Because Your Health Matters

ALLIANCE-MIDMED MEDICAL SCHEME

MINUTES OF THE ANNUAL GENERAL MEETING (AGM) OF ALLIANCE-MIDMED MEDICAL SCHEME HELD VIRTUALLY AND AT COLUMBUS STAINLESS, CARROL'S CAFÉ ON WEDNESDAY, 22 June 2023 AT 12h00

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1. Notice Convening the Meeting

The Chairperson, Mrs Sharon Muller, welcomed everyone to the 2023 Annual General Meeting and thanked them for attending.

The Chairperson confirm that due notice had been served in terms of Rule 25.1.3 of the Scheme Rules and noted that, with 57 members establishing a quorum by attending the meeting in person, the meeting was duly constituted.

2. Apologies

Apologies from FJ Mabhena and JC van Coller was noted.

3. Attendance: Refer to the attendance register for member attendance (48 members)

Trustees & Co-Opted Trustees

SD Muller	Sharon	(SM)	Trustee / Chairperson
J Nell	Jacques	(JN)	Trustee
EC Jordaan	Carl	(CJ)	Trustee
DP Martin	Dave	(DM)	Trustee
N Harris	Nicolene	(NH)	Co-Opted Trustee
JJ Tharakan	Jubee	(JT)	Co-Opted Trustee

Audit, Risk and Compliance Committee Members

JP van der Walt	Johan	(JvdW)	Committee Member / Chairperson
D van der Merwe	Dewald	(DvdM)	Committee Member

Scheme Management

JH Hartzenberg	Johan	(JH)	Principal Officer

Apologies

FJ Mabhena	Jo	(JM)	Trustee
JC van Coller	Riaan	(RvC)	Trustee

4. Confirmation of the Minutes of the Annual General Meeting held on 29 June 2022

The minutes of the Annual General Meeting, held on 29 June 2022, were circulated via electronic communication prior to the meeting. No amendments were proposed. The minutes were confirmed as a true record of the proceedings.

Proposed: Jacques Nell
Seconded: Dave Martin

The minutes were signed by the Chairperson.

5. Chairperson's Report and Principal Officer's presentation

The Chairperson advised her report was made available on the website. She presented the report, highlighting the following salient points:

- Claims levels reverted to pre-Covid levels. The Scheme remains financially stable.
- The Scheme's membership remained stable.

- Several changes and improvements were implemented to improve service delivery to the members.
- The importance of member participation to protect the Scheme against benefit abuse and potential fraud.
- The Wellness Centre is now available on-site and members are encouraged to make use of the resources that are available in the centre.

The Principal Officer (PO) addressed the meeting, highlighting the following:

- Annual Scheme contributions amount to R115m and should every member and beneficiary utilise all the benefits available to them, we would require multiple times that amount. The benefits must therefore be structured to ensure members receive the best care whilst ensuring the Scheme remains financially viable.
- Of the R9.7m paid for General Practitioner (GP) consultations, R9.4m was paid from risk and R302k from savings. This rich benefit is aimed at preventing unnecessary hospital admissions for conditions that can be treated through regular GP consultations. We are however concerned about the quality of GP care that will achieve this objective.
- Of the R7m paid for Specialist Consultations, R6.8m was paid from Risk and R218k from savings.
- During 2022, 12 716 GP consultations, 2 466 Specialist consultations and 102 456 medication items were funded.
- Claims amounting of R13.45m was paid toward treatment for the Top 20 claiming beneficiaries.
- Adherence to chronic treatment plans and medication remains a concern.
- The Scheme's self-administration operational processes are progressing well with no items of concern noted.
- Membership increased slightly since 2021 and the average beneficiary age is 34.51 years.
- The Scheme's pensioner profile is well below the industry at 8.34%.
- The average non-healthcare expenditure pf R189 per beneficiary per month is significantly better than other schemes.
- The average accumulated funds (excluding member savings) per member as of December 2022 was R48 541. The Scheme's current reserves can sustain the Scheme for eight months without receiving any contributions.
- The importance of members responding to the Health Risk Assessment calls were highlighted. The assessments play a key role in preventive care - identifying health risks, facilitating appropriate treatment plans and containing costs.
- The moving of the Scheme office to the Wellness Clinic premises will result in a rental cost saving. The member-facing focus will remain the same with increased access to quality services. We will communicate ethe available services shortly.
- The contribution increases and benefit enhancements were highlighted.
- Members are encouraged to call in at the Wellness Centre to discuss any specialised treatment before starting the treatment. This will enable the wellness nursing staff to intervene to ensure members receive the best treatment.
- The Scheme is currently reviewing all the hospitals used by the members and will be identifying the preferred hospitals based on their level of specialist and surgical services provided at these hospitals.
- The administration support staff at the office is available for administration related queries.
- Whilst there has been a steady increase in the utilisation of the self-help mechanisms available to members, the advantages of the mobile app was discussed. Members are encouraged to use the mobile app instead of email or phone calls, as a first port of call to resolve queries and access benefits.
- The service providers and health professionals are also encouraged to use the web portal to resolve queries.
- A brief overview of the National Health Insurance (NHI) progress noted that the Bill was approved by the National Assembly on 13 June 2023. It is however still unclear what services will be provided as the term "primary healthcare" has not been defined. It is anticipated that the implementation of the NHI will still take several years.
- In 2019 the Council for Medical Schemes (CMS) issued a Directive to the Scheme regarding the repayment of member savings they claimed the Scheme incorrectly used to pay claims. The Scheme investigated the issue and found that the CMS used another scheme's data and erroneously issued the directive to Alliance-Midmed Medical Scheme. The Scheme did notify the CMS of their error, but no retraction of the Directive has been received to date.
- The Scheme is still awaiting the final report of the 2021 CMS Investigation into the Scheme's operations and management.
- The Administration Accreditation Audit, which commenced in 2020 when the Scheme changed to self-administration, remains ongoing and the Scheme is still awaiting feedback from CMS regarding its accreditation. The Scheme however remains registered on the CMS website and the Scheme's Auditors

confirmed the Scheme's going concern status.

- Scheme investments are regulated and an application for exemption from specific sections of the Medical Schemes Act was sought from and was granted by the CMS.
- The 2023 Scheme Rules were approved by CMS. They however requested certain rules be amended. The Scheme sought legal advice and responded to CMS and are awaiting their feedback.
- Outstanding medical costs claimed from the Road Accident Fund (RAF) are R2.7m. The RAF however decided that they will not be paying medical claims anymore. The medical scheme industry, with Discovery at the lead, is disputing this decision.
- Members can assist the Scheme by:
    - Following the doctor's instructions.
    - Obtaining quotations for expensive and specialist consults and procedures.
    - Utilising the Scheme office for pre-authorisations and referrals.
    - Utilising the Lifestyle benefits and flu vaccinations.
    - Improving lifestyle choices and exercising regularly.
    - Adhering to the managed healthcare programmes.
    - Utilisation of generic medication where possible.
    - Limiting Specialist consultations as the first point of care.
    - Registering chronic conditions to ensure that the condition is managed appropriately.
    - Utilising the in-rooms surgical procedures benefit.
    - Making use of the professional nurse and medical advice service.
    - Reporting fraud and abuse.
    - Managing cash payments for consultations and medication.
    - Monitoring co-payments for consultations, procedures and medication.
    - Complying with Chronic Condition treatment plans.

6. Comment on the Annual report and Financial Statements

The PO provided a brief overview the financial results for 2022, noting that:

a. Claim paid increased from R98.9m in 2021 to R113.2m in 2022. This R14.3m increase is a clear indication that the claims trends are returning to pre-Covid levels.
b. The Scheme's net contribution income increased from R105.4m in 2021 to R112.4m in 2022.

A printed copy of the Annual Financial Statements was made available at the meeting.

The PO reported the Scheme maintained a clean audit status after transferring to self-administration.

Comments and questions:

a. A member enquired why the financial statements were not made available to the members prior to the meeting and PO responded the audited Annual Financial Statements (AFS) were made available to the members for inspections via the virtual AGM platform and on the Scheme website when the meeting notice was published on 8 May 2023. A message was sent to members informing them thereof and it is regrettable that the member missed the message. The PO is available to discuss any issues that the member may have after the meeting. If issues arise that may be of concern to the membership, we will share the information via the website.

7. Appointment of Auditors

The Principal Officer advised that, in terms of the Scheme Rules, the annual reappointment of the Auditors was required.

It was proposed that members confirm the reappointment of Ransome Russouw as the Scheme Auditors for 2023.

Proposed: Henk du Toit
Seconded: Marius de Wet

The members unanimously agreed, and the motion was carried.

8. Motions

In terms of the Scheme rules, Notices of Motion are to be placed before the AGM and should reach the Principal Officer no later than 14 days before the AGM. The Chairperson confirmed that, apart from the auditor appointment, no motions had been received.

9. Closing

The Chairperson thanked the Members for their continued support and the Trustees, the Committee members, and the PO and the Scheme staff for their valued service to the Scheme. The Chairperson was thanked for her leadership of the Scheme.

With no further business at hand, the Chairperson closed the meeting at 13h00.

Certified a true record

SD MULLER

SD MULLER

Signed by SD MULLER, muller.sharon@columbus.co.za

28/06/2024 08:06:04(UTC+02:00)

SIGNIFLOW

28 June 2024

CHAIRPERSON **DATE**