



THEBEMED
MEDICAL AID SCHEME

Thebemed Scheme Reg No. 410

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Minutes of the 15th Annual General Meeting held on the 27st of June 2019 1100 at the Rustenburg Golf Club, 180 Bethlehem Drive, Rustenburg.

Trustee Present

Mr. V Mazibuko	Chairman
Dr. W Mophosho	Trustee
Ms. T Mashazi	Trustee
Mr. D Mosia	Trustee
Mr. Z Dlamini	Consultant

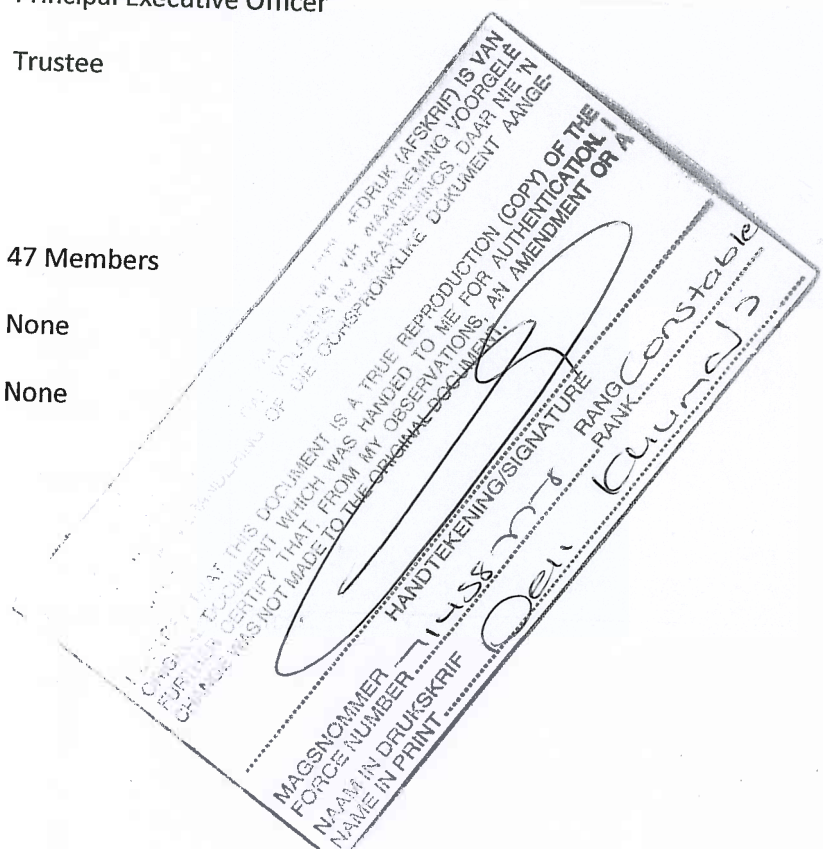


Apologies Received

Mrs. S Mamafha	Principal Executive Officer
Mr. L Mashego	Trustee

Members Present

Including Chairman and Trustee:	47 Members
Proxies received:	None
Observers and service providers:	None



Scheme Board of Trustees: S Mamafha (Principal Officer), V Mazibuko (Chairman), T Mashazi, M Nkambele, Dr W Mophosho, L Mashego, D Mosia
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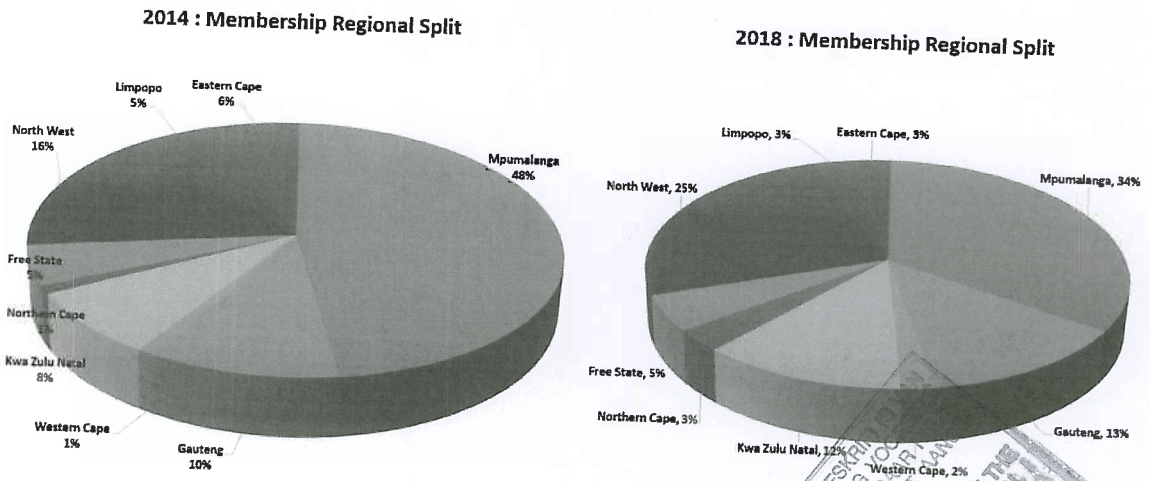
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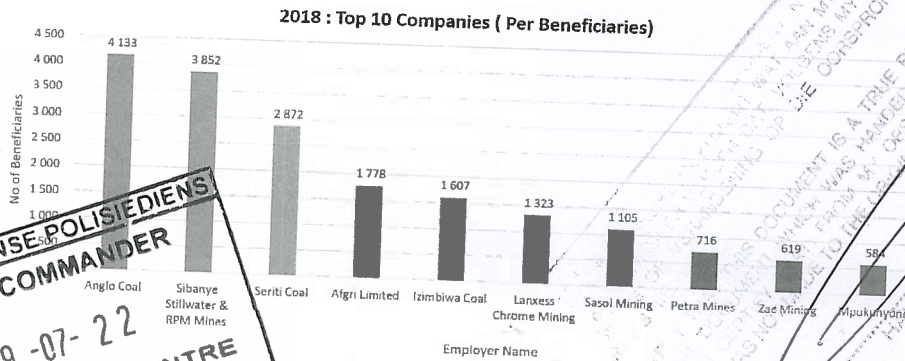
4.1 Membership Distribution

- The graph below depicts the movement in the membership distribution between the years 2014 and 2018
- Highlights being the move of the Mpumalanga membership from 48% decrease to 34% and the North West increasing from 16% to 25%



4.2 Key Companies

- The top 10 companies were listed on a beneficiary level



GULD-AFRIKAANSE-POLISIEDIENS
 STATION COMMANDER
 2019-07-22
 CLIENT SERVICE CENTRE
 HILLBROW
 SOUTH AFRICAN POLICE SERVICE

4.3 Claims Ratio per Option

The claims ratio for Fantasy being at 60%, followed by Energy option at 81% and Universal having the highest claim ratio of 91%

- The reasoning behind Universal being so high could be attributed to a number of factors:
 - o The increase disease burden of the plan
 - o The way the plan has been costed
 - o The manner in which the benefits have been structured
- It is key to also note that the Energy option has been steadily increasing year upon year

4.4 Scheme Financials – Statement of Financial Position

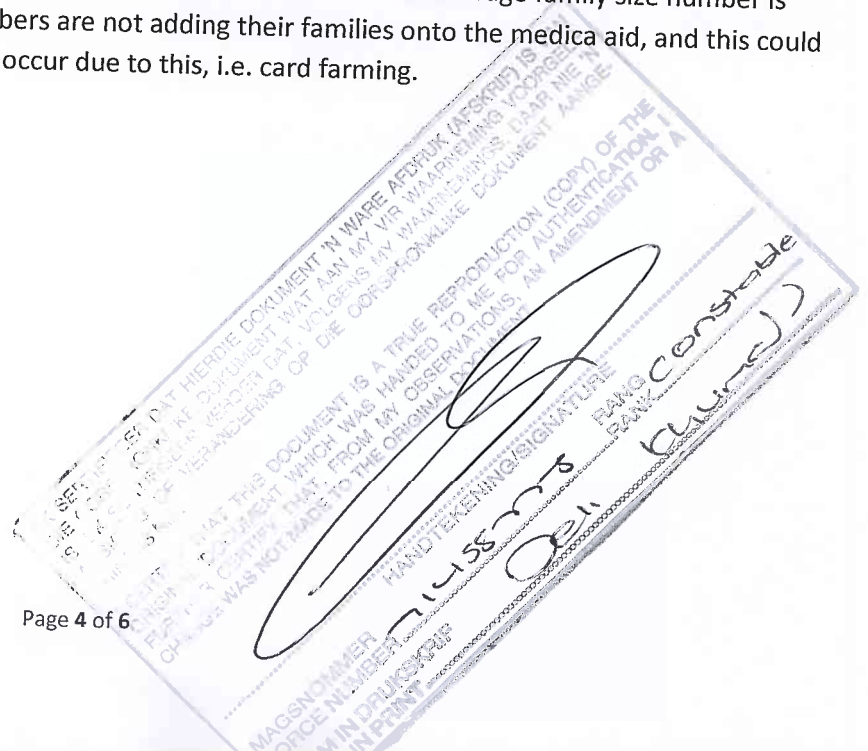
- Assets of the Scheme at R53M
- Liabilities of the Scheme are more around the payment of claims and the provisions that needs to be made for the claims payment

4.5 Scheme Financials – Statement of Comprehensive Income

- Total income above +/- R280M, the biggest contributors to the income being the Universal and Energy plans.
- The Expenditure of the Universal plan for claims is at R121M against an income of R131M, resulting in R10M net. Whilst the Energy has a net of R25M.
- This may seem positive, however the Scheme costs still are required to be taken into account: Re-insurance fees, Administration costs, and the investment income is less than projected. Therefore, the Scheme experienced a +R3M loss for 2018.
- For the attendees to take note, there are competitors within the industry have a longer operating periods and will therefore have larger reserves than ThebeMed

4.6 Operational Statistics

- The ThebeMed call centre took 60 026 calls for the year 2018, averaging 5 000 calls per month. The average SLA of 90% was attained for the year.
- The ThebeMed team completed 6 811 written enquiries for 2018 and this was done within the 3 days TAT. Of particular noting was the low number of CMS enquiries received, only 3 for the year.
- Claims assessing has been good with less than 10% of the claims being assessed. This is a good indicator, as more claims coming in via EDI method can get processed quicker. The average processing time is well within the Scheme targets.
- The membership applications is averaging 4 to 5 days from date of completed application form. The quarter 1 has longer periods based on the open window periods, and the volume of work increases. This also has some impact on the accuracy with can be seen from the quarter 2 figures.
- Industry Developments Discussion
- NHI Progress: Pilots on-going, beneficiary registry
- Presidential Summit: Improvement of the Public Sector
- Health Market Inquiry: supply side management
- CMS Fraud management initiative
- Inquiry into provider racial profiling
- Consolidation of medical schemes
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- ThebeMed Membership Growth
- Review of the Schemes growth was communicated from the year 2014 where number of main members was 8 338, has increased to 11 549 by the end of 2018, this represents an increase by 3 211 main members.
- Number of beneficiaries also increased from 19 900 in 2014 to 23 948 in 2018, increased by 4 048.
- The growth is healthy for the Scheme, with an average family size of 2. This average family size number is concerning, as this is showing that members are not adding their families onto the medica aid, and this could lead to potential fraudulent activities to occur due to this, i.e. card farming.



Questions raised based on Presentation

1. Member: 001096714 Mr. T Mokhele

Question: Is the Scheme at risk especially relating to the Solvency ratio of the Scheme

Answer: Dr Mahlaba responded that the solvency is currently below the 25% that is required by the Council for Medical Schemes, however, CMS is aware of it and the Scheme attends the Bi-monthly Solvency monitoring meetings and also submits the monthly management accounts. .

Dr Mahlaba also elaborated on some of the following strategies that the Board has adopted in order to improve the Solvency ratio

- To ensure that stricter protocols are in place in order to manage hospital costs.
- Thebe Health Risk Management contracted to manage the high burden of diseases including HIV/Aids
- Flagging of high utilization members through the HFMU (Fraud Waste and Abuse).
- Tarriff negotiations with key service providers especially in the areas of high member concentration
- Continuation of the Efficiency Discounted Options
- Aggressive wellness campaigns and early enrolment on the disease management programs
- On going member education on DSP's and pre-authorizations

5. TRUSTEE REMUNERATION

Phumeza Gama (ThebeMed Accountant) confirmed that the trustees remuneration has increased by 5.4% in line with CPI. The Chairman informed the attendees that ThebeMed being a low cost Scheme, does not pay excessive amounts to trustees, therefore trustees are paid on average R7500 per month.

Member: 001099216 Mr. S Dijo, enquired as to who the Scheme trustees are as they were not introduced. The chairman apologized for that and then proceeded to introduce the ThebeMed trustees who were present at the meeting to all the attendees.

6. APPOINTMENT OF THE AUDITORS OF THE SCHEME FOR THE ENSUING YEAR

The Chairman informed the house that the external auditors Strachan and Crouse will hold office for another year as proposed by the board.

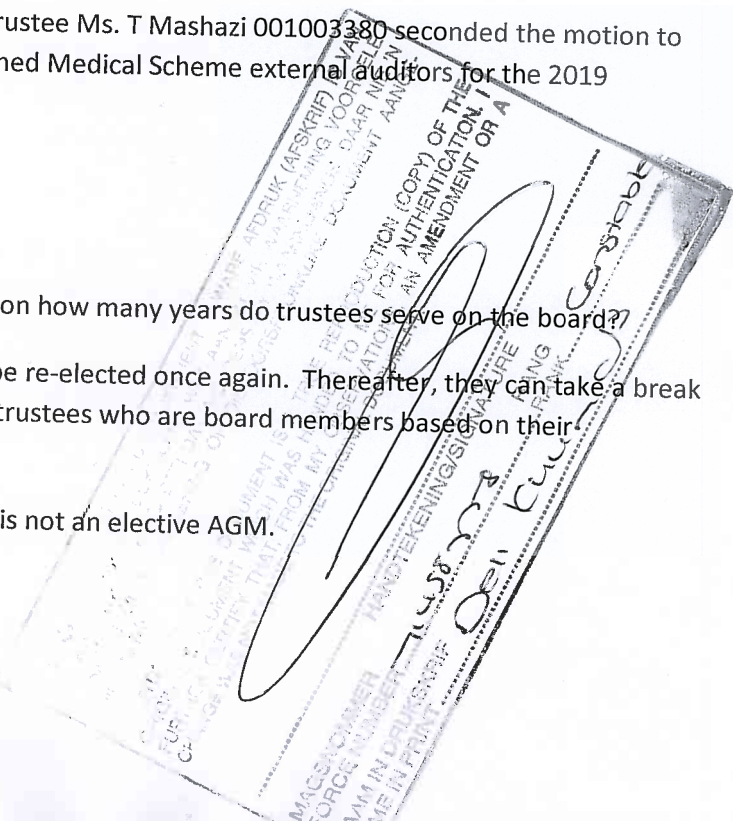
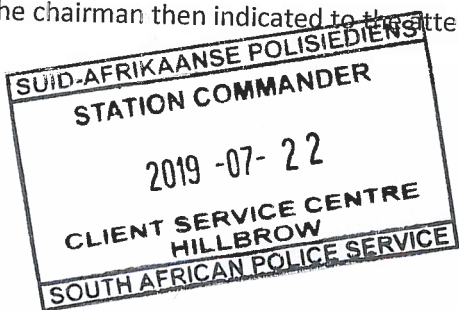
Ms. P Gama 001082809 voted in favour of the motion and trustee Ms. T Mashazi 001003380 seconded the motion to approve the appointment of Strachan and Crouse as Thebemed Medical Scheme external auditors for the 2019 financial year.

8. GENERAL

Question raised from member: 001100609 Mr AS Matshaba on how many years do trustees serve on the board?

Answer by Dr Mahlaba: Each trustee can serve 3 years and be re-elected once again. Thereafter, they can take a break from serving and can be eligible once again. Then there are trustees who are board members based on their professional capacity.

The chairman then indicated to the attendee's that this year is not an elective AGM.



Question raised from member: 001099216 Mr. S Dijo if the AGM for next year be held again at the same venue?

Answer by the Chairman: The BOT will take the request under consideration, but cannot guarantee the request can be fulfilled as 2 AGM's have been held in the Rustenburg area, and the Scheme would like to move the AGM's to the areas of concentration of the members. The request will however be reviewed by the BOT.

CLOSURE

The Chairman expressed his gratitude and thanked the members of the scheme for attending the AGM, the board of trustees and the administrator for their continued support and effort.

With no further questions raised and nothing further to discuss, the Chairman closed the meeting at 12H04.

