ALLIANCE-MIDMED MEDICAL SCHEME

Because Your Health Matters

2023 ANNUAL GENERAL MEETING

22 June 2023

AGENDA

1. Notice convening the meeting
2. Apologies
3. Attendance
4. Confirmation of the Minutes of the 2022 Annual General Meeting
5. Address by the Chairperson
6. Comment on the Annual Report and Financial Statements
7. Benefit enhancements
8. Appointment of Scheme Auditors
9. Motions

The audited annual financial statements and copies of the auditor's and the Board's reports shall be laid before the meeting and is available on the scheme's website: www.alliancemidmed.co.za/

NOTICE OF THE ANNUAL GENERAL MEETING

Notice published on 8 May 2023

2023

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the members of Alliance-Midmed Medical Scheme will be held in MIDDELBURG at Columbus Stainless, Carroll's Café on:
THURSDAY, 22 JUNE 2023 AT 12H00

ANNUAL FINANCIAL STATEMENTS 2022

	2022 R'000	2021 R'000
STATEMENT OF FINANCIAL POSITION (Balance Sheet)		
Total funds and liabilities	122 145	120 921
Personal Medical Savings Account liability (PMSA**)**	**32 331**	**31 624**
STATEMENT OF CASH FLOWS (Cash flow Statement)		
Receipt from members and providers	118 663	111 207
Paid to providers and members – claims	(113 187)	(98 954)
Paid to providers/employees – non-health expenditure	(8 338)	(6 888)
Cash and cash equivalents at the end of the year	**24 074**	**28 578**
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Income Statement)		
Net contribution income	112 427	105 359
Relevant healthcare expenditure	(109 306)	(99 950)
Investment income	6 966	12 237
Net surplus for the year	1 037	10 177
STATEMENT OF CHANGES IN FUNDS AND RESERVES		
Balance as on 31 December	79 801	78 764

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AUDIT AND AUDITORS 2022

RANSOME RUSSOUW inc
registered auditors • chartered accountants
Established 1995
Registration No.: 2017/064889/21 • Practice No.:953717

Appointment of Ransome Rossouw

Independent Auditors' Report

TO THE MEMBERS OF ALLIANCE-MIDMED MEDICAL SCHEME

Report on the Financial Statements

Opinion

We have audited the financial statements of Alliance-Midmed Medical Scheme, set out on pages 11 to 29, which comprise the statement of financial position as at 31 December 2022 and the statement of comprehensive income, the statement of changes in members' funds and reserves and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Alliance-Midmed Medical Scheme as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Medical Schemes Act of South Africa.

EXPENDITURE PROFILE (major cost items)

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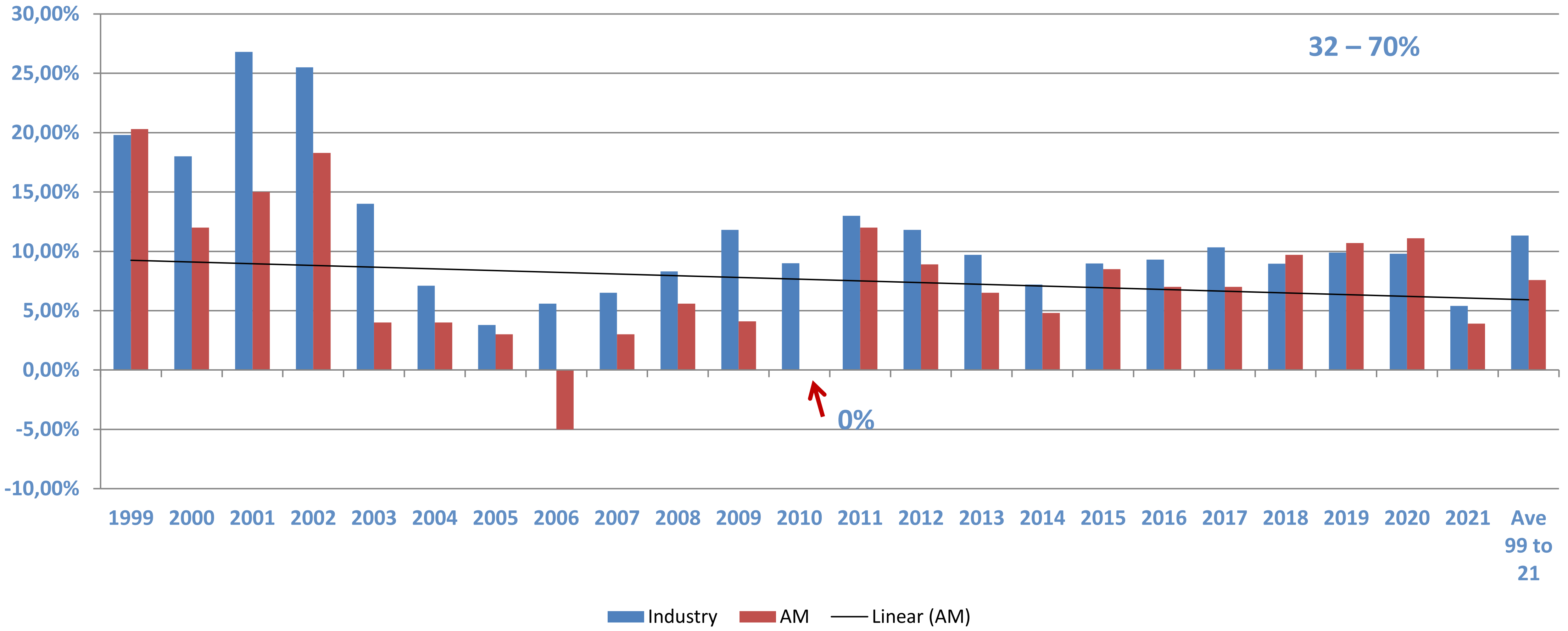
	(R'000)				
	Paid From Risk	**Paid From Savings**	**Total Paid**	**PMPM**	**% Total**
CONSULTATIONS - GP	9 388	302	9 690	491	9,0%
CONSULTATIONS - SPECIALISTS	6 780	218	6 998	355	6,5%
MEDICATION	21 100	2 083	23 184	1 175	21,5%
DENTISTRY	5 023	390	5 414	275	5,0%
CHRONIC PROGRAMMES	4 893	18	4 225	214	3,9%
INPATIENT-MEDICAL	25 902	114	26 017	1 319	24,2%
INPATIENT-SURGICAL	28 806	106	28 912	1 466	26,9%

CONTAINING COSTS



AM = total out-of-pocket expenses - unbeatable

ALLIANCE-MIDMED MEDICAL SCHEME

OPERATIONS

Area under review	SLA	Comments
Incoming emails		2 074 Emails in May (1 699 in April) - five April holidays
Query resolution		Turnaround – 96% (54% in April) processed within 24 hours in May
Claims turn around – Received to Payment		95% Paid within 30 days. Delays mostly due to outstanding information
Claims turn around – Treatment to payment		75% Paid within 30 days. When we receive claims, impacts this %
Claims Adjudication		4% Of claims are delayed - mostly duplicates (optical, pathology and physiotherapy) & claims without prior authorisation
Medicine confirmation		On average 0.51 seconds
Contact Centre queries		Corporate & health professional visits – mostly bank details
Contact Centre		97% of Enquiries are resolved within 48 hours
Membership turnaround		77% of New member applications & 71% of changes actions in 48 hours
Provider Web utilization		890 Health Professionals registered to use our website for claims & queries
Member logins		477 (419 in April) members logged onto their member mobile app
Completed workflows		The team has completed 10 467 (April 6 870) workflows

IMPORTANT STATISTICS

	2022	2021
Members – December	1 654	1 582
Beneficiaries – December	3 657	3 636
Beneficiaries per member at the end of the year	2,21	2,30
Average age of beneficiaries for the year	34,51	35,04
Pensioner ratio (beneficiaries > 65 years)	8,34%	8,80%
Average net contributions per beneficiary per month	R2 543	R2 421
Average healthcare expenditure incurred per beneficiary per month	R2 473	R2 296
Total healthcare expenditure as a percentage of gross contributions	92,31%	90,22%
Average non-healthcare expenditure per beneficiary per month	R189	R161
Non-healthcare expenses as a percentage of gross contributions	7,05%	6,32%
Average accumulated funds(excl savings) per member – December	R48 541	R50 620

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IMPROVING THE SERVICE AND IMPACTING COST

- **Access**
  - The right service at the right time at a reasonable cost
- **Quality** of care and service
  - Tracking diagnoses and care
  - Referral network
  - Engagement with Midmed hospital
  - Addressing sub-standard care with health professionals
- **Cost** savings
  - Repeat/tests return consults consultations – R530 per consultation saved
  - Basic medicines access – R220 (27% saving)
  - HRA – preventive care – R1.7M a year savings
- **Time** away from work and convenience
- Know-Your-Numbers
  - Health-**Risk** Assessments – know your health risks & options and treatment plans

Access

Quality

Cost

Risk

Security

THE HASSLE FACTOR

In[illegible]es Co[illegible]ns– 5.2%[illegible]its – [illegible]%	*Child rate changed from 21 to 26*	No-auth required procedures	In-hospital dental benefit (from age 6 to age 12)	Optical - R700 + R700 And contacts
Meds – first line changes (Xeralto, diabetes, HIV/AIDS)	MJ4L - Hip and knee replacement	*Automated appliances access*	GP, pharmacy, and hospital consult co-payments	In-room procedures – reduced costs and time savings
X-rays a[illegible]oods in M[illegible]g rep[illegible]on specia[illegible]errals	Facilitating hospital admissions	Pathology results auto upload in system – working on radiology	Membership application auto – when appointment exchange of letters	*Removal of some dentistry pre-auths*

22 – WDMC – 22 referrals – 14 cases - treatment declined & six patients changed provider

SELF-HELP

- 64% of member call and email 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 login on the web portal

REGULATORY AND COMPLIANCE

- NHI? – 13 June – Bill approved by the ZA parliament national assembly
- Regulation 10 Directive 2019 – member savings?
- Investigation – 2021?
- Administration Accreditation Audit 2020-2?
- Investments exemption – investing in administrators
- Rule amendments 2023
- Road Accident Fund claims – R2.7M?

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WHAT EACH OF US CAN DO

1. Doctor's instructions
2. Obtain quotations
3. Cost and quality management:
   - Pre-authorisations, Referrals (Donald Gordon Institute), **Middelburg office**
4. Lifestages benefits **AND flu injection**
5. Lifestyle compliance and movement/exercising
6. Care programmes - Your treatment, your plan
7. Medicines - generics and biologicals
8. Engage – often appointments are quicker, and costs reduced
9. Please answer Scheme staff calls! We want to help

11. Specialist consultations
12. Chronic conditions and medicines
13. In-rooms surgical procedures
14. Professional Nurses – 0860 00 2101
15. Europ Assist - 0860 255 426
16. Fraud/abuse –0860 040 040- mail@beheard.co.za
17. Cash and co-payments
18. Check benefits on the mobile app
19. Say NO to wastage - fraud, abuse and over-utilisation - (~ 5 – 6.5% - R6.24M)

MAJOR RISK

neglected chronic conditions!

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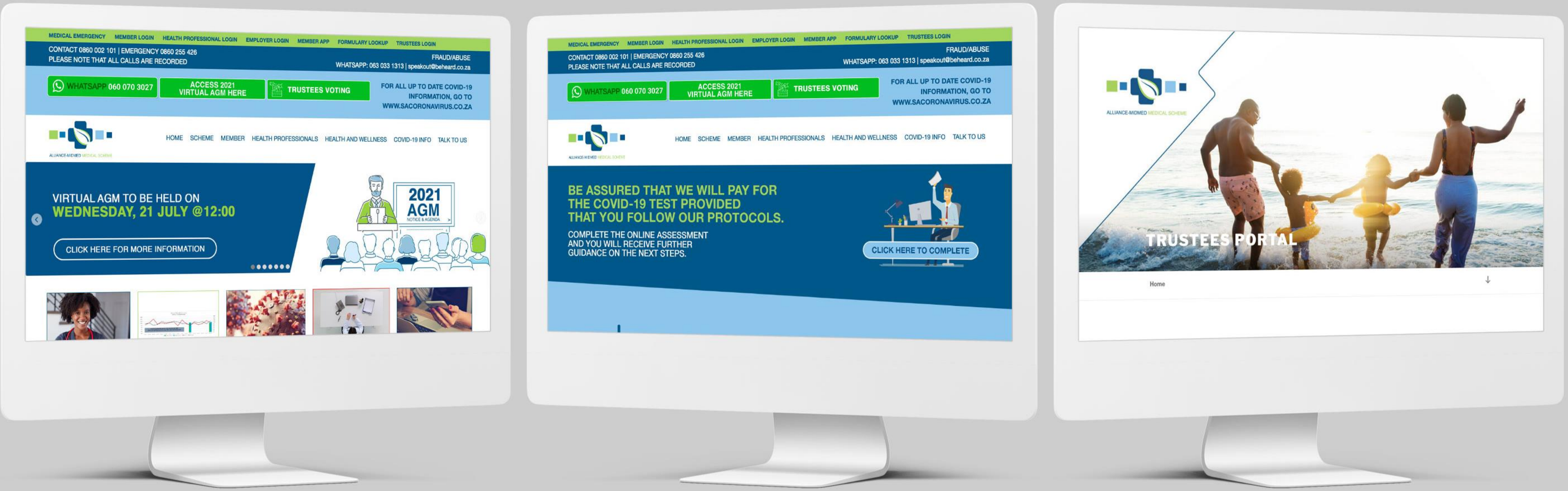
BOARD AND COMMITTEE MEMBERS

TRUSTEES	AUDIT, RISK & COMPLIANCE COMMITTEE	DISPUTES COMMITTEE
Sharon Muller (Chairperson)	Johan Van Der Walt (Chairperson)	Maarten Hammersma
Jacques Nell	Kutala Bizana	Anthia Louverdis
Carl Jordaan	Dewald Van Der Merwe	Vernon Thwala
Jo Mabhena	Jacques Nell	
Dave Martin	Dave Martin	
Riaan Van Coller		

ALLIANCE MIDMED MOBILE APP

ALLIANCE-MIDMED MEDICAL SCHEME

ALLIANCE MIDMED WEBSITE



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Questions

CAUTION

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- *It is intended for information purposes and a relevant professional should be consulted before you make decisions or respond to the information in any form.*

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2023 ANNUAL GENERAL MEETING

22 June 2023