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, MIDDELBURG ON WEDNESDAY, 25 JUNE 2025 AT 12H00

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1. Notice Convening the Meeting

The Chairperson, Sharon Muller, was unable to facilitate the meeting. Mr Jo Mabhena chaired the meeting on her behalf.

Mr Mabhena welcomed everyone to the 2025 Annual General Meeting and thanked them for attending.

Mr Mabhena introduced the newly appointed Principal Officer (PO), Mr PD Theron.

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 Sharon Muller, Martie van Staden, and Veronica Ngwenya were noted.

3. Attendance: Refer to the attendance register for member attendance (53 members)

Trustees & Co-Opted Trustees			
FJ Mabhena	Jo	(JM)	Trustee
J Nell	Jacques	(JN)	Trustee
JC van Coller	Riaan	(RvC)	Trustee
JJ Tharakan	Jubee	(JT)	Trustee
S Beyer	Strydom	(SB)	Co-Opted Trustee
A Taljaard	Anya	(AT)	Co-Opted Trustee
RP Monatisa	Phillip	(PM)	Co-Opted Trustee
Audit, Risk, and Compliance Committee Members			
JP van der Walt	Johan	(JvdW)	Committee Member / Chairperson
D van der Merwe	Dewald	(DvdW)	Committee Member
K Bizana	Kutala	(KB)	Committee Member
Scheme Management			
PD Theron	PD	(PDT)	Principal Officer

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

The minutes of the Annual General Meeting held on 25 June 2024 were circulated via electronic communication prior to the meeting. No amendments were proposed. The minutes were confirmed as a true record of the proceedings.

Proposer: Jacques Nell
Seconder: Jo Mabhena

The minutes will be 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:

- The Scheme welcomed newly elected Trustees following the Trustee Election process in September 2024.

- Mr PD Theron assumed the role of Principal Officer on 1 February 2025.
- The Scheme expanded its operational capacity with the appointment of key personnel:
  - Mrs Hannami Scholtz joined the Client Services team to enhance front-office support.
  - Mrs Ntombi Ramolutsi joined the Family Wellness Centre as a medical receptionist.
  - A third nurse will join the team in July 2025 to increase focus to case management, Health Risk Assessments (HRAs), and chronic disease support.
- Members are encouraged to engage with the Family Wellness Centre and regular HRAs and to understand and manage their risk factors, particularly for chronic conditions such as hypertension, diabetes, and high cholesterol.
- The Scheme's FY2024 external audit was successfully completed and the audited financial statements are available on the Scheme's website.
- Members are urged to use their benefits thoughtfully and responsibly to avoid increased costs and higher contributions by:
  - choosing generic medication
  - following clinical guidelines
  - making use of the Family Wellness Centre
  - reporting fraud or abuse
- Claims processing, member queries, and service provider engagements continue to meet or exceed performance standards.
- In light of the signing of the NHI Bill into law, members were assured that their cover and benefits remain unaffected at this time and in the foreseeable future as the implementation of the NHI will be a gradual process.
- The report concluded with the Chairperson thanking 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. A special word of thanks was extended to Mr Johan Hartzenberg, the outgoing PO for his years of dedication to the scheme and the members.

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

- The PO highlighted the newest Trustees, Mr Jubee Tharakan and Ms Martie van Staden.
- The PO highlighted the introduction of an Observer, Ms Veronica Ngwenya.
- Sygnia Asset Management, who provided a cost-effective investment structure, was appointed at the beginning of November 2024. The preliminary results reflect promising returns but the Board will continue to monitor the investment returns.
- The Annual Financial Statements (AFS) for 2024 were presented in an abbreviated format. The external audit was successfully completed and the audited financial statements are available on the Scheme's website.
  - The majority of funds received are used for healthcare and non-healthcare costs are kept to a minimum where possible.
  - There was an increase in the accredited managed healthcare services. The Scheme had been self-administered for the preceding 2.5 years. This figure is expected to stabilise in the 2025 financial year.
  - Annual Scheme contributions amount to R127 million.
  - The Scheme is in a sound financial position and is expected to remain in this position for the foreseeable future.
- The PO briefly explained the non-compliance with the Medical Schemes Act and actions that will be taken.
  - Not all billed contributions are received within 3 days as Section 26(7) of the Act requires. These incidents are exceptional, such as when the 3-day grace period falls over a weekend. ACTION: Credit control procedures minimise the risk of non-recoverability, including that about 90% of contributions are collected via deductions from the employers' payroll. The Scheme monitors creditors closely to minimise the incidences.

- Claims are generally paid within 30 days of receipt, in terms of Section 59(2) of the Act. Due to procedures such as clinical auditing and suspected fraudulent claims, some claims are paid later, which could impact members and providers. ACTION: Management tracks claims older than 30 days and monitors progress to minimise delays.
- Section 35(8)(c) of the Act requires that a Medical Scheme shall not invest its assets in an administrator. Independent third-party asset managers manage the Scheme's investment funds and have a discretionary mandate to achieve set targets. Given this approach, the Scheme may sometimes be exposed to shares in administrators. ACTION: As a precaution, the Scheme made an application and was granted an exemption from complying with this requirement by the CMS. The exemption will expire on 30 November 2025.
- The Scheme invests in Momentum Metropolitan Life Limited, Sanlam Life Insurance Limited, and Discovery Group Limited.

- The PO presented the Benefits Utilisation Review.
  - The top 20 claimers for service year 2024 amounted to R16.156 million with the highest claim being R1.301 million and the lowest being R580K.
  - The highest utilisation of services was for general practitioner consultations: out of hospital at 52.89% of claims, followed by prescribed medication at 45.70% and over-the-counter/self-medication at 34.06%.
  - Consultation benefit utilisation for 2024:
    - Average number of consults per family per year: 8.6 visits, of which 7.3 were GP visits and 2.7 were specialist visits.
    - Average number of consults per beneficiary: 4.1 visits of which 3.6 were GP visits and 1.9 were specialist visits. These figures are high compared to industry norms due to the higher age range of members.
    - 10,911 GP consults were paid from the GP Benefit.
    - 2,055 specialist consults were paid from the Specialist Benefit.
    - 1,300 GP and specialist consults were paid from the Chronic Treatment Plan.
    - 135 GP and specialist consults were paid from the Disease Management Programmes.
  - The percentage of membership contracts with shortfalls/copayments: 5.14% above R20,000, 20.40% between R5,000 and R20,000, and 74.46% below R5,000.
- The PO presented the Operational Update.
  - Areas under review:
    - A change in the telephony service provider occurred due to significant service issues. With the change, a 98% uptime has been experienced within the last three months.
    - 1,946 e-mails were processed in April 2024.
    - 45% of enquiries were received via telephone calls, 30% via e-mail, and 5% walk-in at the admin building, Family Wellness Centre, or in the Plant. The remaining 11% of enquiries were received via digital channels (web or app).
    - 90% of enquiries were resolved within 2 working days.
    - 94.8% of claims were paid within 30 days of receipt. The remaining 5.2% were mostly delayed because of outstanding information.
    - 89.4% of claims were paid within 30 days of the date of service. This ratio was impacted by the date of receipt of the claim after the services were provided.
    - 94.5% of claims were straight-through claims with no intervention required. The remaining 5.5% of claims were held for review mostly due to duplication of claims, claims without prior authorisation, and suspicious claims that required careful review.
    - The Scheme sent on average 14,915 e-mails per month and 5,804 SMSs per month. Members are urged to confirm/update their contact details to ensure they receive this communication.

        - On average, pharmacy claims took 0.19 seconds to confirm and acknowledge benefits with confirming payments.
        - 64% of new member applications or membership changes were processed within 48 hours. Incomplete documents or outstanding supporting documents were the main causes for the delays in the remaining 36%.
        - 1,696 health professionals registered to use the website for claims and queries.
        - On average, 570 members logged onto their member mobile app.
    - Operational statistics:
        - The average number of members per month was 1,649.
        - The average number of beneficiaries per month was 3,747.
        - Beneficiaries per member at the end of 2024 totalled 2.28.
        - The average membership age was 47.5 years.
        - The average beneficiary age was 34.79 years.
        - The pensioner ratio (beneficiaries > 65 years) was 8.66%.
        - The average healthcare expenditure incurred per beneficiary per month was R2,951.
        - The average non-health expenditure per beneficiary per month per person was R174.
        - The average non-health expense as a percentage of gross contribution was 5.85%.
        - The return on investments as a percentage of closing investments was 10.10%.
- The PO presented the changes made to ensure quality service:
    - Introduction of the Major Joint for Life funding programme.
    - Specialist referral providers linked to academic facilities.
    - Authorisation for auxiliary services while in hospital.
    - Going forward, the Scheme plans to only fund accredited pathology service providers due to the higher costs of smaller pathology laboratories.
- The PO presented the regulatory and compliance matters.
    - The NHI Bill was approved by the South African Parliament National Assembly on 15 May 2024. Due to uncertainty around the NHI, the Scheme will continue to monitor it and update members accordingly.
    - The Scheme continues to liaise with the CMS on the Regulation 10 Directive. A new Registrar has been appointed at the CMS and current channels of communication are open.
    - The Investigation of 2021 has been addressed and negotiations of investigation fees are underway.
    - Road Accident Fund claims currently require a long, tedious process but the Scheme will continue to claim as necessary.
    - Rule amendments of 2023 have been approved, subject to one change that is required. Any Trustee serving for longer than nine years must attend vigorous annual training to ensure they remain independent.
    - The administration accreditation audit is still awaited but is being addressed with the CMS and is expected to be finalised within 2025.
- Members are urged to manage their Medical Scheme Benefits by:
    - taking responsibility for their own health.
    - using their Lifestyle benefit (Know-Your-Numbers) as early detection is key.
    - managing chronic conditions.
    - following treating healthcare service providers' instructions.
    - engaging with the Scheme's professional nurses and asking questions.
    - using their general practitioners as their gatekeepers.
    - managing their health with healthy habits.
    - not ignoring managed care benefits, which are customised treatment plans.
    - looking for generic medicines.

- understanding the Scheme cost and quality management strategy:
  - Professional nurses at the Family Wellness Centre.
  - Pre-authorisations.
  - Quotations.
  - Referrals to academic specialists.
  - Say NO to wastage, over-treatment/services, fraudulent claims, and abuse of benefits.

- The PO presented the Scheme's communication focus.
  - A Communications Consultant was appointed to:
    - increase awareness among members.
    - foster deeper engagement with key stakeholders: members, healthcare providers, etc.
    - improve member experience at all touchpoints by ensuring a thorough understanding of benefits, rules, and processes.
    - improve member satisfaction and retention through ongoing communication and value-added services.
  - The Schemes communication channels include the telephonic call centre, WhatsApp, website, mobile app, and the healthcare provider portal.

Comments and Questions:

a. A member enquired about the process if a GP or doctor is unsure of a diagnosis and a member needs to return three times before there is a final diagnosis. The member was requested to consult with the clinical team after the meeting.

b. A member enquired about plans in terms of expansion of the Scheme for more visibility because, outside of Middelburg, it is difficult to find service providers who will assist. The PO confirmed that benefits can be used at any pharmacy or hospital within South Africa and these services providers should be assisting members. There may be a number of reasons why this could occur and the member was requested to consult with the medical aid immediately.

c. A member enquired as to whether the Family Wellness Centre provides the facility for six-monthly check-ups for chronic conditions. The PO advised that the FWC can only check some conditions. Other conditions require a check-up via a medical doctor (as per legislation).

d. A member enquired about how to check whether a claim submitted via the app has been approved. The PO advised e-mail communication will be sent if a claim has been paid, approved, or is under investigation.

e. A member noted that twice-yearly check-ups for chronic conditions come out of the GP Benefit and enquired whether it was possible for this not to happen. Members are urged to ensure the diagnosis code for the specific chronic condition is used to ensure the check-up is paid from the correct benefit. However, members must be registered for the relevant programme.

f. A member requested that the Optical Benefit be reviewed as the current Optical Benefit does not provide sufficient cover. The PO confirmed that the benefits will be reviewed with the budget. It was further explained that the higher costs are related to add-ons rather than the standard frames and lenses that fall within the benefit amount.

g. A member enquired about the process to change a glasses lens within the two-year optical cycle and was advised to speak to the clinical team to consider the exceptions.

6. Appointment of Auditors

The PO advised that, in terms of the Scheme Rules, the annual reappointment of the Auditors was required. Ransome Rossouw, now Ranrus Incorporated Registered Auditors & Chartered Accountants, were appointed.

Proposer: Johan van der Walt
Seconder: Piet de Vos

7. Closing

Mr JL Strydom (Columbus Steel CEO) thanked the Alliance-Midmed personnel for their hard work and excellence in ensuring a well-run and professional medical scheme.

The PO thanked the Members for their attendance.

With no further business at hand, the PO closed the meeting at 13h10.

Certified as a true record.

SD MULLER

SD MULLER

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

29/06/2026 14:29:45(UTC+02:00) SIGNIFLOW

Chairperson

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Date