

MEETING OF THE 21ST ANNUAL GENERAL MEETING OF THE NETCARE MEDICAL SCHEME HELD ON THE 24TH OF JUNE 2022 VIRTUALLY VIA LUMI PLATFORM AT 10H00

1. WELCOME AND APOLOGIES

The Principal Officer, Craig Taylor, opened the meeting and welcomed all present to the 21st Annual General Meeting ('Annual General Meeting') of the Netcare Medical Scheme. He extended a special welcome to the external auditors from Deloitte and the representatives of the administrator.

The Principal Officer handed over to Mr Andrej Vladar, from LUMI, to discuss meeting etiquette for the virtual proceedings.

Mr Vladar discussed the meeting etiquette and explained how the voting and approval of items will be conducted during this virtual meeting. Mr Vladar further discussed the basic functions of the LUMI platform, such as how to raise a hand or comment in the notes section.

The Principal Officer handed over to the Chairperson of the Scheme, Mr Sanjay Khoosal, to continue with the meeting agenda items.

The Chairperson advised that an apology was received from Peta Evans, as well as a proxy vote form as per below:

- Peta Evans, nominated Sanjay Khoosal, the Chairperson of the Annual General Meeting

A proxy form was also received from Catharine Kinsella, unfortunately the proxy form received from Ms. Kinsella was declared invalid as she nominated herself as the proxy.

2. CONFIRMATION OF QUORUM

In terms of Rule 26.1.3 of the Scheme Rules, at least 30 members present in person are required to constitute a quorum of the meeting. As this requirement was met, the Chairperson declared the meeting to be duly constituted noting the meeting was virtual in nature and as such the 30 members were present in the meeting.

Present:

Members:

1. Sanjay Khoosal <i>Chairperson of the Board of Trustees</i>	41. Khotso Tumelo Litelu
2. Caroline Maslo <i>Trustee</i>	42. Audrey Jennifer Lottering
3. Erna Van Rooyen <i>Trustee</i>	43. Kumeresen Lutchmanan
4. Marthinus Cornelis Botha <i>Trustee</i>	44. Simangele Christina Mabuza
5. Pariksha Seetul <i>Trustee</i>	45. Lerato Eshelly Maduwa
6. Arina Boers <i>Trustee</i>	46. Refilwe Mildred Mahlanyana
7. Nicoleta Baltasoucos	47. Saloshini Maistry
8. Yonela Benya	48. Phumlani Masango
9. Verena Bolton	49. Mmakwena Constance Mashala
10. Virginia Tintswalo Chauke	50. Mokheseng Makhetha Masopha
11. Adele Cilliers	51. Linda Mc Williams
12. Peter John Corbett	52. Robin Mcshane
13. Margaret Theresa Dankers	53. Alexia Michaelides
14. Deidre Davids	54. Tlou Cansley Mochoeneng
15. Petula Delia Davids	55. Qinisile Mohapi
16. Miranda De Klerk	56. Beatrice Pona Molefe
17. Celiwe Dlamini	57. Sylvia Dineo Motsepe
18. Pravika Doman	58. Thabang Sinkie Moyaba
19. Reka Dulandas	59. Magdalena Nel
20. Khensani Croatia Dzova	60. Eunice Nell
21. Patrick Ellis	61. Athini Ngece
22. Shayista Essack	62. Adri Olivier
23. Hishaam George	63. Soraya Parrock
24. Anita Hamilton	64. Malose Piet Phahle
25. Andrea Louise Hanvey	65. Susan Pretorius
26. Bonolo Lebogang Debora Hlabioa	66. Carolina Catherina Prinsloo
27. Maria Human	67. Anna Roos
28. Michelle Jane	68. Jandre Johannes Salmon
29. Euredene Desigan Japhta	69. Chantell Samuels
30. Melissa Jonck	70. Johanna Schwarzendahl
31. Phuti Michael Kgare	71. Buhlebuyeza Emmanuel Martin Shabalala
32. Malose Kgomo	72. Razia Sheik
33. Shiluva Khosa	73. David Sieff
34. Sifiso Blessed Khuboni	74. Denzil Snaaitjie
35. Happy Khumalo	75. Sharon Spearman
36. Morne Kielblock	76. Anelize Stevens
37. Deidre Claire Kok	77. Susanna Strugnell
38. Tobias Le Roux	78. Sharlene Swart
	79. Hendrik Swartz
	80. Mandy Toubkin
	81. Sinehlanhla Samukelisiwe Tshimanga
	82. Kim-Ann Van Der Walt
	83. Toy Marna Vermij
	84. Sibusiso Benjamin Vilakazi

39. Christopher Mahlasela Letsoalo 40. Karien Liebenberg	85. Crystal Janine Winlock 86. Ndumiso Zililo
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Non-Members:

Principal Officer

Craig Taylor

External Auditor: Deloitte

Kelby Moothoosamy

Administrator

M Wilkinson
M van Rooyen
M Jacobs

LUMI

Karmen Vladar
Andrej Vladar

Apologies:

Peta Evans

3. CONFIRMATION OF NOTICE

The Chairperson confirmed that on the 1st of June 2022, the notice convening the meeting as well as the meeting pack was sent to members and was placed on the Scheme's website.

The Scheme has complied with Rule 26.1.2 to give members notice at least 21 days before the meeting. The Notice and meeting pack is also available on the LUMI screen when the document icon is selected. The meeting pack and associated documents for discussion are thus taken as read.

4. CONFIRMATION OF MINUTES

The minutes of the 20th Annual General Meeting held on 04 June 2021, having been circulated prior to the meeting, were taken as read. The minutes were proposed for approval by the Chairperson and seconded by M Toubkin. The Chairperson confirmed that he would then sign the minutes as an accurate record of the proceedings of that meeting.

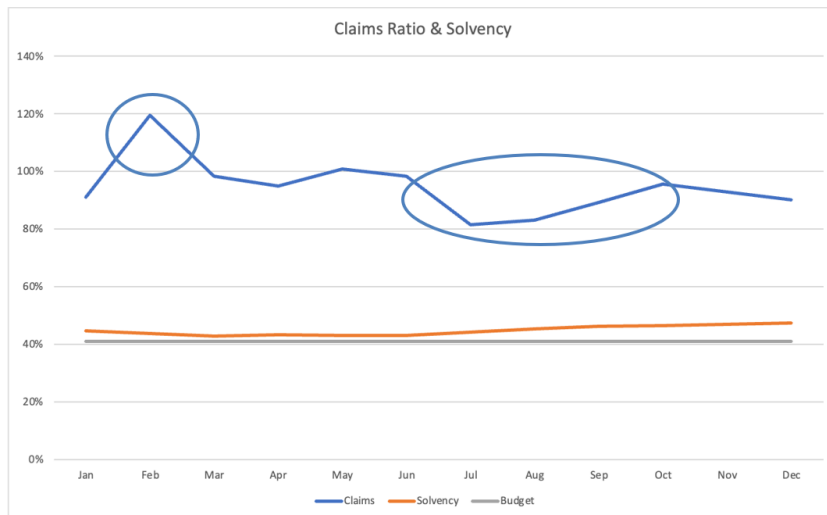
The Chairperson handed over to the Principal Officer for the remainder of the agenda items. The Principal Officer proceeded with the remaining agenda items for discussion.

5. PRINCIPAL OFFICER REPORT

The Principal Officer discussed the following noteworthy items:

- COVID-19 continues to drive claims experience,
- Key concerns and efforts around screening and mental health,
- Fraud related matters on the scheme,

- Industry dynamics and claims trends have changed,
- Membership experience,
- Member support and experience,
- The regulatory landscape.



Screening and Mental Health

- There has been a marked reduction in members going for screening,
- It is best practice clinical screening age gender,
- Netcare Medical Scheme funds screening and members were encouraged to use this benefit,
- Mental Health utilisation and costs have been increasing for family members as well as employees in terms of:
 - Number of admissions (COVID-19 Impact bounce back may be a driver),
 - Cost of medicines,
 - Average cost per script.

Fraud matters

- Impact on all members today and into the future,
- More than R5 Million in fraud over the past 18 months,
 - Providers are listed and monies recovered via a settlement agreement,
 - Criminal cases are opened, and monies recovered via a legal process,
- What are we doing to mitigate the risk?
 - Enhanced analytics and tools deployed,
 - Claim “trawling” to identify trends and claim patterns,
 - Discovery Fraud management across schemes and platforms.

Industry Dynamics

- Marked increase in reserves,
- Shift towards deferred contribution increases,
 - Under-pricing of risk,
 - Benefits which do not embed into future claim costs.



Member support and experience

- Waiting periods,
- Ex-Gratia benefit,
- Minimal Co-Payments,
- Comprehensive Option,
 - Excellent benefits to premium ratio.
- New option is being worked on,
- Keen focus on reducing premiums into the future,
- Lightweight Wheelchair (R73 623),
- Funded Entresto for member with heart disease (R21 751),
- Installed a rail and lift for a member to get upstairs (R54 348),
- Additional occupational therapy sessions for a recovering child (R54 600),
- Insulin pump and continuous glucose monitoring for young child (R66 935),
- Bariatric surgery and hernia repair (R146 822),
- Additional psychotherapy (R31 527),
- Breast Reduction for member who could no longer work due to back pain (R34 477),
- Dexcom sensors and transmitters (R52 755),
- Cochlear Implant upgrade (R27 387),
- Cranial Mold (R40 250).

Regulatory landscape

- Some level of uncertainty around direction in terms of NHI and the role of medical schemes,
- PMBs continue to be a key area of focus for the Council for Medical Schemes,
 - LCBOs / Exemption from PMBs.
- Fact check what you hear,
- Allot of speculation in the marketplace,

6. APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The Principal Officer handed over to Mr Marius Jacobs to present and discuss the Annual Financial Statements of the Scheme for the year ended 31 December 2021, as approved and signed by the Board of Trustees in May 2022. The Annual Financial Statements were distributed with the Notice and made available on the Scheme website. Having been circulated prior to the meeting, the documents have been taken as read. Mr. Jacobs presented a summary of noteworthy numbers extracted from the Annual Financial Statements and highlighted the following key points:

Annual Financial Statements

- The solvency ratio increased by 3.8%.
- Membership has decreased by 3.5%.
The Scheme ended the financial year with a surplus after investment income of R67 740 983 (2020: R101 673 872).
- The surplus after investment income was considered in determining the solvency target for 2021 as well as the contribution increases.
- All members contribute 15% of their gross contributions into a savings account to help pay the members' portion of healthcare costs, up to a prescribed threshold.

The Principal Officer discussed the impact of COVID-19 on the Scheme noting a lower claims ratio on elective surgery but a higher-than-expected cost related to COVID-19. This resulted in a surplus of 7.6% of risk contributions with the solvency ratio increasing to 47.4% at the end of 2021.

During 2020 and up to 22 March 2022, 7 781 beneficiaries of the Scheme total members tested positive for COVID-19, 7 593 beneficiaries recovered, and 132 beneficiaries died.

The Principal Officer proposed that the 2021 Annual Financial Statements be accepted. Members were requested to vote for or against the approval of the audited Annual Financial Statements for the year ended 31 December 2021. The resolution was carried with 97% of members voting in favour of the approval.

7. TRUSTEE ELECTIONS

The Principal Officer presented the following list of Trustees:

Member Elected Trustees

A Boers
C Maslo
D Longueira
E Michen
M Botha
E van Rooyen

Employer Appointed Trustees

S Khoosal (Chairperson of the Board of Trustees)
N Ndzwayiba
P Seetul
S Vilakazi
S Khuboni
S Pretorius

The Principal Officer confirmed the reappointment of Mr. Vilakazi as employer Trustee following his initial term of office.

The Principal Officer referred to the recent call for member Trustee nominations and the election in line with Rule 18.3, and advised it was needed as Dr. Maslo, Ms. Michen and Mr. Botha reached their initial term of office. It was noted that these Trustees were up for reelection.

The Principal Officer advised that due to an inadvertent oversight, the voting is in-valid and will need to be opened again for another 30 days. The Principal Officer apologized for any foreseeable frustration this may cause. Voting will be opened again on Monday 27 June 2022. This meant that the election process would be differed to a future date. The Principal Officer advised that the Scheme is engaging with the Council for Medical Scheme through open and transparent dialogue and as such notified Avril Jacobs, a Senior Compliance Officer at the office of the Registrar, within 24-hours of becoming aware of the oversight and will continue to engage them until the matter is resolved.

8. APPOINTMENT OF AUDITORS

The Principal Officer noted that in terms of Section 36 of the Medical Scheme Act, auditors must be appointed at each Annual General Meeting to hold office from conclusion of that meeting to the conclusion of the next Annual General Meeting.

The Principal Officer proposed that the current auditors, Deloitte, be re-appointed as auditors for the ensuing year of 2022. The reappointment was proposed by the Principal Officer, supported by R. Mcshane and A. Michaelides seconded the approval of their appointment.

Mokheseng Masopha asked if the same auditor may serve for such an extensive period and are the Scheme not seating on a familiarity risk and asked if it is allowed in terms of good corporate governance. The Principal Officer advised that it is permissible and pointed out that audit partners rotating mitigates the familiarity risk. It was noted that audit requirements to be reported on are appropriately regulated by the Medical Schemes Act and auditors approved by the Council for Medical Schemes. Mr. Masopha accepted the feedback provided by the Principal Officer.

Kim-Ann van der Walt asked how long Deloitte have been appointed as the external auditor of the Scheme. It was confirmed that Deloitte have been appointed as the auditor of the Scheme for the past twelve (12) years.

9. CONFIRMATION OF THE DISPUTES COMMITTEE MEMBERS

The Principal Officer confirmed that the Scheme appointed the Disputes Committee. In terms of the Scheme Rules, Dispute Committee members may not be members of the Scheme Board of Trustees, employees of the administrator or the Scheme office and require to be appointed annually by the Scheme Board of Trustees. It was noted that at least one of these members shall be a person with legal expertise. The Principal Officer advised that Aaliya Mansoor had been approached to serve on the committee as she contained legal expertise.

The Dispute Committee members were confirmed as:

Dr Anchen Laubscher
Werner de Hartog
Aaliya Mansoor (legal)

10. TRANSACTION OF ANY OTHER BUSINESS

The Principal Officer advised that no motions were received for discussion, however a query was submitted by a member asking the Scheme to fund gender reassignment related medication, treatment and surgery. It was advised that the matter will be referred to the Scheme Board of Trustees for further deliberation.

11. GENERAL

Proposed change of Scheme Rule 18.14

The Principal Officer presented the following context with a recommendation to amend Rule 18.14 of its Rules.

Following a routine inspection of the Scheme by the Council for Medical Schemes, a directive was issued with regards to Section 26(5) of the Medical Schemes Act no 131 of 1998. Section 36(5) states “No payment in whatever form shall be made by a medical scheme directly or indirectly to any person as a dividend, rebate or bonus of any kind whatsoever.”

The directive follows the disclosure of gift vouchers issued to Trustees and other independent members of sub-committees who are not trustees even though these gifts vouchers were admittedly not material.

It was further noted by the Council for Medical Schemes that the Rules of the Scheme do not make provision for such tokens of appreciation.

The Scheme resolved in March 2021 that it would amend its Rules to provide for these gift vouchers to show their appreciation to the Trustees and other independent members of sub-committees who are not trustees and who are not remunerated for their services.

The Scheme submitted an amendment of Rule 18.14 in September 2021 making provision for gift vouchers and received feedback from the Council for Medical Schemes on 10 May 2022 requesting for the Rule to be clarified and approved by our members at an Annual General meeting in the interest of good corporate governance.

The value of historical gift vouchers was to the value of R1 500 per Trustee per annum.

The Principal Officer therefor proposed the change of Rule 18.14 as noted below to the meeting as follows:

Existing rule:

Members of the Board are not entitled to any remuneration, honorarium or consulting fees in respect of their duties as trustees or any other fee in respect of services rendered in their capacity as members of the Board. Members of the Board and sub-committees are entitled to a nominal annual token of appreciation in the form of a voucher. The Board may be reimbursed for all reasonable travel expenses incurred by them in the performance of their duties. Such costs related to trustees must be disclosed to the members in the Annual General Meeting and included in the annual financial statements.

Proposed addition to the rule:

The value of the voucher will be determined annually by the Principal Officer and proposed to the AGM where it is subject to approval by members annually at the Annual General Meeting.

Final rule:

Members of the Board are not entitled to any remuneration, honorarium or consulting fees in respect of their duties as trustees or any other fee in respect of services rendered in their capacity as members of the Board. Members of the Board and sub-committees are entitled to a nominal annual token of appreciation in the form of a voucher.

The value of the voucher will be determined annually by the Principal Officer and proposed to the AGM where it is subject to approval by members annually at the Annual General Meeting.

The Board may be reimbursed for all reasonable travel expenses incurred by them in the performance of their duties. Such costs related to trustees must be disclosed to the members in the Annual General Meeting and included in the annual financial statements.

The Principal Officer proposed the rule change for approval by means of casting a vote. The resolution was carried as 97% of members voted in favour of the proposed change.

12. CLOSURE

There being no further business to discuss, the Chairperson closed of the meeting expressing appreciation to the Principal Officer, the Trustees and administrator for their time, support and dedication. The Chairperson thanked members for attending the meeting. LUMI representatives were thanked for successfully hosting the meeting. With no further matters to discuss the meeting was declared closed at 11:21.

Sanjay Khoosal

[Sanjay Khoosal \(Jul 11, 2023 09:32 GMT+2\)](#)

Chairperson

23 June 2023

Date







Minutes of the AGM meeting held on 24 June 2022 - approved AGM 2023

Final Audit Report

2023-07-11

Created:	2023-07-10
By:	Viwe Ngodwane (viwen@discovery.co.za)
Status:	Signed
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"Minutes of the AGM meeting held on 24 June 2022 - approved AGM 2023" History

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-  Document emailed to sanjay.khoosal@netcare.co.za for signature
2023-07-10 - 8:59:04 AM GMT
-  Email viewed by sanjay.khoosal@netcare.co.za
2023-07-11 - 7:31:44 AM GMT- IP address: 169.239.225.155
-  Signer sanjay.khoosal@netcare.co.za entered name at signing as Sanjay Khoosal
2023-07-11 - 7:32:11 AM GMT- IP address: 102.220.210.0
-  Document e-signed by Sanjay Khoosal (sanjay.khoosal@netcare.co.za)
Signature Date: 2023-07-11 - 7:32:13 AM GMT - Time Source: server- IP address: 102.220.210.0
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