Because Your Health Matters
ALLIANCE-MIDMED MEDICAL SCHEME

MINUTES OF THE ANNUAL GENERAL MEETING (AGM) OF ALLIANCE-MIDMED MEDICAL SCHEME HELD AT CARROL'S CAFÉ, COLUMBUS STAINLESS, HENDRINA ROAD, MIDDLEBURG ON TUESDAY, 25 JUNE 2024 AT 12H00

---

1. Notice Convening the Meeting

The Chairperson, Sharon Muller, was unable to facilitate the meeting but she was present in the meeting. The Principal Officer (PO) chaired the meeting on her behalf.

The PO, Mr Johan Hartzenberg, welcomed everyone to the 2024 Annual General Meeting and thanked them for attending.

The PO welcomed the Council for Medical Schemes (CMS) representative, Mr Sibongubuhle Situnda, Senior Investigator: Compliance & Investigations.

The PO confirmed that due notice had been served in terms of Scheme Rule 25.1.3 and noted that, with 30 members establishing a quorum by attending the meeting in person, the meeting was duly constituted.

2. Apologies

Apologies from Dave Martin and Veronica Ngwenya were noted.

3. Attendance: Refer to the attendance register for member attendance (73 members)

Trustees & Co-Opted Trustees

SD Muller	Sharon	(SM)	Trustee / Chairperson
J Nell	Jacques	(JN)	Trustee
JC van Coller	Riaan	(RvC)	Trustee
FJ Mabhena	Jo	(JM)	Trustee

Audit, Risk, and Compliance Committee Members

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

Scheme Management

JH Hartzenberg	Johan	(JH)	Principal Officer

Invitee

S Situnda	Sibongubuhle		CMS Representative

4. Confirmation of the Minutes of the Annual General Meeting held on 22 June 2023

The minutes of the Annual General Meeting, held on 22 June 2023, 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: Martin Hammersma
Seconded: Jacques Nell

The minutes were signed by the Chairperson and will be placed on the Scheme's website.

5. Address by the Chairperson and Comment on the Annual Report and Financial Statements

The PO presented the Chairperson's Report, highlighting the following salient points:

- Claims expenditure returned to, and exceeded, pre-COVID claims during 2023.
- The way in which members use their benefits has changed, so has healthcare professionals' approach to healthcare, which requires careful coordination and management.
- The Scheme reported a net surplus of R102k. A large surplus was made during COVID due to many members pausing chronic condition management, which resulted in major cost events post-COVID.
- Stability has since been restored.
- The International Financial Reporting Standard (IFRS) reports have changed and a detailed explanation, along with the report, will be available on the Scheme's website.
- To address increasing healthcare costs, the onsite nurse-based health services are proceeding, albeit slower than anticipated. These services will have a major impact on containing costs.
- Scheme operations are at an all-time high, with 95% of claims being paid within 30 days, medicine authorisations taking 0.5 seconds, 73.5% of queries being answered the same day, and 99% of queries being answered within 30 days. Call centre challenges due to the transfer to a new service provider have mostly been resolved. All e-mails are answered within 14 days.
- More than 30 healthcare professionals were visited to ensure payments and communications are as agreed and queries are resolved. Healthcare professionals were encouraged to use the comprehensive self-service web facility to manage their accounts.
- The CMS investigation is largely resolved. Feedback regarding a savings refund to members and the report for the outcome of the administration inspection are awaited. Accreditation to perform managed care services was obtained, which will allow for better care plans and management for members.
- Site and home visits are being conducted. However, there is a struggle to get members to respond to calls from the Scheme. The Scheme is independent from Columbus Stainless and information is secure and confidential.
- Overuse, fraud, and abuse remain at around 4.8%. Members are encouraged to check their monthly statements. All fraud claims lodged with Be Heard are investigated.
- Preserve benefits and reduce higher increases by:
    - Using benefits with care, consulting the nurses, and calling the Europ Assist line where doctors and nurses on 24-hour call attend to emergencies.
    - Reporting fraud and abuse.
    - Using generic medications.
    - Using the Scheme's comprehensive life-stages benefit and extended in-room procedures benefits.
- The impact of the planned National Health Insurance (NHI) Scheme is continuously monitored and information on significant events or changes will be disseminated. E-mail communication was sent with the latest information after the Bill was signed by the President.
- The Chairperson thanks the Board of Trustees, members of the Audit Committee, specialist partners, the clinical and admin teams, and the members of the Scheme for their continued support.

The PO addressed the meeting, highlighting the following salient points:

- The Annual Financial Statements (AFS) for 2023 were presented in an abbreviated format. Although the Auditors have verified the numbers, the AFS is unaudited at this time and cannot be signed off because it is not in the new IFRS17 format.
- The PO briefly explained the difference between the reporting standards.
    - IFRS is the global accounting standard for insurance contracts.
    - The main objective is to compare the profitability and effectiveness of insurers' operations.
    - The financial framework establishes comparable performance of companies across jurisdictions and countries for different contracts and products as well as to compare to other industries
    - There were time and cost implications to convert to IFRS17 reporting standards.
    - The final AFS with IFRS17 reporting will be made available on the website once signed and this will be communicated to members.
- The PO presented the Service Charter as well as the escalation matrix.
- The PO encouraged members to utilise the mobile app and invited members to discuss any concerns with staff members.
- The PO presented the Scheme's plans:
    - Pre-authorisation for appliances and HIV have been removed to improve access.
    - A new script must be obtained every 6 months for chronic medication. This is not a Scheme rule but a legal requirement.

    - The process for Trustee Elections will start in July 2024 and new Trustees will be in office as from 01 September 2024. Election documentation will be sent out early July.
    - A pharmacy facility and doctor services are being established on site. Costs can be significantly reduced with these services. The Scheme is awaiting the licence application.
    - Members are encouraged to do health risk assessments, which is available through the Know-Your-Number project.
    - The PO expressed the importance of vaccinations, particularly with regard to children.
- The PO presented the current issues:
    - Board appointments are set for 01 September 2024.
    - R3.5m outstanding on third-party claims over a period of 11 years has been spent on car accidents where another third party has been involved. Although this does not form part of the cashflow, the Scheme is still assisting members who are attempting to claim from the Road Accident Fund (RAF). A few claims have been successful.
    - The Board of Healthcare Funders (BHF) has recently been in the news, in legal action with the Council for Medical Schemes, in relation to the National Health Insurance (NHI).
    - A referral network has been developed. Members used 98 different hospitals in 2022/2023 across the country, which does not allow for good management of members' health. Eleven hospitals have been identified for the best speciality care they offer to ensure issues are fixed first time.
    - Midmed Hospital has recently been in the news for unsubstantiated allegations. The Scheme is communicating and meeting with the hospital regularly. As a community asset, the hospital provides great standard care and is amongst the top 10 community hospitals in the country in terms of treatment data, statistical quality control, and evidence.
    - Private hospitals have a high number of temporary staff. The Scheme is requesting them to have a core group of permanent staff for better management of consistency of care. The Scheme is focussing on the afterhours emergency services at the hospital. The hospital manager is working with the Scheme to sort these issues out. The PO encouraged members to advise if they have other concerns regarding the hospital.
    - The PO encouraged members to visit the Family Wellness Centre. The centre can provide up to R3.8m cost saving if care is coordinated better.
- The PO presented the regulatory and compliance matters.
    - The NHI Bill was signed into law in May 2024. The Scheme has a specific strategy in place. The NHI is expected to take 10-15 years, so the Scheme will still take care of its members in the meantime.
    - In 2019, there was a Regulation 10 Directive accusing the Scheme of using around R38m of members' savings to pay Scheme liabilities. This is disputed by the Scheme. The CMS erroneously used another scheme's information. The CMS needs to confirm this and conclude the matter.
    - The 2021 investigation is largely concluded but the final paperwork needs to be completed.
    - The Scheme is awaiting the Administration Accreditation Certificate. The Managed Care Accreditation Certificate has already been received in March. This has decreased managed care costs significantly. The nurses can now visit members in hospital, at home, and at the workplace, which is more personalised and effective.
    - The Scheme is compliant with the CMS's requirement that Schemes do not invest in administrators or holding companies.
    - The RAF outstanding claims amount of R2.9m differs from the previously advised figure of R3.5m due to the reporting method. The PO has requested the lawyers and accountants to categorise the claims according to recoverability.
    - The Scheme is currently working on the disagreements in terms of the Rules 2023 and 2024.
- Since removing the pre-authorisation for the HIV programme, there has been an increase in the uptake of the programme due to members requiring anonymity. It is important to note that no Scheme staff members have knowledge of who is enrolled on the HIV programme.
- Specialised dentistry continues to be problematic due to high costs.
- The Scheme is considering alternative ways of dealing with glasses and contact lenses due to abusive practices.
- The Scheme's medical panel makes referrals in cases where they believe, after consultation, that the treatment that a patient is receiving is not in the best interest of the member/Scheme.
- The PO presented the benefits of the self-help services, such as the website and mobile app.
    - 64% of member telephonic and e-mail queries can be resolved via the mobile app.

    - 28% of provider benefit confirmations can be verified on the app while members are at the practice.
    - 85% of health professional financial queries can be resolved via their logins on the web portal.
- 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.
    - Engaging with the Scheme for quicker appointments and cost reductions.
    - Answering Scheme staff calls.
    - Limiting Specialist consultations as the first point of care.
    - Registering chronic conditions to ensure that the condition is managed appropriately and complying with chronic condition treatment plans.
    - Utilising the in-rooms surgical procedure benefit.
    - Making use of the professional nurse and medical advice service.
    - Reporting fraud and abuse and managing wastage, fraud, abuse, and over-utilisation.
    - Managing cash payments for consultations and medication.
    - Monitoring co-payments for consultations, procedures, and medication.
    - Checking benefits on the mobile app.
- The PO reported on the compliance of members to chronic condition treatment. These statistics are based on collection of medication from pharmacies, and not on actual medication use. The statistics are worrying and the PO invited members to please discuss issues they may have with the taking of chronic medication with the nursing team.
    - 56.7% for Bipolar Mood Disorder
    - 74.01% for Cardiac Failure
    - 61.28% for Epilepsy
    - 77.76% for HIV/AIDS
    - 73.84% for Hypertension
    - 61.86% for Depression
    - 71.24% for Diabetes Mellitus 1
    - 68.45% for Diabetes Mellitus 2
- The Scheme allows chronic condition registration. Registration for chronic conditions is one measure of how effective the Scheme is working. The Scheme requires members to register for chronic conditions so that it can assist in the management of the condition. The PO encouraged members to discuss possible reasons for non-compliance with the Scheme.
- The PO presented reasons for a few incidents where hospitals have refused to assist members.
    - Incorrect selection of medical scheme, e.g. Alliance International insurance company instead of Alliance-Midmed. Members should ask them to scroll down to Alliance-Midmed. Hospitals have agreed to train and retrain staff.
- The PO acknowledged Drug Awareness Week and advised that communications will be sent out. There are rehabilitation facilities available in the Scheme's network.

Comments and Questions:

a. A member enquired as to why doctors charge a full consultation charge to renew a script on a 6-monthly basis. The PO responded that, because it is a legal requirement, the Scheme is unable to do anything about this. In most cases, the doctor will conduct a full assessment to establish whether a script needs to be adjusted/continued. The consultation is provided for in the relevant treatment plan. The PO encourages members to have a full assessment done during this consultation.
b. A member enquired about the fewer hospitals and how this will affect long-term treatment with current medical professionals who have a full medical history. The PO acknowledged that approximately 73 members have a medical history with healthcare professionals who are not on the list. These members will not be forced to change medical professionals unless the treatment plan is not working, but this will be discussed with the member one-on-one. It is important to note that preferred providers were selected based on their record.

c. A member enquired about finding specialists who are deemed to be the best but are not on the list of referral specialists, whether the member can put a case to the Scheme as to why their chosen specialist will be better. The PO confirmed that this is welcomed. The PO further explained that the list is based on what the Scheme has identified what is believed to be the best quality care through consultation within the industry.
d. A member enquired whether Europ Assist is effective. Despite pre-authorisation being noted in the hospital, Europ Assist was not available on the morning of the procedure. The member expressed concern about admission to a State hospital due to the unavailability of Europ Assist. The PO confirmed that part of the issue lies with the Scheme, such as problems with the telephonic system. The Scheme is working on sorting these issues out. Out of 1300 calls, Europ Assist has dropped two. Europ Assist was selected due to the quality of call responses. No deterioration has been detected but the Scheme will investigate further. The PO will investigate the member's specific case and revert with feedback.
e. Due to the considerable number of fatalities of young persons under the age of 30 dying in road accidents, a member suggested that the Scheme run campaigns targeted at young people to raise awareness. The PO validated the suggestion.

6. Appointment of Auditors

The PO advised that, in terms of the Scheme Rules, the annual reappointment of the Auditors was required. The appointment has been delayed as the 2023 Annual Financial Statements have not yet been finalised and quality assurance of the major IFRS changes was required to first be conducted prior to finalising the Auditor appointment. Once this is confirmed, the PO will communicate with Scheme members and propose the appointment. A decision will be ratified by Round Robin Resolution by the Board of Trustees.

7. Annual Financial Statements

The audited Annual Financial Statements and copies of the Auditor's and the Board's Reports shall be laid before the meeting and be available for inspection by members at the Scheme offices during normal office hours and shall also be available on the Scheme's website.

8. Closing

The PO thanked the Members for their attendance.

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

Certified as a true record.

SD MULLER

SD MULLER

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

26/06/2025 09:17:57(UTC+02:00) SIGNIFLOW

Chairperson

26 June 2025

Date