

**Minutes of the 16<sup>th</sup> Annual General Meeting held on the 31<sup>st</sup> of July 2020 11:00 held via ZOOM webinar.**

**Curatorship Team Present**

Mr. I Fleming

Chairman/Curator

Mr. I Fuller

Curatorship Team

**Members Present**

Including Staff Members:

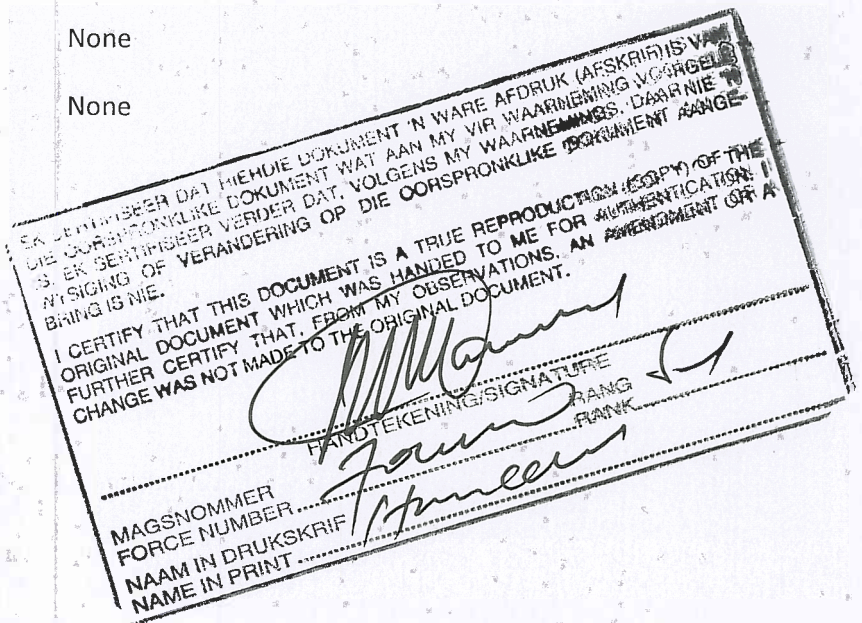
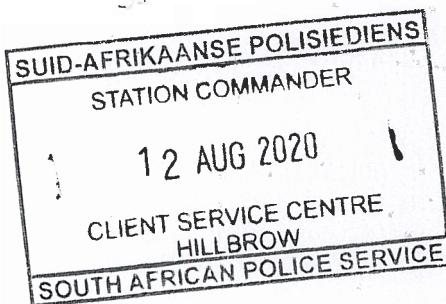
17 Members

Proxies received:


None

Observers and service providers:

None



Administered by

**momentum**  **TYB**

Curator: Ian Fleming

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## **1. WELCOME AND QUORUM**

The Curator welcomed everyone present at the 16<sup>th</sup> Annual General Meeting of Thebemed.

A quorum was confirmed. It was also noted that there are 17 members in total.

## **2. PROCEDURE FOR VOTING AND ASKING QUESTIONS.**

The Curator informed the members that this was not an elective AGM. A special AGM will be held for the elections.

The Curator informed the attendees that the raising of hands, questions & answers icons were available on the Zoom webinar for the adoption and seconding of motions.

## **3. APPROVAL OF THE MINUTES FOR THE PREVIOUS ANNUAL GENERAL MEETING**

The minutes of the previous Thebemed Annual General Meeting held on the 27<sup>th</sup> of June 2019 were included in the AGM pack and are available on the Thebemed website and were taken as read.

There were no questions arising from the minutes and the Curator asked that the minutes be adopted. The motion was proposed and seconded by the members, Danet Govender (001104024) and Kgotso Mongalo (001087432). Mr. I Fleming approved the adoption of the previous year minutes.

## **4. TO RECEIVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019, TOGETHER WITH THE REPORT OF THE TRUSTEES AND AUDITORS.**

The abridged Annual Financial Statements were made available to members and were taken as read.

Mr. I Fleming provided an overview of the auditors report to the members as follows;

Mr. I Fleming emphasised that 2019 was an eventful year for THEBEMED. The Scheme grew by a net 2,670 members (23.4%) for the year. However, this growth coupled with growth in previous years weighed heavily on the Scheme's reserves resulting in the Council for Medical Schemes requesting the High Court to appoint a Curator to manage the Scheme's affairs in place of the Board of Trustees.

The Curator further expressed that he is pleased to report that by 31 December 2019 the Scheme's solvency ratio had recovered from 6.6% at the time curatorship commenced to 9.4% (2018: 9.3%). Revenue increased by 27% to R361,6 million and healthcare expenditure increased by 23% to R302.4 million. At the same time non-healthcare expenditure grew at a slower rate of 20.6% to R54 million or 15% (2018: 16%) of gross premiums. This enabled the Scheme to show a surplus for the year of R9.6 million (2018: deficit of R4.6m).

Further more, the Scheme has put in place a plan to further strengthen its reserves during 2020 by reducing non-healthcare expenditure to 12% of gross premiums and has introduced an innovative "App" called "Hello Doctor" to assist members with online advice and diagnosis. Growth in new members is likely to moderate during 2020 following the rapid growth in recent years as the Scheme focusses on building its reserves.

THEBEMED continues to enjoy a healthy member profile with an average age of 28 years and a pensioner ratio of 0.53%. Service levels have been maintained and all the Scheme's wellness and disease management programmes are assisting members in leading healthy and productive lives.

**Mr. I Fleming continued to provide an outlook of the Schemes performance as at 31 May 2020:**

He highlighted that THEBEMED has continued to improve its financial health during 2020 and as at 31 May 2020 its solvency ratio had improved to 13.9%. The Curator informed the members that they are continuing with the previous board's efforts to find a mutually beneficial merger partner, in line with industry trends, that will further accelerate the Scheme's recovery so that in all probability the Scheme will emerge from curatorship bigger and stronger hopefully before the end of 2020. Members will be consulted should such an opportunity arise.

During 2020 the Covid-19 pandemic has spread around the world and resulted in a National State of Disaster being declared in South Africa together with a prolonged lockdown. Whilst this has had a profound impact on some industries and provinces, the Scheme has been fortunate that the Employer Groups it is exposed to have been resilient and able to weather the storm. The Scheme has not, so far, been unduly impacted and continues to pay all Covid-19 related claims above and beyond the national guidelines and protocols adopted by the industry.

In conclusion Mr. I Fleming thanked the Scheme's administrators, Momentum Thebe Ya Bophelo, for their support and assistance during this difficult period as well as their meaningful contribution in reducing costs to accelerate the Scheme's recovery. He also thanked all the other stakeholders and service providers for their ongoing support during the period of curatorship. Finally, Mr. I Fleming also expressed his appreciation for the guidance and wisdom provided by the Registrar of Medical Schemes and his staff.

**5. FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 DECEMBER 2019.**

**Mr. I Fleming handed over to Mr. I Fuller to take the attendee's through the Schemes financial performance as at 31 December 2019.**

**Mr. I Fuller highlighted the following to the members;**

- The Scheme has continued to performed well during the first six months of 2020, recording contributions received of R201m as at 30 June 2020, showing a significant improvement when compared to the R183m contributions received in same period in 2019.
- Claims paid for the period ending 30 June 2020 were R140m, comparing to claims paid of R149 in June 2019.

- Non-Healthcare costs have reduced from R26.6m as at June 2019 to R23.2m as at June 2020. Mr. I Fuller thanked Thebemed's service providers for reducing their fees to help the Scheme rebuild their reserves.
- The Scheme recorded a surplus of R2.2m for the six months to 30 June 2019 but has improved significantly this year and has recorded a surplus of R31.2m as at 30 June 2020. This has enabled the Scheme to build reserves to R66.7m and improved solvency ratio of 16.6% compared to the 9.4% solvency ratio as at 31 December 2019.

Mr. I Fleming asked if there are any questions on the annual financial statement for 2019. No questions were received.

Mr. I Fleming requested for a proposer and seconder to adopt the 2019 annual financial statements.

The December 2019 annual financial statements were adopted by members, Jackson Makhabela (001043218) and Vincent Tshabalala. The motion was seconded by Thabiso Mokoena (001085160). Mr. I Fleming thereafter approved the adoption of the 2019 annual financial statements.

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

Mr. I Fleming informed the attendees that they have decided to continue with the services of Strachan and Crouse as the auditors for the current financial year.

Mr. I Fleming asked for a proposer and seconder to adopt the appointment of the current financial year auditors.

Member Marlanka Prinsloo (001104021) proposed the motion, and Thabiso Mokoena (001085160) seconded the motion. Following the voting the motion to appoint Strachan and Crouse as the Schemes current year auditors was approved by Mr. I Fleming

## **7. OPERATIONAL REPORT.**

Mr. I Fleming handed over to Dr Mahlaba for the presentation of the Scheme's operations report.

Dr Mahlaba highlighted the following to the members:

- The Scheme managed to meet all the targets that were set despite the difficult times the Scheme was facing. He mentioned that this was attributable the stable IT operating systems within.
- No major incidents were reported in 2019, despite the scheduled load sheddings.
- The membership department targeted turnaround time is 8 days, the department however managed to stick to a turnaround time of 3.6 days in Q1 of 2019, 2 days for Q2 and Q3, and 3 days for Q4. Over 88% of the membership workflow was completed within 5 days of receipt and a 98% accuracy level was maintained throughout the year.

- Subscriptions are received in arrears and the collection rate was very efficient throughout the year, such that there is less than 1% outstanding contributions.
- Customer management was a bit challenging at the call center level as it struggled to maintain the targeted service level agreement. In Q4 2019 the service level was 83% - below the 90% target, it however improved in Q1 and Q2 of 2020 to 92% and 90% respectively.
- The dropped calls were below target at 3.8% when compared to Q4 which was at 2%. The call centre service level issues have since been addressed by moving the call center to Momentum TYB's sister office in Braamfontein Metropolitan offices.
- Correspondence maintained a turnaround time of 2.27 days which was below the target of 3 days.
- For 2019 the Scheme did not receive any complaints despite the introduction of the curatorship.
- Claims management target is to have a high level of electronic claims at 90% with 10% or less being paper claims. The Scheme has managed to keep paper claims at 4%. Turnaround time for claims payments was at 8 days which was much less than the targeted 30 days turnaround times in the industry.

## 8. GENERAL

### Question raised from member:

#### 1. When is curatorship ending? Member: Kgotso Mongalo (001087432)

**Answer:** Mr. I Fleming responded that the curatorship will end when the Registrar of Medical Schemes is satisfied that the solvency ratio of the Scheme has improved to a sustainable level. The mandatory solvency ratio is 25% and Thebemed had a solvency ratio of 6.6% at commencement of the curatorship. It has since improved by 10% over the past year and is now at 16.6%. The Registrar is quite happy about the Scheme's progress although it is not yet at the mandatory level of 25%. The Registrar may elect to terminate the curatorship before it gets to the 25% level, which is ultimately at their discretion. Mr. I Fleming assured the members that they are doing everything possible to ensure that the curatorship ceases by the end of the current year.

#### 2. Can you please elaborate on the impact of Covid-19 on Thebemed? Member: Thobeka Ngobese (001086645)

**Answer:** Mr. I Fuller responded that the Thebemed has certainly been impacted by Covid-19, to date the Scheme has recorded 403 positive cases, of which 257 have recovered and unfortunately there have been two deaths. The Scheme has conducted a total of 1,431 tests at a cost of R1.2m. There has been 65 Covid-19 related hospital admissions at an estimated cost of R4.5m. On the positive side the Scheme has generally had lower trauma hospital admissions, which has had a positive impact on the Scheme's claims ratio. However, the Scheme is mindful of the possible rise in claims for the coming months due to the apparent increases in Covid-19 cases throughout the country.

#### 3. During the pandemic many Schemes have seen decrease in membership, has this impacted Thebemed? Member: Danet Govender (001104024).

**Answer:** Mr. I Fuller answered that there has been a decrease in membership but fortunately in the mining sector there hasn't been any major closures, only temporary closures and a few retrenchments. The Scheme has lost a few hundred members but nothing too drastic.

## CLOSURE

With no further questions received Mr. I Fleming thanked everyone for attending and adjourned the meeting at 11H45

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