	

**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	85 159 898	
	Current liabilities	37 048 723	40 162 731	38 683 639	38 565 771	37 490 245	38 103 921	38 103 921	
		2.34	2.22	2.22	2.27	2.25	2.23	2.23	

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

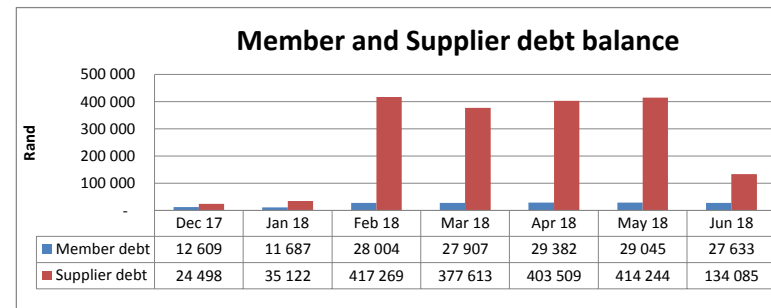
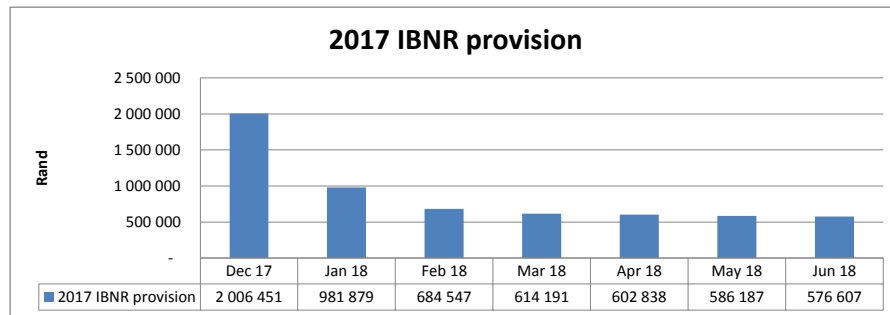
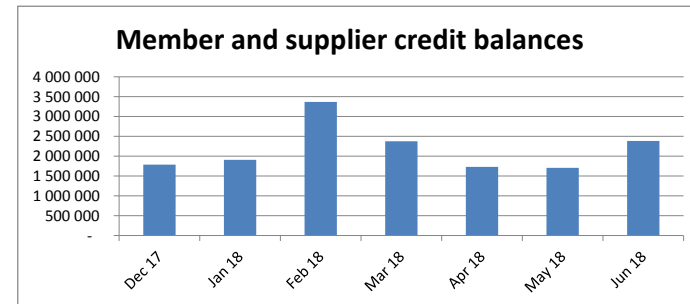
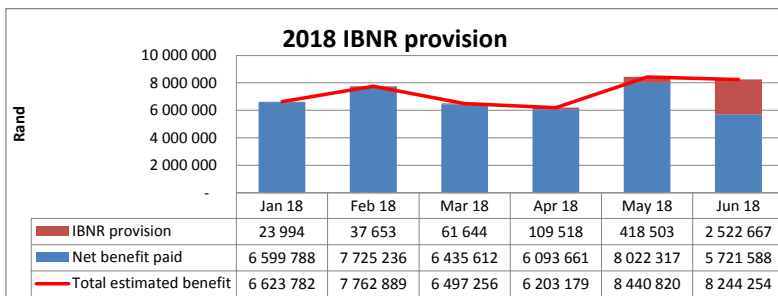
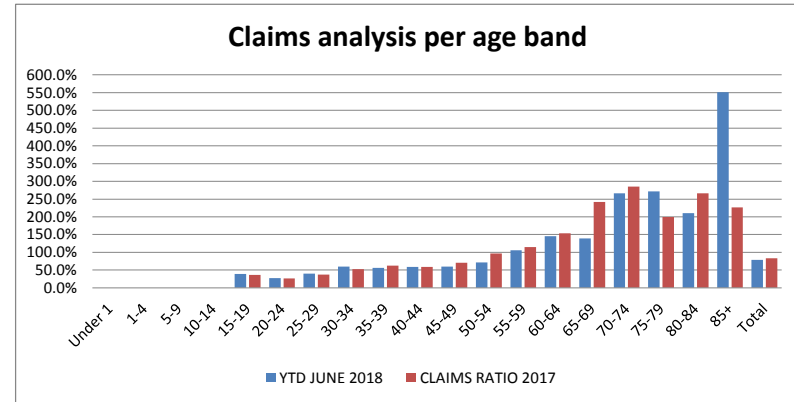
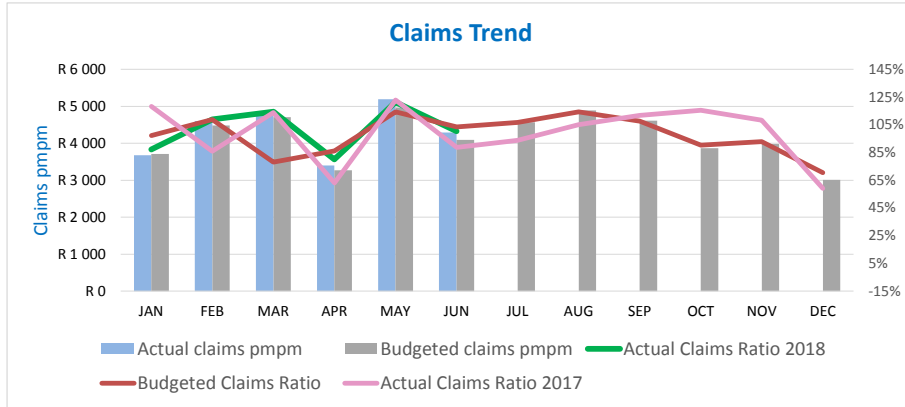
Acid test ratio	Cash, call and Fixed Deposits	46 258 826	47 651 709	45 111 517	46 318 087	38 335 887	39 092 485	39 092 485	
	Investments	39 726 717	39 797 110	39 365 373	40 138 569	44 624 404	45 229 927	45 229 927	
	Total 'near cash'	85 985 543	87 448 819	84 476 890	86 456 656	82 960 292	84 322 412	84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

**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	45 704 662	
	Gross healthcare result	976 880	(675 220)	(1 097 623)	1 521 053	(1 631 159)	(31 667)	(937 736)	
	a Gross healthcare result %	13%	-9%	-14%	20%	-21%	0%	-2%	
	Net healthcare result	478 905	(1 185 158)	(1 587 134)	1 016 536	(2 157 691)	(518 561)	(3 953 103)	
	b Net healthcare result %	6%	-15%	-21%	13%	-28%	-7%	-9%	
	Net surplus/(deficit)	656 656	(854 892)	(1 736 426)	2 062 719	(2 413 989)	316 087	(1 969 845)	
	c Net surplus/(deficit) %	9%	-11%	-23%	27%	-32%	4%	-4%	

**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.

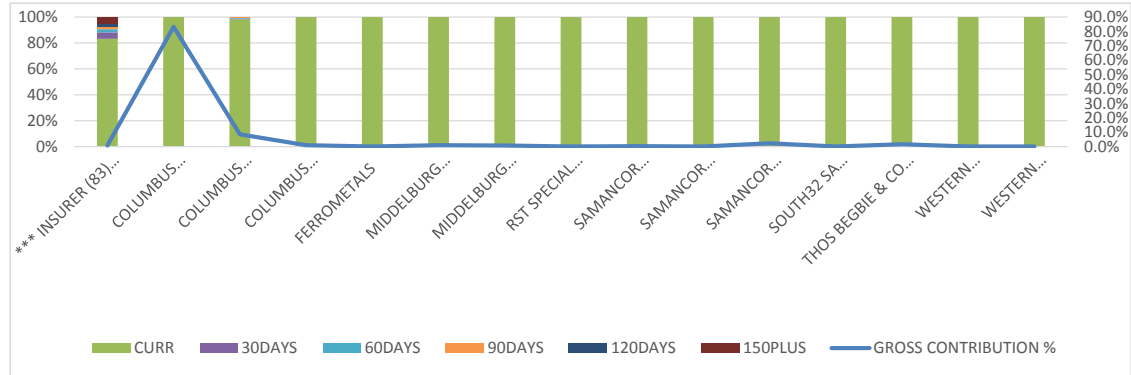
**ALLIANCE MIDMED MEDICAL SCHEME  
CLAIMS AND CREDITORS**



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 JUNE 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 ***	20	64 005	78 566	65 353	3 820	1 910	1 910	1 910	3 663
COLUMBUS (OLD MUTUAL PENSIONERS)	8	20 665	0	-	-	-	-	-	-
COLUMBUS STAINLESS	1 341	6 432 844	3 552	3 552	-	-	-	-	-
COLUMBUS STAINLESS PENSIONERS	168	658 416	279 703	275 064	1 469	1 229	1 941	-	#
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	-	-	-	-	-
MFC RETIREMENT (MOMEN 33.3%)	0	0	0	-	-	-	-	-	-
OLD MUTUAL (MFC 33.3%)	5	12 880	0	-	-	-	-	-	-
MIDDELBURG FERROCHROME	12	72 955	72 955	72 955	-	-	-	-	-
MIDDELBURG FERROCHROME PENSIONER	15	63 004	58 239	58 239	-	-	-	-	-
RST SPECIAL METALS (PTY)LTD PENS	0	0	0	-	-	-	-	-	-
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	55	185 181	33 037	32 993	43	-	-	-	-
SOUTH32 SA LIMITED	1	4 908	4 908	4 908	-	-	-	-	-
THOS BEGBIE & CO (PTY) LTD	72	390 507	0	-	-	-	-	-	-
THOS BEGBIE & CO (PTY) LTD PENS	30	127 167	45 173	45 333	(160)	-	-	-	-
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>1 770</b>	<b>8 202 513</b>	<b>637 051</b>	<b>619 317</b>	<b>5 172</b>	<b>3 139</b>	<b>3 851</b>	<b>1 910</b>	<b>3 663</b>



### RECONCILIATION TO BALANCE SHEET

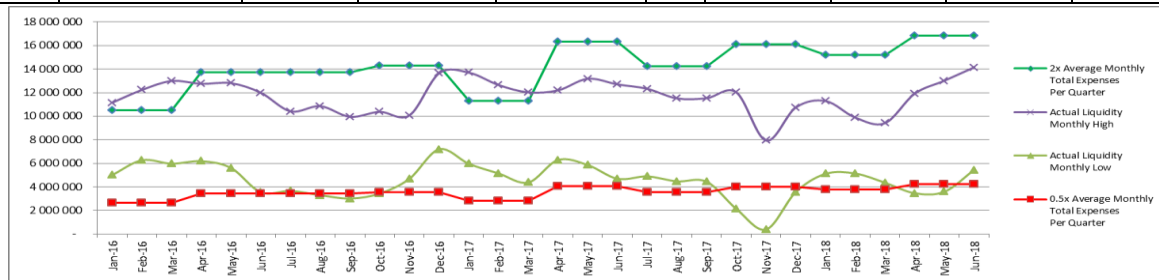
BALANCE PER AGE ANALYSIS  
LESS: UNPAID SAVINGS CONTRIBUTIONS INCLUDED ABOVE  
PER BALANCE SHEET

637 051
-32 614
<b>604 438</b>

# Member has been terminated and backdated to April, this was actioned in July.



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-16	5 880 591	383 322	6 263 913		10 529 879	2 632 470	5 011 010	11 151 010
Feb-16	6 400 070	428 998	6 829 068		10 529 879	2 632 470	6 265 448	12 232 870
Mar-16	7 048 938	434 795	7 483 733	6 858 905	10 529 879	2 632 470	5 970 507	12 991 884
Apr-16	5 247 635	650 309	5 897 944		13 717 809	3 429 452	6 182 845	12 754 368
May-16	7 550 318	499 943	8 050 261		13 717 809	3 429 452	5 602 225	12 807 873
Jun-16	6 206 093	470 364	6 676 457	6 874 887	13 717 809	3 429 452	3 541 977	11 993 409
Jul-16	6 489 876	456 233	6 946 109		13 749 775	3 437 444	3 658 890	10 414 833
Aug-16	6 541 216	455 450	6 996 666		13 749 775	3 437 444	3 295 957	10 855 203
Sep-16	6 944 893	540 446	7 485 339	7 142 705	13 749 775	3 437 444	3 013 179	9 952 355
Oct-16	6 109 920	455 705	6 565 625		14 285 409	3 571 352	3 433 900	10 371 974
Nov-16	6 033 925	434 454	6 468 379		14 285 409	3 571 352	4 692 408	10 073 841
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



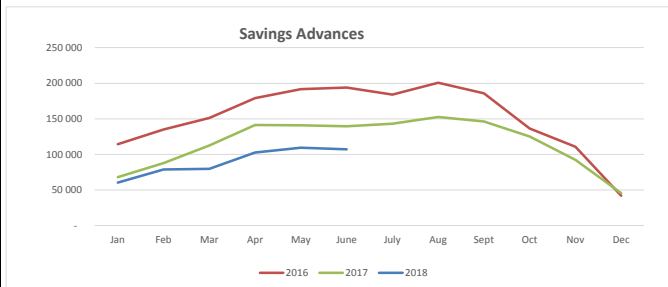
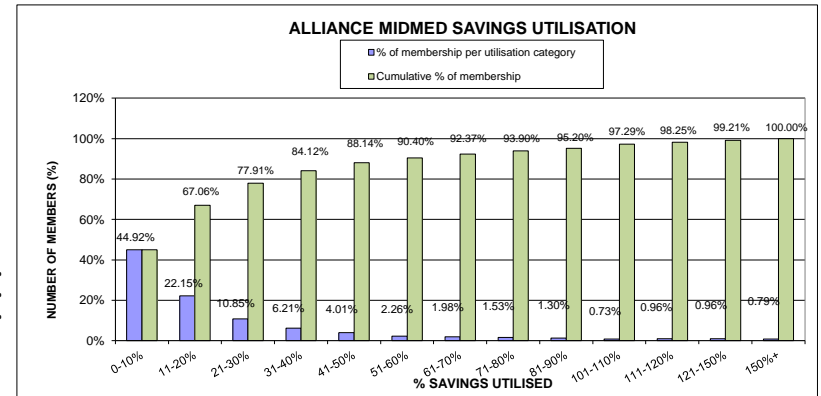
Note: The graph shows the 2 extremes of call balances. If below the lower than 0.5x we run the risk of too little cash on call to meet expenses, if over the above 2.0x then funds need to be invested as too much cash is on hand.

## ALLIANCE-MIDMED MEDICAL SCHEME ANALYSIS OF SAVINGS

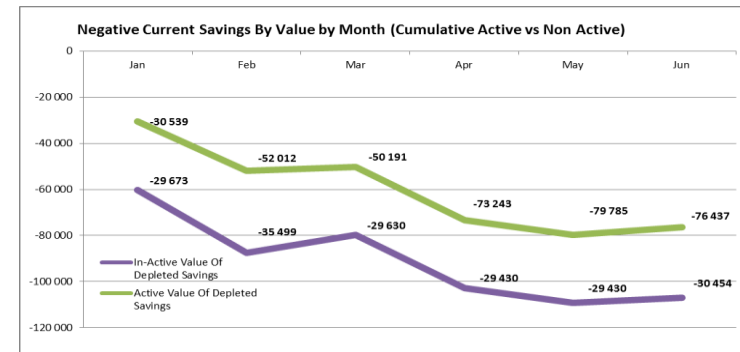
	January R	February R	March R	April R	May R	June R	July R	August R	September R	October R	November R	December R	Trend
Savings Contributions	646 982	647 292	760 408	621 637	628 703	666 364							
Savings balances	31 582 359	31 875 196	32 167 934	32 440 875	31 109 295	31 352 267							
Savings billed less savings received balance	22 837	45 736	(45 383)	(1 513)	35 344	32 614							

### % Savings utilised

Number of contracts	Contributions YTD June 18 R	Projection for rest of year	Total savings contributions Jan - Dec 18	Claims paid from savings YTD June 18	Utilisation %	% of membership	
795	1 630 598	1 634 886	3 265 484	(117 760)	3.61%	44.9%	0-10%
392	954 702	952 446	1 907 148	(273 466)	14.34%	22.1%	11-20%
192	453 436	451 782	905 218	(222 122)	24.54%	10.8%	21-30%
110	269 792	261 768	531 560	(185 621)	34.92%	6.2%	31-40%
71	166 713	163 980	330 693	(147 444)	44.59%	4.0%	41-50%
40	99 641	97 854	197 495	(109 492)	55.44%	2.3%	51-60%
35	93 950	92 430	186 380	(121 661)	65.28%	2.0%	61-70%
27	70 328	68 442	138 770	(104 443)	75.26%	1.5%	71-80%
23	52 468	52 032	104 500	(88 777)	84.95%	1.3%	81-90%
13	21 398	21 534	42 932	(44 416)	103.46%	0.7%	101-110%
17	38 622	37 602	76 224	(88 278)	115.81%	1.0%	111-120%
17	34 119	33 384	67 503	(87 138)	129.09%	1.0%	121-150%
14	35 795	33 510	69 305	(155 537)	224.42%	0.8%	150%+
<b>1 770</b>	<b>3 971 386</b>	<b>3 950 412</b>	<b>7 921 798</b>	<b>(1 841 199)</b>	<b>23.24%</b>	<b>100.0%</b>	

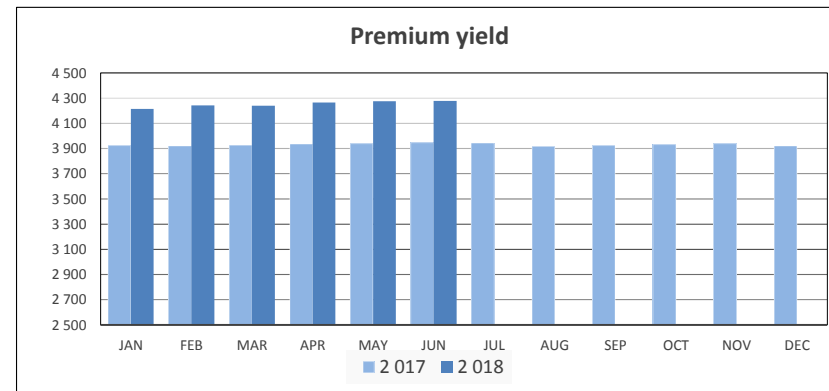
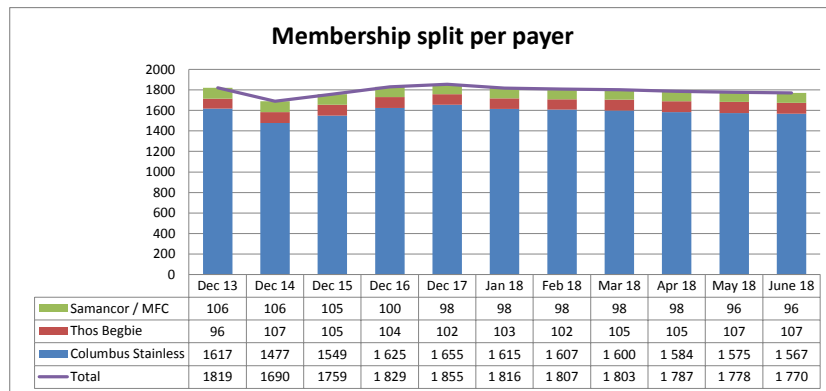
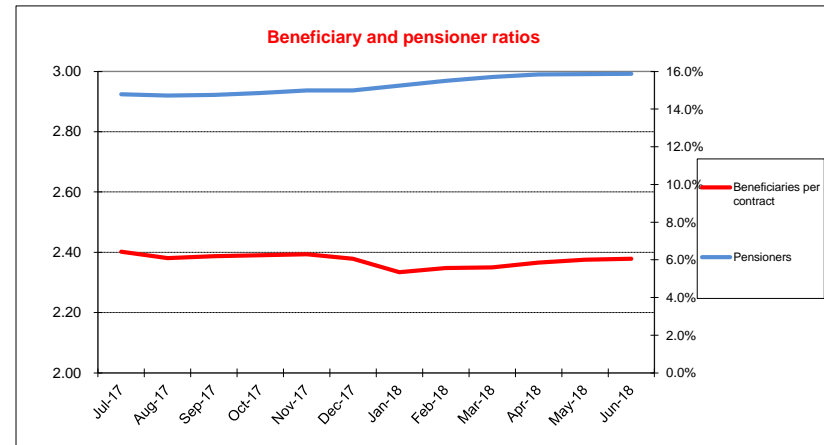
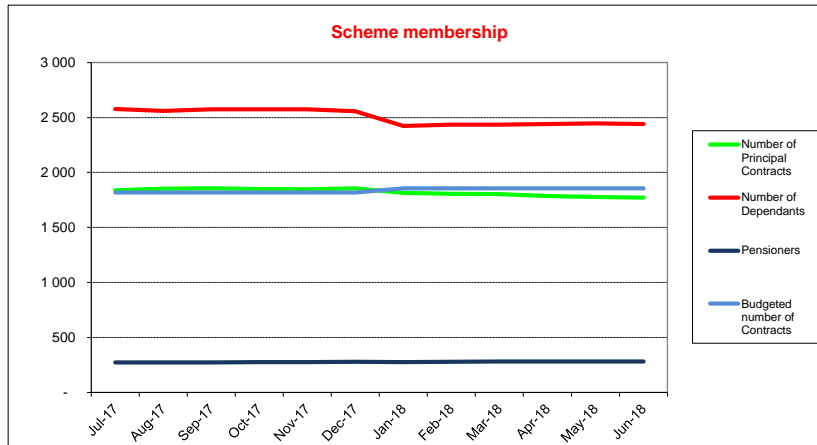


During the year a number of members typically utilise annual savings in excess of their year-to-date savings contributions and therefore are reported as having received advanced funding. This level increases during the year and around August/September the contributions begin 'catching' up with advances 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	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
<b>Membership Ratios:</b>												
Number of Principal Contracts	1 839	1 854	1 857	1 851	1 847	1 855	1 816	1 807	1 803	1 787	1 778	1 770
Budgeted number of Contracts	1 818	1 818	1 818	1 818	1 818	1 818	1 857	1 857	1 857	1 857	1 857	1 857
Number of Dependants	2 578	2 559	2 575	2 573	2 573	2 558	2 422	2 436	2 434	2 441	2 446	2 440
Beneficiaries per contract	2.40	2.38	2.39	2.39	2.39	2.38	2.33	2.35	2.35	2.37	2.38	2.38
Pensioners	272	273	274	275	277	278	277	280	283	283	282	281
Pensioner ratio	14.8%	14.7%	14.8%	14.9%	15.0%	15.0%	15.3%	15.5%	15.7%	15.8%	15.9%	15.9%
Beneficiaries > 65 years of age	281	281	285	284	283	282	280	283	288	289	289	291
Beneficiaries > 65 years of age ratio	6.36%	6.37%	6.43%	6.42%	6.40%	6.39%	6.61%	6.67%	6.80%	6.84%	6.84%	6.91%
Beneficiaries >= 60 years of age	416	416	420	422	425	428	426	430	433	434	432	434
Beneficiaries >= 60 years of age ratio	9.42%	9.43%	9.48%	9.54%	9.62%	9.70%	10.05%	10.13%	10.22%	10.26%	10.23%	10.31%





**ALLIANCE-MIDMED MEDICAL SCHEME  
TOP 10 CLAIMING CONTRACTS YEAR TO DATE  
JUNE 2018**

Rank	Age	Gender	Cost Driver	Claiming Details and Explanation for Costs	Amount paid from risk (YTD)	Status
1	74	Female	Respiratory	This lady was admitted in early May 2018 with a stroke and pneumonia. She received medical treatment and was discharged 7.5 days later. She was re-admitted the very next day when she presented with vomiting and acute abdominal pain with severe colonic distention. She now also presented with Klebsiella pneumonia for which she received high costing antibiotics. She was nursed in ICU for 34 days where she was ventilated and required 13 High care days. Her condition deteriorated and she sadly passed away on 28 June 2018.	1 365 270	R.I.P 28/06/2018
2	78	Female	Respiratory	This lady was admitted when she presented with runny stools and dehydration. Her blood pressure fluctuated from being hypotensive to severely hypertensive. She also had a raised temperature and she was diagnosed with bronchopneumonia and received intravenous antibiotics. Her condition deteriorated and she was transferred to ICU where she was ventilated. She also needed several blood transfusions for a very low Hb and dialysis was commenced. She has been extubated of the ventilator and transferred to the high care ward but remained very ill and weak. She was transferred to the general ward and then to a step down facility for rehabilitation and recovery. She was however re-admitted in hospital after 5 days with nausea and excessive vomiting. She received medical treatment for this and was then discharged into the care of a frail care centre. She was re-admitted in April with severe dehydration. Her condition deteriorated and she sadly passed away on 6 May 2018.	982 283	R.I.P 06/05/2018
3	75	Male	Cardiovascular	This patient was admitted in early June when he presented with severe chest pain on the left side. He was hypotensive with shortness of breath. An ECG and heart enzymes confirmed a heart attack. A chest scan also revealed a pulmonary mass in the right upper lobe of his lung. He was nursed in ICU for 7 days and High care for 9.5 days. He had an angiogram procedure on the 22 of June but sadly passed away on 23 June 2018.	404 857	R.I.P 23/06/2018
4	74	Female	Cardiovascular	This lady presented with an abnormal ECG reading and was referred for an angiogram. She was diagnosed with Sick Sinus Syndrome and Cardiomyopathy. An Implantable Cardioverter Defibrillator pacemaker was inserted. She was discharged in a satisfactory condition. She was unfortunately re-admitted recently when she felt dizzy at home and passed out. She received medical treatment for a pulmonary embolism and was discharged in a satisfactory condition after 3 days. She had a short overnight admission late in June when she experienced shortness of breath and an irregular heart beat. This settled well and she was discharged the next day.	331 955	Discharged in a satisfactory condition
5	86	Female	Musculoskeletal	This lady fractured her hip in a trauma related incident in February which required emergency hip replacement surgery. She recovered well and was discharged back to her retirement facility after 6 days. She was unfortunately re-admitted a few weeks later when she got out of bed and dislocated her hip. She was placed in traction and her hip was re-located. She was re-admitted again after 4 weeks when she had a fall at home and once again dislocated her left hip which required a revision of her hip replacement procedure. She was discharged after 4.5 days. There has been no subsequent admissions	315 490	At 86 this patient is a very high risk of ongoing similar events
6	3	Female	Gastrointestinal	This baby was admitted when she presented with severe vomiting, nausea, diarrhoea and coughing. She was anaemic and 6 convulsic episodes were noted while she was in hospital. A diagnosis of Kwashiorkor was made and she required 6 days of medical treatment in high care and 24.5 days in the pediatric ward. A social worker consulted with the family before she was discharged into the care of her family. There has been no subsequent admissions so far. In addition the main member had an 8 day admission in February 2018 when she was treated for viral meningitis.	307 149	Discharged into the care of her family after a consultation with a social worker
7	38	Male	Gastro-intestinal	This gentleman was admitted via casualty on 7 January 2018 when he presented with severe headaches, chest pain and severe epigastric pain. He blood pressure on admission was 171/124. A gastroscopy and CT scan revealed gallstones and the patient had a cholecystectomy procedure. He was nursed in high care for 4 days and discharged after 8 days. He was unfortunately re-admitted on 25 January 2018 when he presented with abdominal sepsis. He received Intravenous antibiotics and was discharged after 11 days in a satisfactory condition. He had a short 3 day admission in February for abdominal pain but there has been no subsequent admissions	306 774	Discharged in a satisfactory condition
8	25	Female	Maternity	This lady was admitted via her doctor's rooms when she presented with nausea and abdominal pain at 31 weeks gestational stage. It was found that she was in premature labour and a Caesarean Section was performed. A healthy female baby was delivered with a weight of 1.53kg. She was initially nursed in neonatal ICU on CPAP ventilation and NG tube feeding. She made good progress and was transferred to the neonatal high care ward. She was discharged 29.5 days later in a satisfactory condition. There has been no subsequent admissions	305 573	Discharged on a satisfactory birth weight of 1.85kg and bottle-feeding.
9	39	Female	Musculoskeletal - Spinal	This patient was admitted when she presented with severe lower back pain. A laminectomy procedure was performed for disc desiccation and disc protrusion. She recovered well after the surgery and was discharged after 6 days. She was unfortunately re-admitted 3 weeks later with sepsis and received intravenous antibiotic therapy. She was discharged after 14 days in a stable condition. She was unfortunately recently re-admitted with severe abdominal pain and unable to walk. She received antibiotics and pain medication and was discharged two days later. There has been no subsequent admissions.	304 331	Discharged in a satisfactory condition
10	68	Female	Musculoskeletal - Knee	This lady received a right knee replacement procedure in April and was discharged after 3 days. She was re-admitted shortly thereafter with severe difficulty in breathing and chest pains. She was diagnosed with pneumonia and received medical treatment. Her condition weakened and she needed nursing in ICU and in High care. She was discharged after 7.5 in a satisfactory condition. She received woundcare for ulcerations on her legs but there has been no subsequent admissions.	286 061	Discharged in a satisfactory condition
					4 909 744	

**COMPARATIVE ANALYSIS**

	Total
Top 10 claims - Jan 2018 (Till MOP June 2018)	4 909 744
Top 10 claims - Jan to Dec 2017(Till MOP Dec 2017)	6 744 875
Top 10 claims - Jan to Dec 2016(Till MOP Dec 2016)	4 952 582
Top 10 claims - Jan to Dec 2015(Till MOP Dec 2015)	6 905 559
Top 10 claims - Jan to Dec 2014(Till MOP Dec 2014)	6 787 187

## 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%