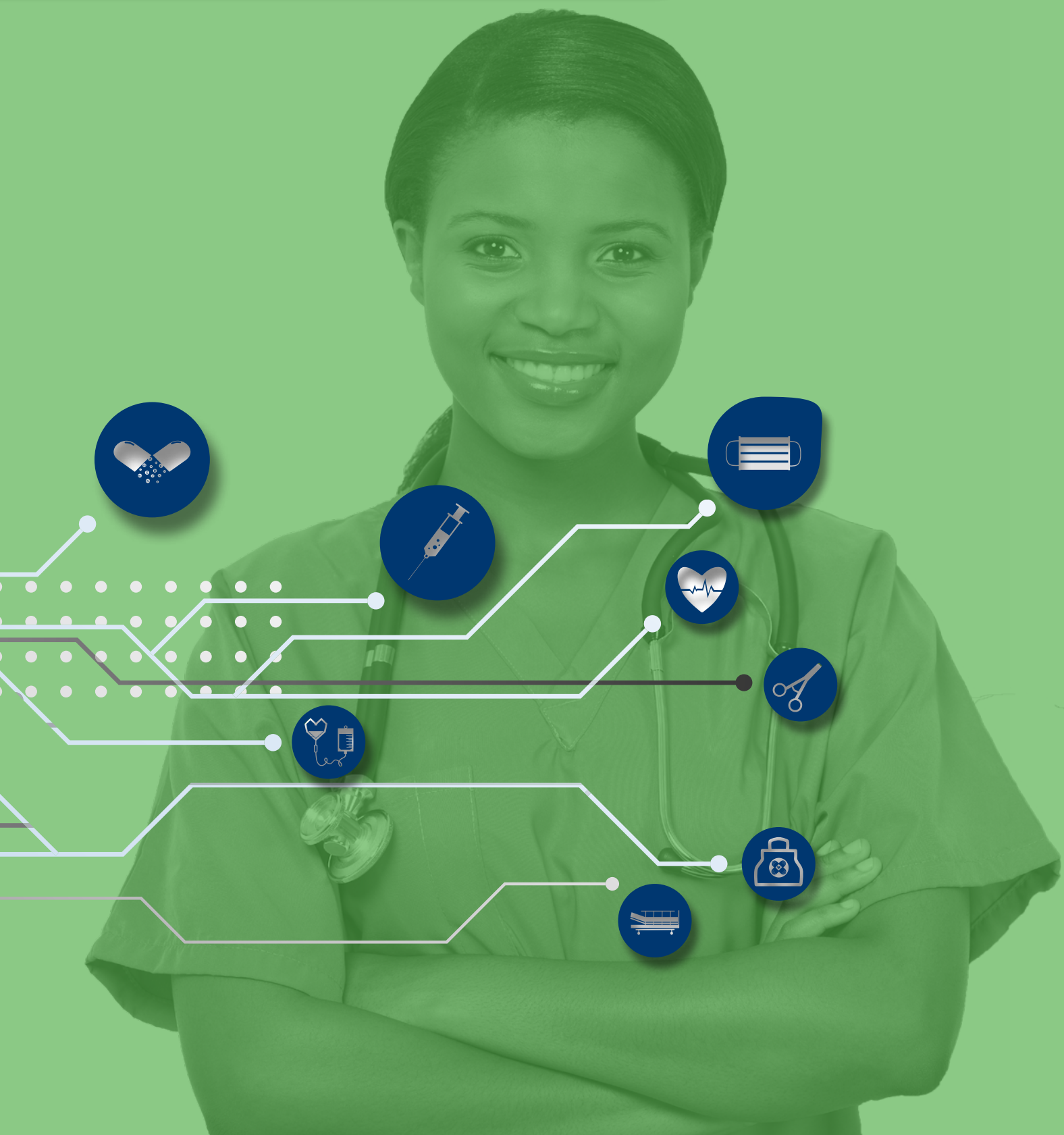




Industry Report 2021



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Part 1

The Medical Schemes Industry In 2021



Demographic Analysis

Number of schemes and benefit options

Voluntary mergers drive medical scheme consolidation. The decline in the number of medical schemes continued in 2021. Figure 1 illustrates the decline from 144 in 2000 to 75 schemes that were in operation in 2021, with the most significant decline occurring between 2007 and 2010. Of the 75 schemes in 2021, 18 are open, and 57 are restricted.

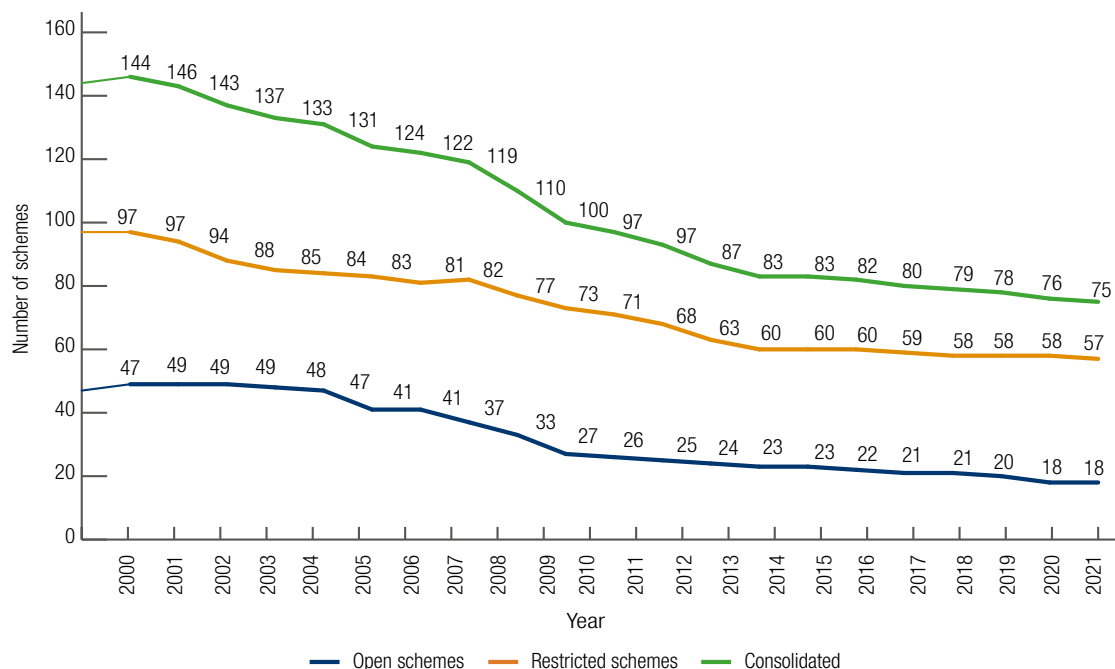


Figure 1: Number of schemes by type (2000–2021)

* Note that there were initially 75 schemes in operation in 2021. Hosmed Medical Scheme amalgamated with Sizwe Medical Fund, and Quantum Medical Aid Society amalgamated with Discovery Health Medical Scheme, bringing the total number of active schemes to 73 as of December 2021.

The sector as a whole saw a decline in the number of medical schemes. Figure 2 reflects the distribution of medical schemes by scheme size from 2002 to 2021, with small schemes surpassing medium and large schemes from 2002 to 2013. From 2019 to 2021, the number of small schemes stayed the same and the number of medium schemes increased slightly, while the number of large schemes declined.

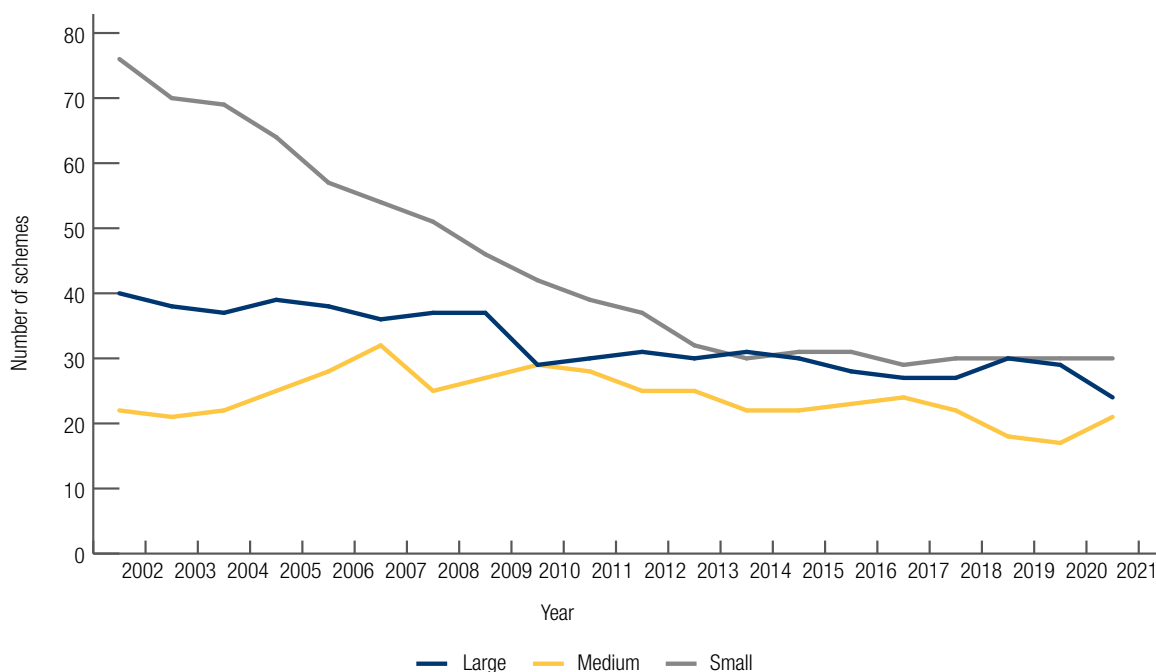


Figure 2: Number of schemes by size¹ (2002–2021)

¹Small < 6000 members; Medium => 6000 members but < 30 000 beneficiaries; Large => 30 000 beneficiaries.

Figure 3 shows the trend in the number of open schemes by size from 2002 to 2021. The number of large schemes exceeds the number of small and medium-sized schemes. Between 2010 and 2015, the number of large schemes remained constant. There was an upward trend in the number of medium-sized schemes from 2005 to 2007 and a downward trend in the number of large schemes in the same period. The number of large schemes declined further in 2021, while the number of medium schemes increased, and the number of small schemes remained the same.

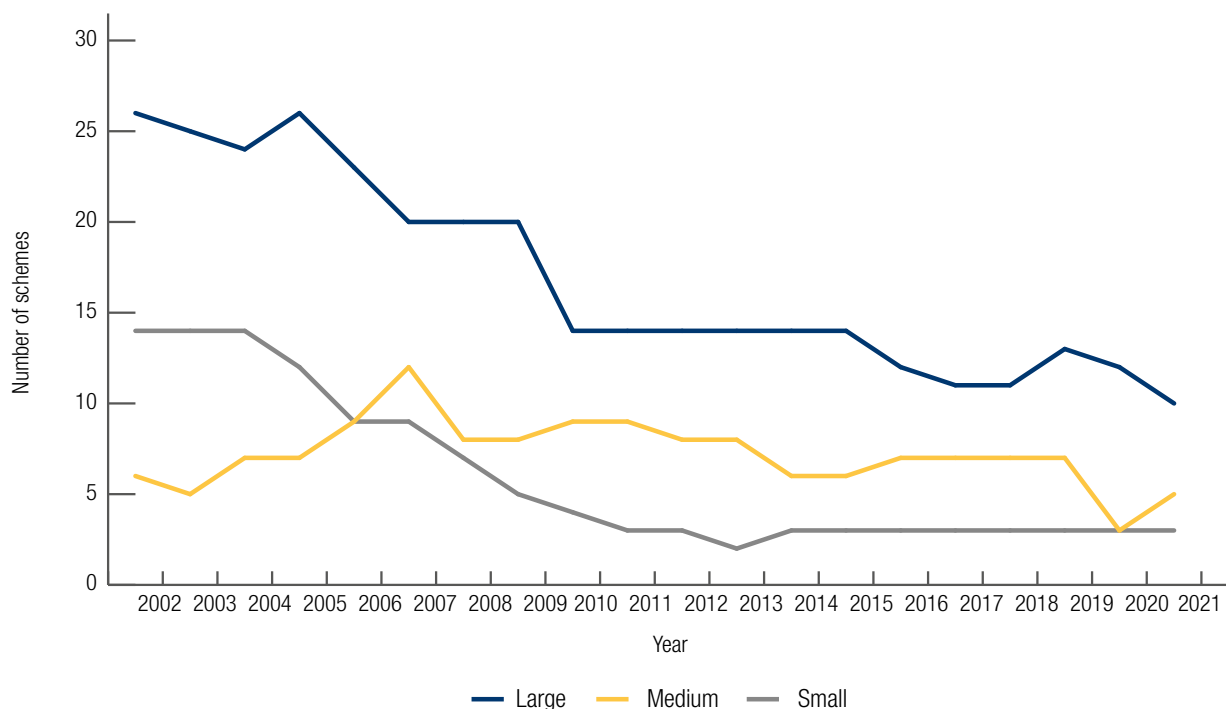


Figure 3: Number of open schemes by size (2002–2021)

Figure 4 shows the consolidation of restricted schemes from 2002 to 2021. A significant decline in restricted small schemes was noted between 2002 and 2014. However, the number of restricted small schemes remained higher than that of medium and large restricted schemes. The number of restricted large schemes declined in 2021, while the number of restricted medium schemes increased, and the number of small schemes remained the same.

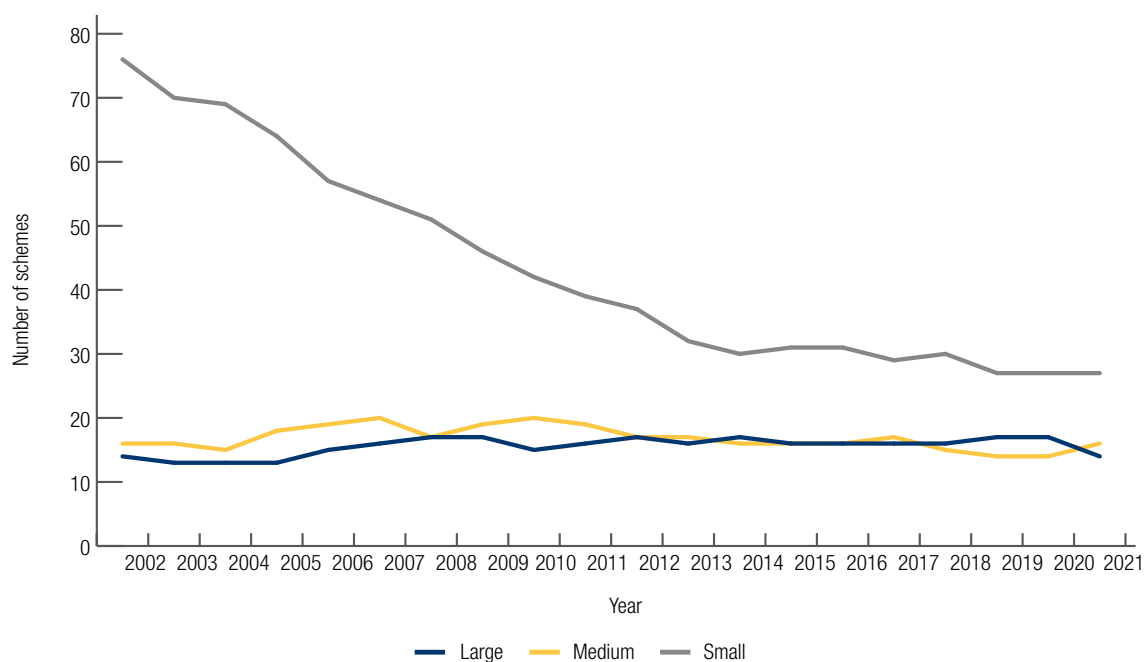


Figure 4: Number of restricted schemes by size (2002–2021)

Figure 5 shows the industry's average number of benefit options by scheme type from 2002 to 2021. On average, there were three benefit options at industry level. The average number of benefit options in open schemes was nearly three times more than in restricted schemes.

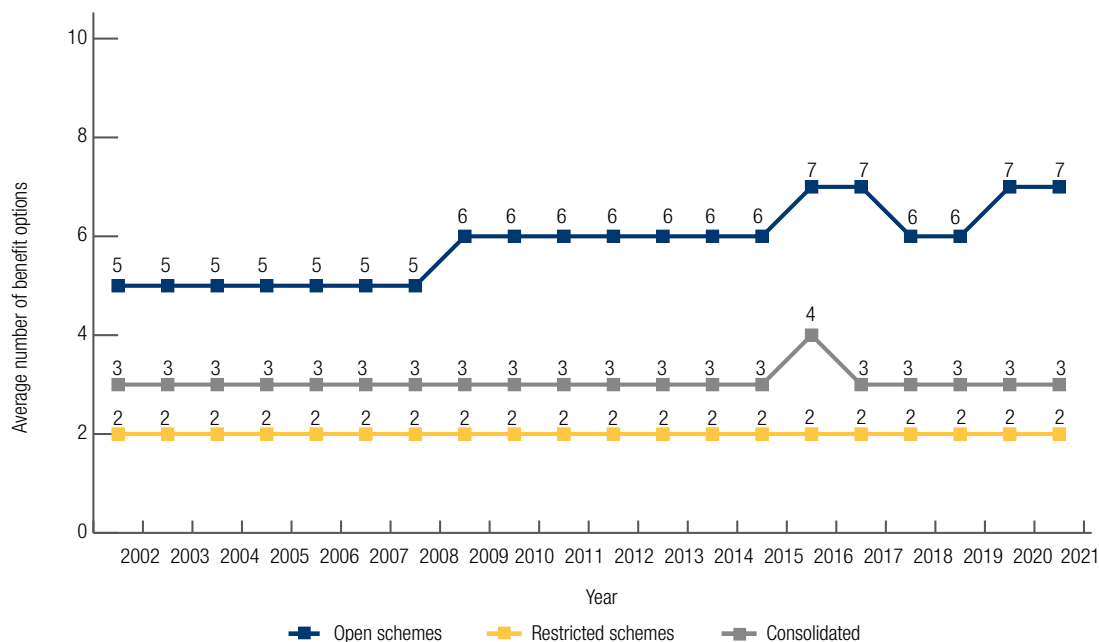


Figure 5: Average number of benefit options by scheme type (2002–2021)

Demographic information

The number of beneficiaries covered by medical schemes has remained stagnant in the past decade, not surpassing the nine million mark. The only significant increase in the environment arose following the introduction of GEMS in 2006. In 2021, GEMS surpassed the 700 000 mark, with 773 512 principal members, and its beneficiaries now exceed 2 million, at 2 036 102.

The percentage of beneficiaries covered by medical schemes, expressed as a percentage of the population in the country, declined during the period under review from 16% in 2000 to 14.86% in 2021. The number of beneficiaries covered by restricted schemes grew by 44 444 beneficiaries and the number of beneficiaries covered by open schemes slightly declined by 724 beneficiaries between 2020 and 2021. Open schemes accounted for more than half of the medical scheme's population (54.03%), while restricted schemes accounted for the balance (45.97%) in 2021.

A year-on-year increase in terms of beneficiaries was notable in six schemes which grew by more than 5% over the period, mainly Sizwe Medical Fund (27.1%) which grew as a result of a merger with Hosmed Medical Scheme, Umvuzo Health Medical Scheme (8.8%), Platinum Health (7.7%), TFG Medical Aid Scheme (6.1%), MBMed Medical Aid Fund (5.8%) and Fishing Industry Medical Scheme (5.5%). The Government Employees Medical Scheme (GEMS) contributed to the increase in restricted schemes and registered 72 344 beneficiaries, with less than a 5% year-on-year growth (3.6%).



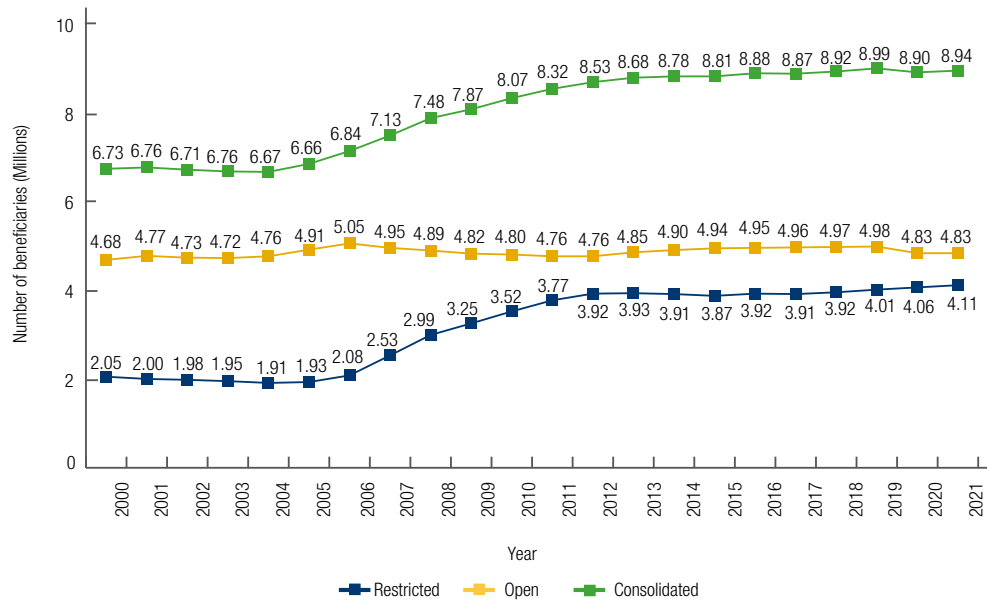


Figure 6: Number of principal members and dependants (2000–2021)

Figure 7 depicts the number of beneficiaries, broken down by principal members and dependants. Open schemes registered an increase in principal members and a decline in dependants. However, restricted schemes registered an increase in both principal members and dependants. Overall, the total number of dependants and principal members covered by both open and restricted schemes increased in 2021.

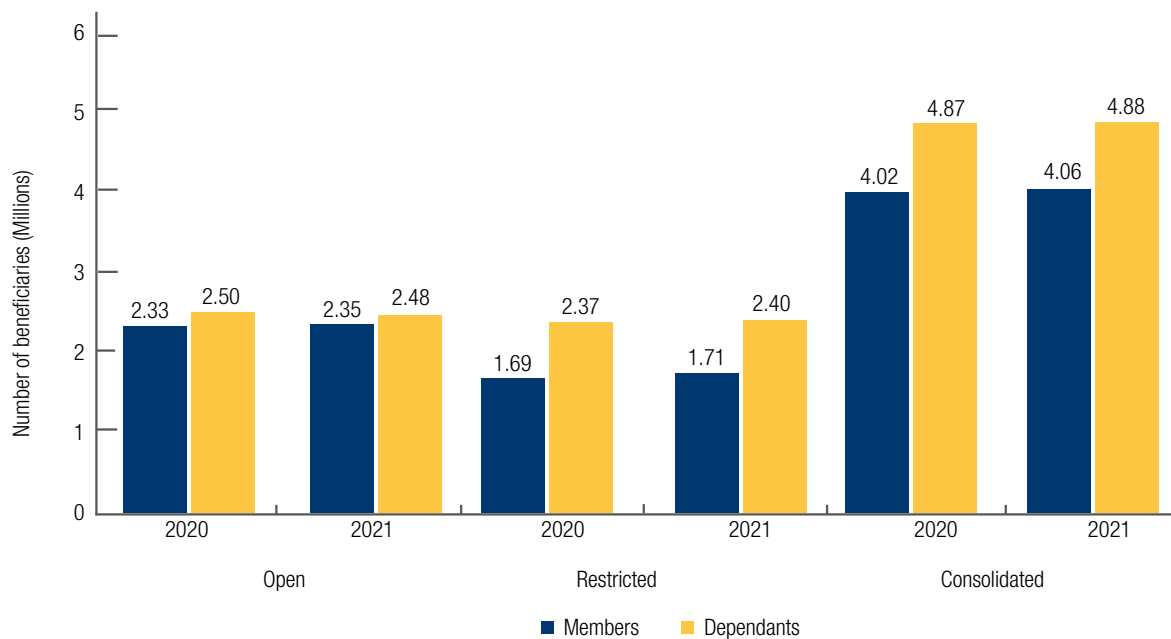


Figure 7: Number of beneficiaries by scheme type (2020–2021)

Figure 8 illustrates year-on-year growth in the number of beneficiaries between 2008 and 2021. From 2008 to 2013, the medical scheme industry had a positive increase in the number of members and dependants. When compared to previous years, the number of recipients increased sharply in 2008. Negative growth became evident in 2014, 2015, and 2017, with a considerable drop of 1.47% in 2020. However, the number of members and dependants grew by 0.84% and 0.21% respectively in 2021.

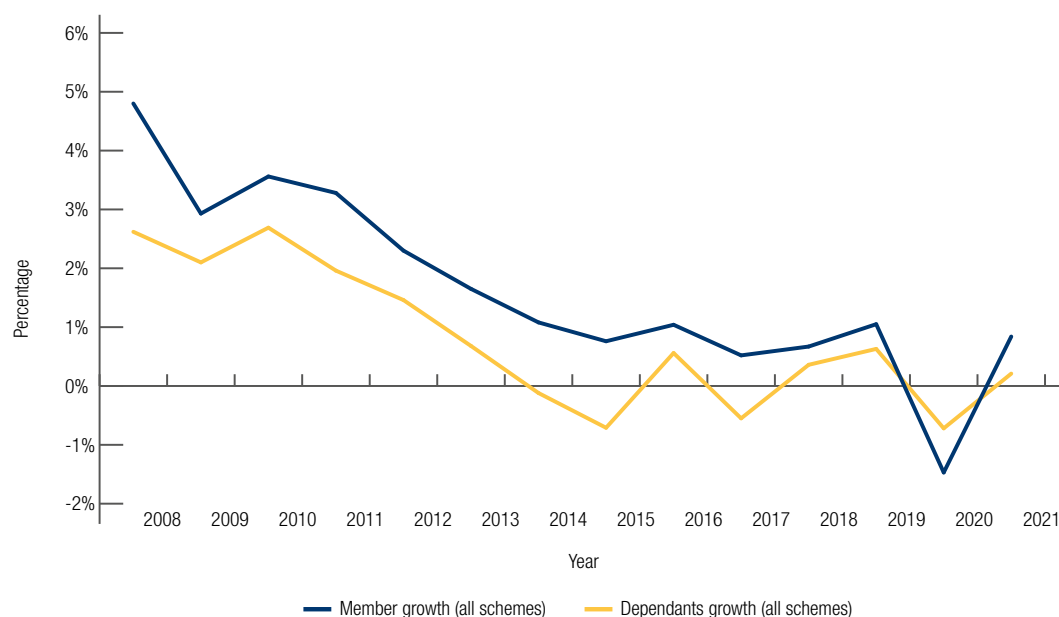


Figure 8: Membership percentage changes by beneficiary type (2008–2021)

Figure 9 depicts the year-on-year growth in the number of beneficiaries per scheme type. There was a consistent decline in the number of dependants in open schemes from 2008 to 2012. The number of dependants in restricted schemes showed a decline in 2014, 2015, and 2017. In 2021, the number of dependants in open schemes declined slightly by 0.82%. COVID-19 had a detrimental influence on private healthcare in 2020, with a decline in membership due to job losses and salary cuts, which in turn affected members' ability to pay monthly premiums. In 2021 there was a significant drop in COVID-19 cases following the introduction of vaccines. With the easing of restrictions and the economy re-opening, some members were again able to afford private healthcare, which is evident in the membership growth figures in 2021.

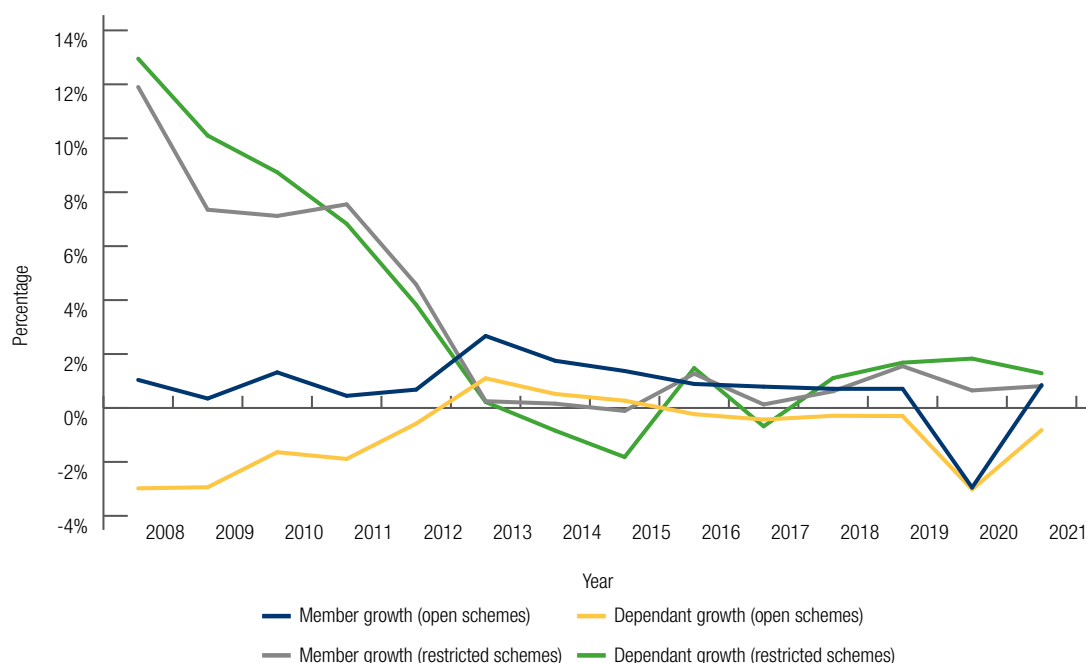


Figure 9: Membership percentage changes by beneficiary type in open and restricted schemes (2008–2021)

Figure 10 illustrates the ratio of dependants relative to principal members in medical schemes from 2008 to 2021. In 2021, this ratio decreased slightly by 0.01 in open schemes, while it rose by 0.01 in restricted schemes.

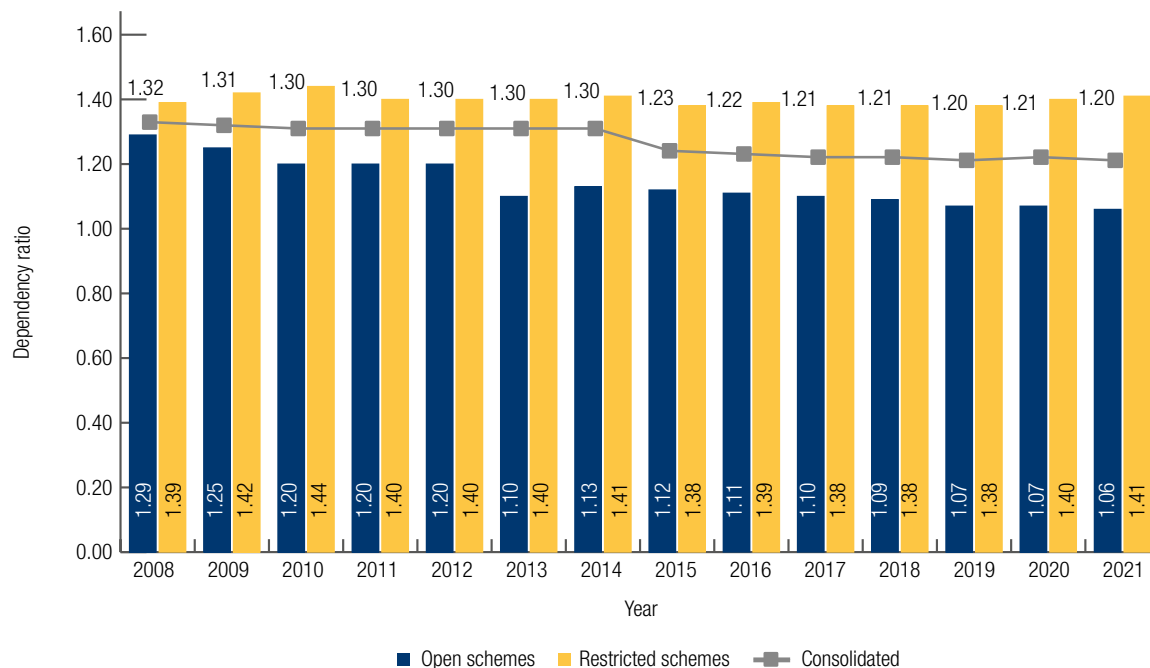


Figure 10: Ratio of dependants to principal members in schemes (2008–2021)

Figure 11 illustrates the age and gender distribution of beneficiaries of medical schemes in 2015, 2020, and 2021. A bimodal distribution is evident for both male and female beneficiaries. There were more beneficiaries between the ages of 5 and 9 years, and fewer beneficiaries aged 85 years and older. Consistently throughout the years, there is a decrease in beneficiaries aged between 5 and 9 years and 20 and 24 years.

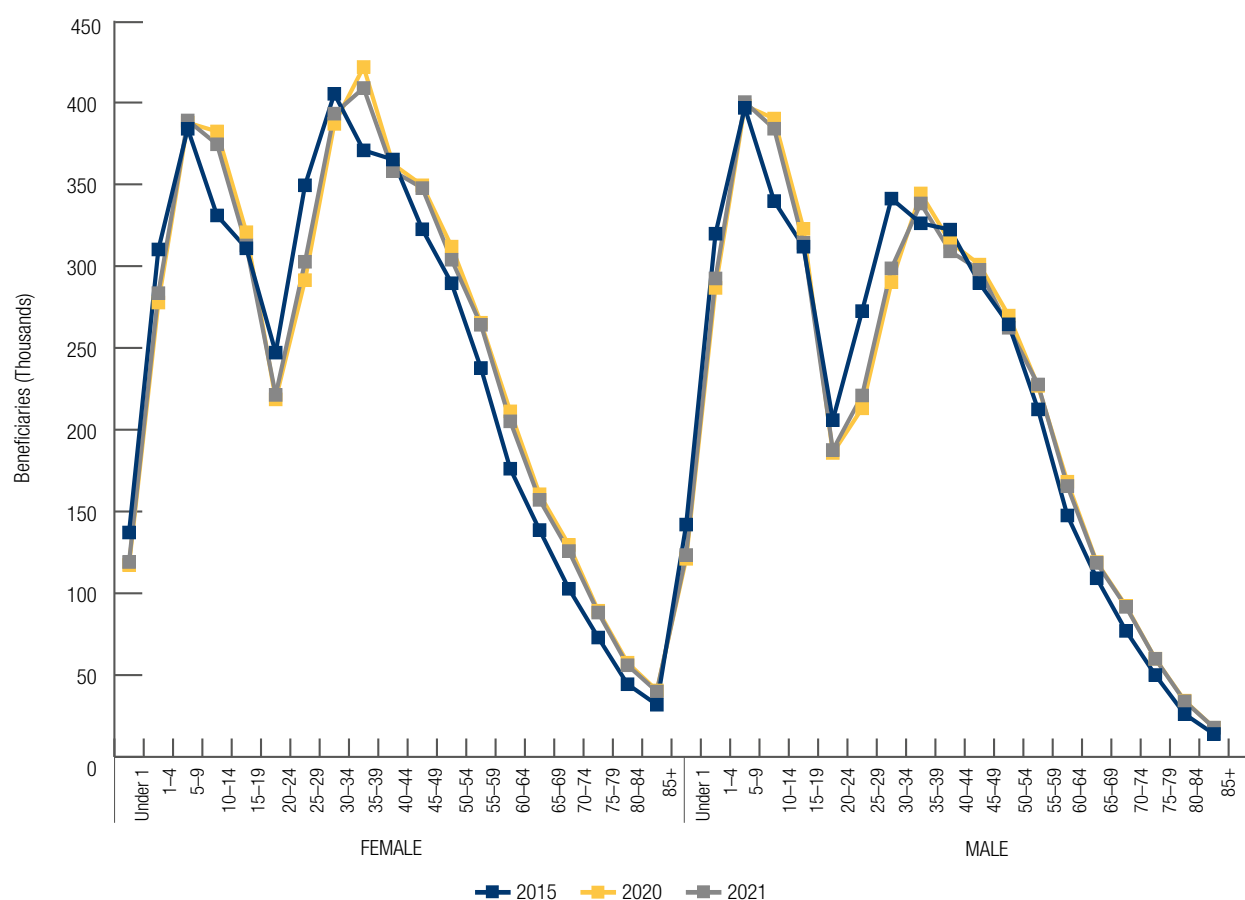


Figure 11: Age and gender distribution of beneficiaries (2015, 2020, 2021)

Figure 12 depicts the trend in the average age of beneficiaries from 2004 to 2021. The average age of beneficiaries of restricted schemes was above the industry average between 2004 and 2006; however, it fell between 2006 and 2007. Since 2006, the average age of beneficiaries in open schemes has gradually increased. The impact of the Government Medical Scheme (GEMS) and Discovery Health Medical Scheme (DHMS) on the age of medical scheme beneficiaries is evident in Figure 12. In 2021, the average age of beneficiaries in open schemes (excluding DHMS) was 35.7 years and 31.5 years in restricted scheme beneficiaries (excluding GEMS).

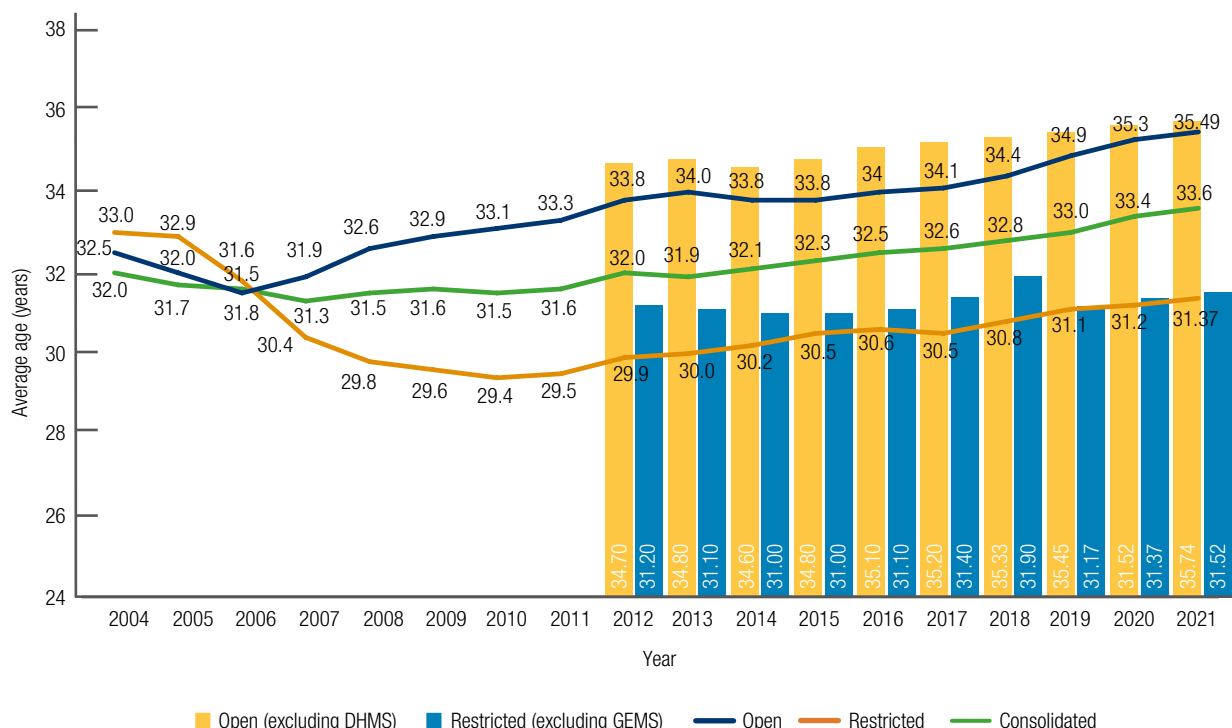


Figure 12: Average age of beneficiaries (2004–2021)

Table 1 shows the average age of beneficiaries and the percentage of pensioners by scheme type and gender from 2016 to 2021. In 2021, the industry average age of beneficiaries increased by 0.2 years. The average age of female beneficiaries was higher than that of male beneficiaries from 2016 to 2021. The percentage of pensioners (beneficiaries aged 65 and above) increased to 9.0% in 2021 from 8.9% in 2020. Over all the years, the pensioner ratio and the average age of females have been higher than those of male beneficiaries. The average age of 35.5 years in open schemes was higher than the industry average of 33.6 years in 2021, while restricted schemes had a lower average age of 31.4 years.

Table 1: Average age, pensioner ratio, and distribution (2016–2021)

Type of scheme	Gender	Average age (years) and Pensioner ratio (%)	2016	2017	2018	2019	2020	2021
Open schemes	Female	Average age	34.7	34.9	35.2	35.6	36.2	36.4
		Pensioner ratio	10.1	10.9	11.6	11.3	11.8	12.0
	Male	Average age	33.2	33.3	33.5	33.8	34.3	34.5
		Pensioner ratio	8.2	8.9	9.6	9.2	9.6	9.6
	Total	Average age	34.0	34.1	34.4	34.9	35.3	35.5
		Pensioner ratio	9.2	10.0	10.7	10.3	10.7	10.9
Restricted schemes	Female	Average age	31.9	31.8	32.1	32.2	32.7	32.8
		Pensioner ratio	7.1	7.4	7.9	7.4	7.6	7.7
	Male	Average age	29.1	28.9	29.3	29.3	29.5	29.6
		Pensioner ratio	5.2	5.4	5.8	5.3	5.5	5.5
	Total	Average age	30.6	30.5	30.8	31.1	31.2	31.4
		Pensioner ratio	6.3	6.5	6.9	6.5	6.6	6.7
All schemes	Female	Average age	33.4	33.5	33.8	34.1	34.5	34.7
		Pensioner ratio	8.8	9.3	9.9	9.5	9.8	10.0
	Male	Average age	31.5	31.4	31.7	31.9	32.2	32.3
		Pensioner ratio	7.0	7.4	7.9	7.6	7.8	7.8
	Total	Average age	32.5	32.6	32.8	33.0	33.4	33.6
		Pensioner ratio	7.9	8.4	9.0	8.6	8.9	9.0

Figure 13 depicts the geographic distribution of beneficiaries per province in 2021, with the data primarily based on the principal member's address. Gauteng (39%) had the highest number of beneficiaries, followed by Western Cape (15%) and KwaZulu-Natal (14%). The lowest number of beneficiaries was in Northern Cape with 2%.

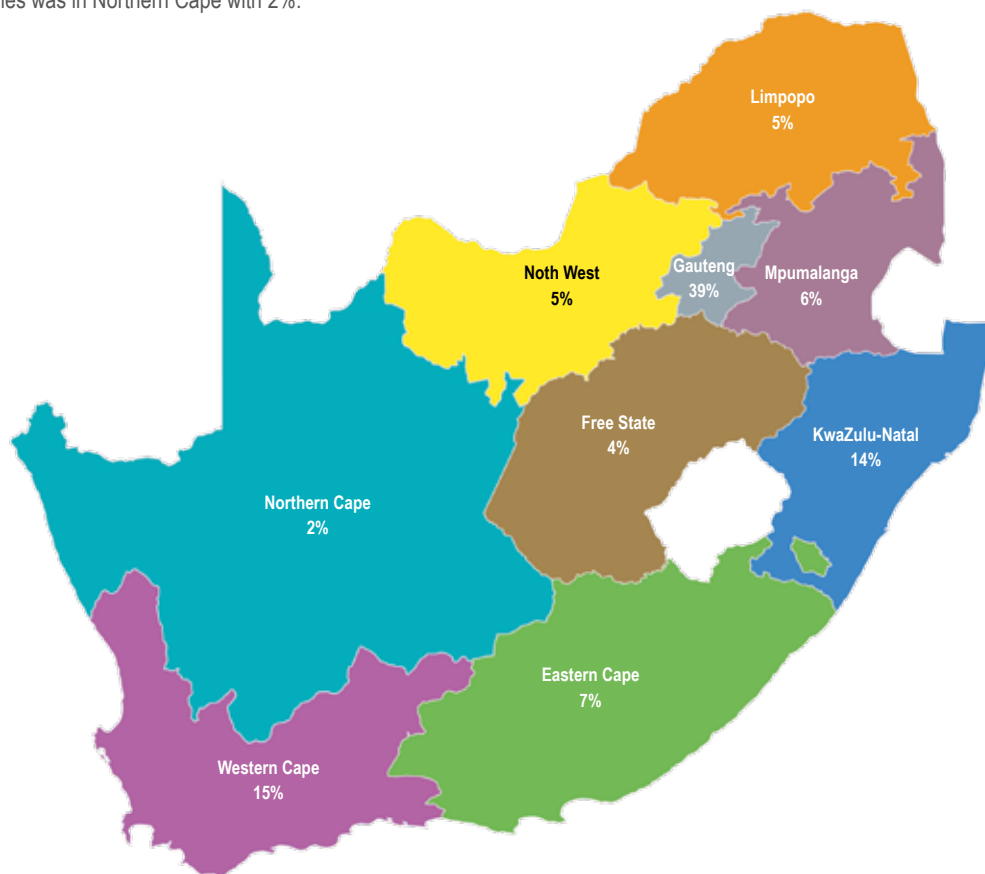


Figure 13: Distribution of beneficiaries by province (2021)

Table 2 shows the number of beneficiaries per province in 2020 and 2021. Most of the provinces experienced a year-on-year increase with the exception of KwaZulu-Natal, Eastern Cape, North West and Western Cape. Northern Cape experienced a significant increase in beneficiaries, with a 6.4% growth between 2020 and 2021. Overall, the industry increased by 0.5% in 2021, compared to a 1.1% decline in 2020. The number of beneficiaries outside South Africa decreased significantly by 25.4% between 2020 and 2021. There was a significant decline in the unclassified category by 36.6%.

Table 2: Distribution of beneficiaries by province (2020 and 2021)

Province	2020	2021	% Change
Gauteng	3 436 286	3 496 871	1.8
Western Cape	1 387 206	1 384 260	-0.2
KwaZulu-Natal	1 290 329	1 274 134	-1.3
Eastern Cape	664 509	660 064	-0.7
Mpumalanga	555 404	556 393	0.2
North West	472 351	469 846	-0.5
Limpopo	456 321	468 362	2.6
Free State	396 758	400 721	1.0
Northern Cape	181 845	193 501	6.4
Unclassified	50 475	31 984	-36.6
Outside South Africa	3 669	2 736	-25.4
All provinces	8 895 152	8 938 872	0.5

Table 3 depicts the number of beneficiaries by scheme type and province in 2020 and 2021. Open schemes dropped in all provinces, with Eastern Cape experiencing the greatest drop of 4.0%, followed by Mpumalanga with 3.6%. Restricted schemes in Northern Cape saw the highest increase in the number of beneficiaries (11.7%), followed by Limpopo and Free State (3.6% and 2.4%, respectively).

Table 3: Growth in number of beneficiaries per province (2020 and 2021)

Province	2020		2021		% Change		
	Open	Restricted	Open	Restricted	Open	Restricted	Industry
Gauteng	2 208 264	1 228 022	2 191 384	1 239 912	-0.8	1.0	1.8
Western Cape	844 871	542 335	829 232	539 670	-1.9	-0.5	-0.2
KwaZulu-Natal	686 331	603 998	667 575	594 264	-2.7	-1.6	-1.3
Eastern Cape	293 280	371 229	281 429	372 449	-4.0	0.3	-0.7
Mpumalanga	239 810	315 594	231 175	320 327	-3.6	1.5	0.2
North West	148 251	324 100	144 219	322 631	-2.7	-0.5	-0.5
Limpopo	165 127	291 194	164 323	301 594	-0.5	3.6	2.6
Free State	159 208	237 550	154 714	243 218	-2.8	2.4	1.0
Northern Cape	70 576	111 269	69 128	124 311	-2.1	11.7	6.4

Table 4 depicts medical schemes with less than 6 000 members. Of these medical schemes, ten were restricted and one was open. Overall, the schemes reported a 14% drop in membership, with Horizon Medical Scheme reporting a substantial decline of 69.09% due to a major employment group leaving the scheme in January 2021. BP Medical Aid Society also experienced a significant decline of 14.28% due to retrenchments forcing members to resign from the scheme.

Table 4: Medical schemes with fewer than 6 000 members (2021)

Medical scheme	Scheme type	Beneficiaries		% Change
		2020	2021	
Suremed Health	Open	2 065	1 974	-4.41
SEDMED	Restricted	2 349	2 254	-4.04
Rhodes University Medical Scheme	Restricted	2 439	2 416	-0.94
PG Group Medical Scheme	Restricted	2 887	2 825	-2.15
BP Medical Aid Society	Restricted	3 285	2 816	-14.28
Alliance-Midmed Medical Scheme	Restricted	3 618	3 636	0.50
Fishing Industry Medical Scheme (Fish-Med)	Restricted	4 141	4 381	5.80
Parmed Medical Aid Scheme	Restricted	4 601	4 350	-5.46
Golden Arrow Employees' Medical Benefit Fund	Restricted	4 814	4 816	0.04
Anglovaal Group Medical Scheme	Restricted	4 939	4 740	-4.03
Horizon Medical Scheme	Restricted	5 836	1 804	-69.09



Healthcare benefits

Note that gross benefits paid (benefits paid from risk pool plus savings) reported in the utilisation section of this report differ slightly from gross benefits reported in the financial statutory returns section.

For more information, read notes in Annexures C to K. All values in this section are stated in nominal terms unless indicated otherwise.

Total healthcare benefits paid

Total healthcare expenditure on benefits paid in 2021 increased to R205.3 billion, up by 15.32% from the 2020 reported amount of R178.1 billion. This increase is attributable to the lower claims growth experienced in the 2020 financial year due to various levels of lockdown. Risk benefits paid remained at 90% of total benefits paid with saving at 10%. The claims paid per average beneficiary per annum (pabpa) increased by 15.2% from R20 017.42 in 2020 to R23 060.79 in 2021. Risk benefits paid per beneficiary increased by 15.79% from R17 972.01 in 2020 to R20 810.38 in 2021, and the average spent from medical savings accounts pabpa increased by 10.0% to R2 250.41.

The proportion of healthcare expenditure on hospital services was 35.72%, with expenditure on all specialists accounting for 26.14%, followed by medicine dispensed at 16.1%, and then supplementary and allied health professionals at 7.92%. Hospital services accounted for 39.54% of risk benefits paid, with expenditure on all specialists accounting for 27.00%, followed by medicine dispensed at 13.42%, and then supplementary and allied health professionals at 6.82%.

Medicines dispensed accounted for 39.92% of expenditure from medical savings accounts, followed by expenditure on specialists at 18.41%, supplementary and allied health professionals at 17.90%, and general practitioners at 12.28%. Expenditure from medical savings accounts toward hospital services was 1.27%. These proportions highlight how benefit options are designed and are graphically presented in Figure 14.

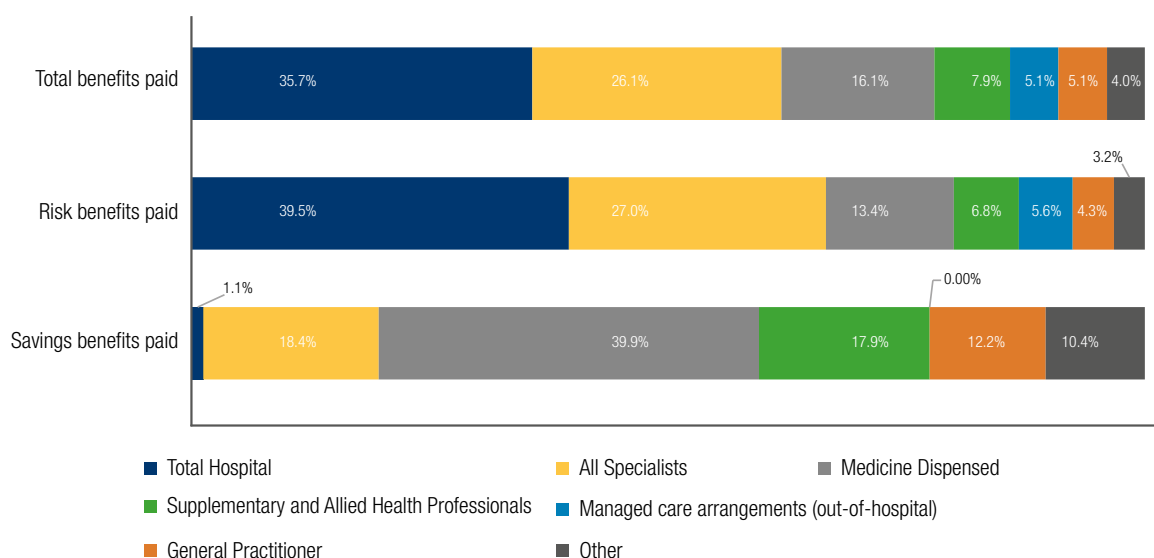


Figure 14: Distribution of healthcare benefits paid (2021)

**Other consists of other health services, dentists, dental specialists, ex-gratia payments and other unspecified benefits.*

The distribution of benefits paid between open and restricted medical schemes varied only slightly, with open medical schemes having paid 0.81 percentage points more benefits towards hospital services and 2.87 percentage points towards specialists than restricted medical schemes. In contrast, restricted schemes paid more benefits towards medicines dispensed, supplementary and allied health professionals, and general practitioners. Open schemes paid 0.72% more benefits towards managed care arrangements than restricted schemes. Figure 15 illustrates these differences.

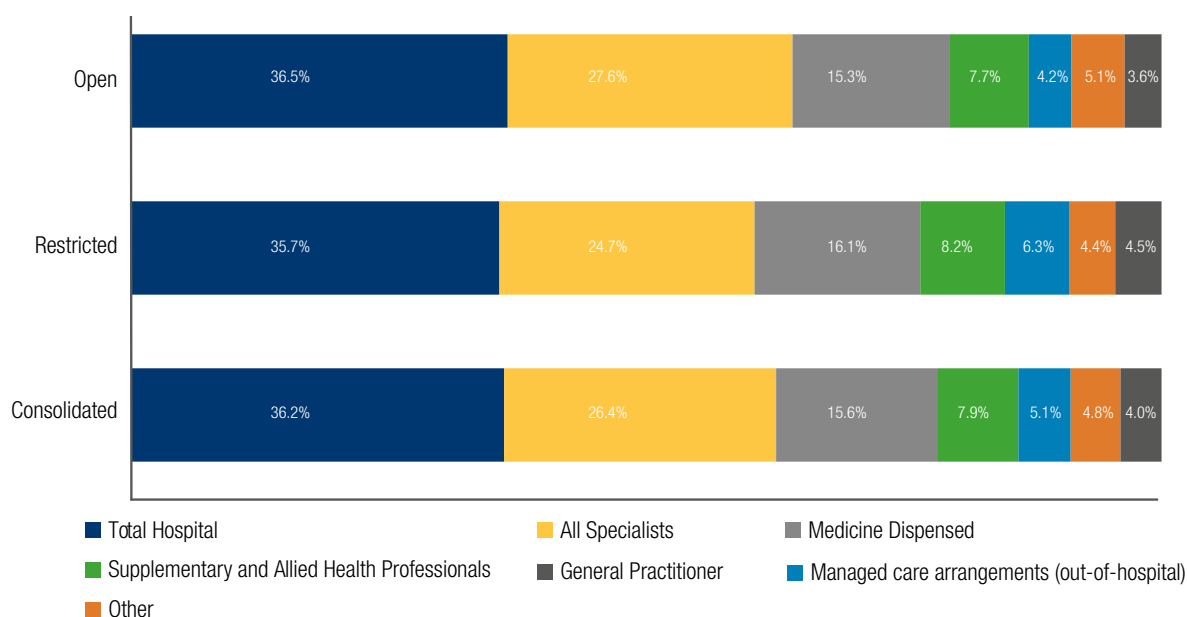


Figure 15: Distribution of healthcare benefits paid by scheme type (2021)

**Other consists of other health services, dentists, dental specialists, ex-gratia payments and other unspecified benefits.*

Total hospital expenditure increased by 18.68% between 2020 and 2021, from R62.6 billion to R74.3 billion. A larger percentage of benefits was paid towards hospital services by open schemes at 57.38% compared to 43.62% paid by restricted schemes. The average amount paid per beneficiary for hospital services increased by 18.56% to R8 346.40 from R7 039.74. Just over 92% of total expenditure toward hospitals was paid to private hospitals.

Expenditure on hospital services paid on a fee for service (FFS) basis amounted to R57.34 billion in 2021, an increase of 21.55% from R47.17 billion in 2020. Close to 64.39% of this expenditure is attributed to ward fees, theatre fees and consumables, with expenditure on medicines constituting only 9.20% at R5.07 billion. These values are presented in Figure 16.

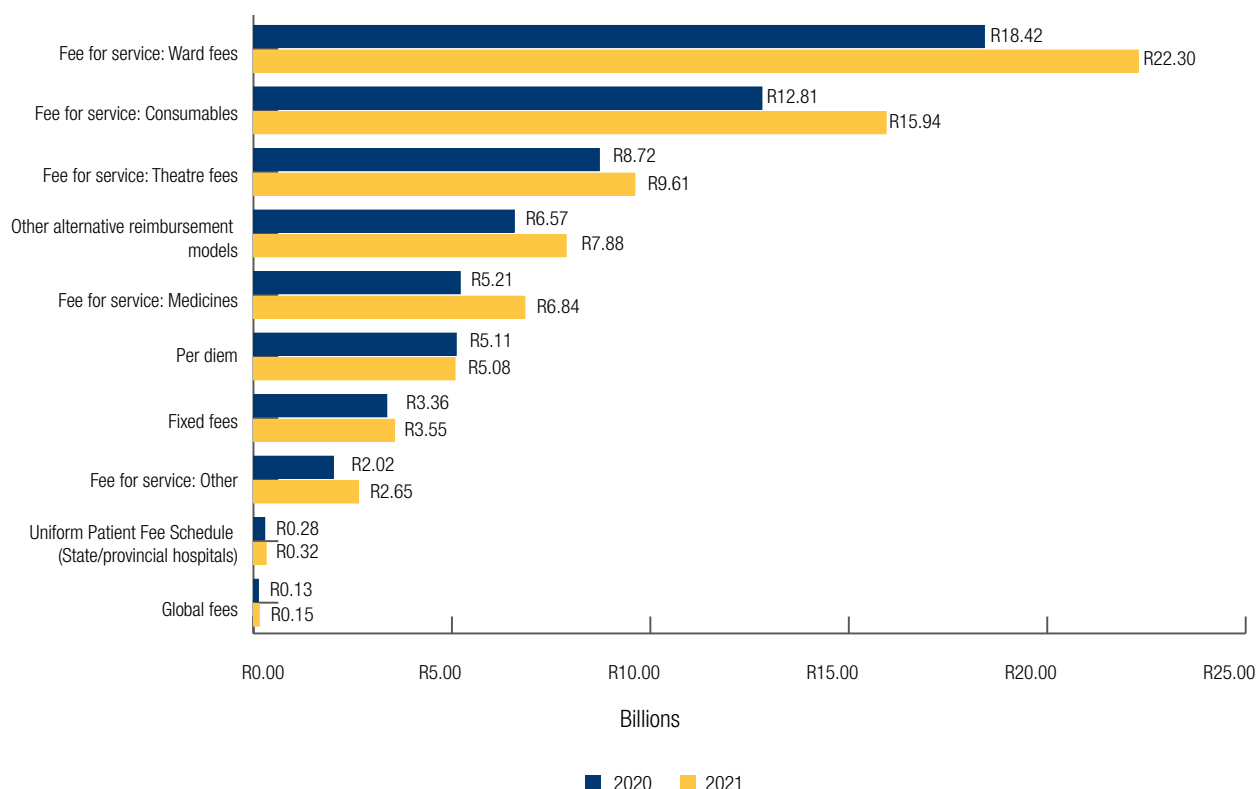


Figure 16: Reimbursement methods for hospital services (2020–2021)

Medicines (and consumables) dispensed by pharmacists and providers other than hospitals amounted to approximately R32.1 billion. This represents an increase of 9.18% compared to the R29.4 billion spent in 2020. Pharmacies were paid R28.1 billion of all benefits paid towards medicines dispensed in 2021.

General practitioners accounted for 4.61% of medicines dispensed, with all other providers making up 7.77%. The most significant year-on-year increase was observed for blood transfusion services which increased by 55.93%. Decreases were observed for independent practice specialist radiation oncology and speech therapy and audiology. Table 5 lists the top ten dispensing providers.

Table 5: Benefits paid for medicines dispensed – top ten disciplines (2020 and 2021)

Discipline	2020		2021		% Change
	R'000	% of total	R'000	% of total	
Pharmacies (60)	26 216 692	88.91	28 121 940	87.62	7.27
General Medical Practice (014)	1 108 706	3.76	1 479 368	4.61	33.43
Clinical services (90)	539 749	1.83	577 532	1.80	7.00
Ophthalmology (26)	337 430	1.14	391 981	1.22	16.17
Diagnostic Radiology (38)	297 379	1.01	354 384	1.10	19.17
Independent Practice Specialist Radiation Oncology (40)	209 513	0.71	197 967	0.62	-5.51
Speech therapy and Audiology (82)	141 331	0.48	132 343	0.41	-6.36
Registered nurses (88)	102 415	0.35	131 202	0.41	28.11
Blood transfusion services (78)	62 083	0.21	96 804	0.30	55.93
Other	470 302	1.60	612 519	1.91	30.24
Grand Total	29 485 601	100.00	32 096 041	100.00	8.85

Figure 17 shows benefits paid to different discipline groups per event/visit for both in- and out-of-hospital events. Total benefits paid per event are calculated as total benefits paid (from risk and savings) divided by the number of visits to a provider. The cost (or benefits paid) per event must be interpreted with caution as the calculation does not consider other factors such as the number of hours spent per event. Events paid in-hospital from medical savings accounts of beneficiaries make up a very small part of the expenditure and mainly relate to dentist visits and dental specialist visits.

At a consolidated level, the average expenditure per visit in 2021 increased significantly for all medical disciplines, with the most significant increases being recorded for pathology (6.5%), medical specialists (6.4%), and surgical specialists (8.6%). Expenditure per event for in-hospital services outstripped expenditure for out-of-hospital services across all disciplines. The gap in expenditure between in- and out-of-hospital services is widest for anaesthetists, surgical specialists and dental specialists who were paid R2 090, R3 515 and R2 543 more for in-hospital services respectively. Restricted schemes paid on average 11.3% more for out-of-hospital services and 6.7% more for in-hospital services per visit than open schemes.

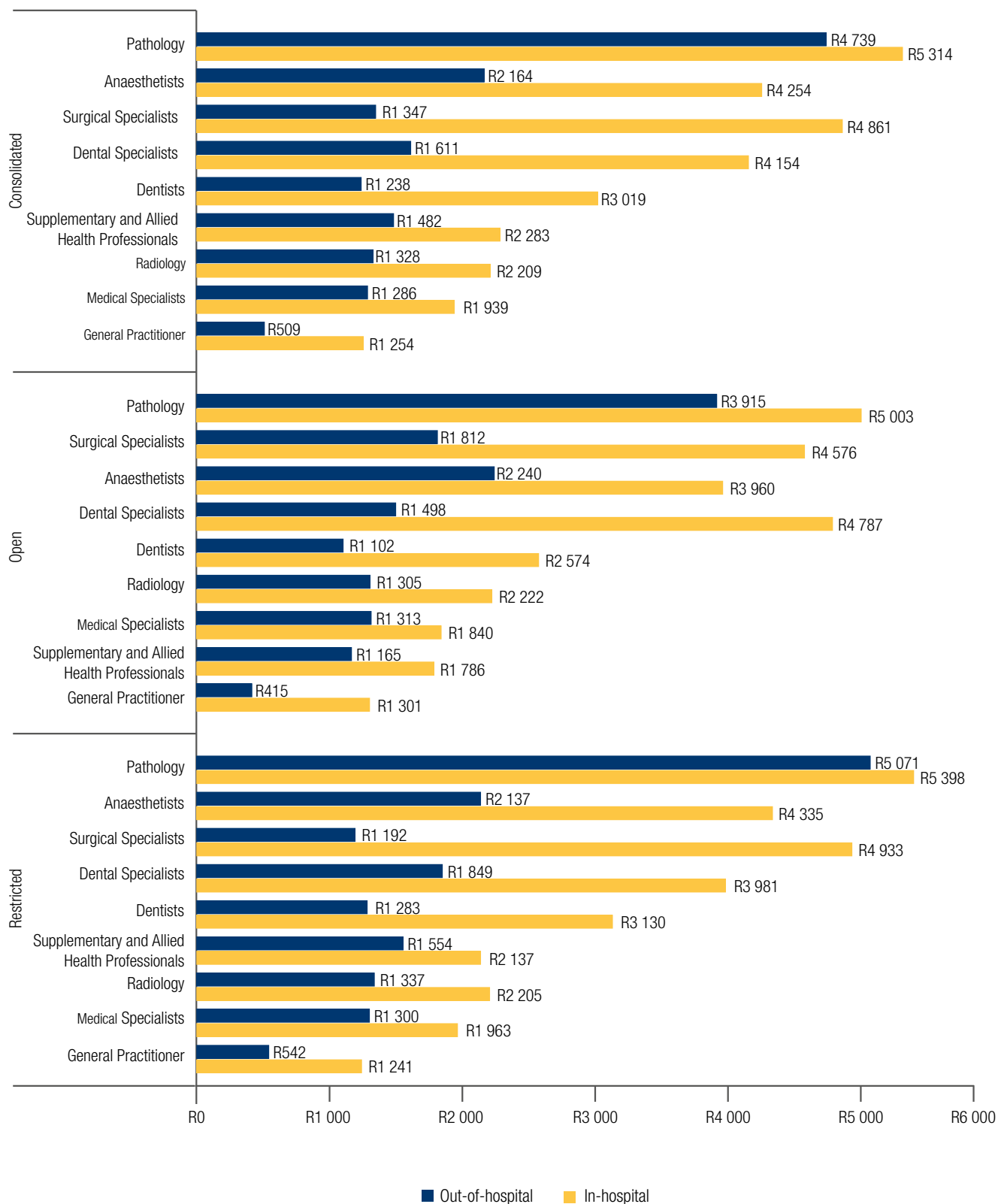


Figure 17: Benefits paid per event/visit (2021)

Table 6 depicts expenditure by event and setting. In the out-of-hospital setting, pathology, supplementary and allied health professionals, and medical specialists contributed to significant increases of 11.2%, 15.6% and 11% respectively. In the in-hospital setting, surgical specialists, dentists, and medical specialists contributed to significant increases of 8.9%, 11.7% and 13.1% respectively.

Table 6: Expenditure by event and setting (2020 and 2021)

Setting by discipline group	2020	2021	% Change
	R	R	
Out-of-hospital			
Pathology	R4 261	R4 739	11.21
Anaesthetists	R1 959	R2 164	10.43
Dental Specialists	R1 494	R1 611	7.78
Supplementary and Allied Health Professionals	R1 396	R1 482	15.58
Surgical Specialists	R1 369	R1 347	-1.63
Radiology	R1 243	R1 328	6.86
Medical Specialists	R1 236	R1 286	10.99
Dentists	R1 122	R1 238	10.37
General Practitioners	R 483	R 509	5.29
In-hospital			
Pathology	R5 175	R5 314	2.69
Surgical Specialists	R4 464	R4 861	8.91
Anaesthetists	R4 117	R4 254	3.31
Dental Specialists	R4 160	R4 154	-0.15
Supplementary and Allied Health Professionals	R3 609	R2 283	-34.50
Dentists	R2 704	R3 019	11.65
Radiology	R2 174	R2 209	1.61
Medical Specialists	R1 715	R1 939	13.05
General Practitioners	R1 194	R1 254	5.06

Trends in total healthcare benefits paid at constant prices²

Figure 18 shows trends in the distribution of healthcare benefits that medical schemes have paid to various categories of service provider since 2015. These figures have been adjusted for inflation, with 2021 used as the base year. The figures are reported in real (or constant) terms, implying that the historical data has been adjusted to 2021 prices.

The bulk of medical schemes' total expenditure continues to be paid to hospitals and specialists. Benefits paid to specialists in 2021 amounted to R54.2 billion in real terms, a 9.7% increase in real terms when compared to the 2020 figure of R49.4 billion. Total hospital expenditure increased from R67.3 billion in 2020 to R74.3 billion in 2021, representing a 10% increase. The proportion of benefits paid towards hospitals averaged around 36.6% between 2015 and 2021. The proportions of expenditure on all specialist and medicines dispensed reflect greater fluctuation over the period.

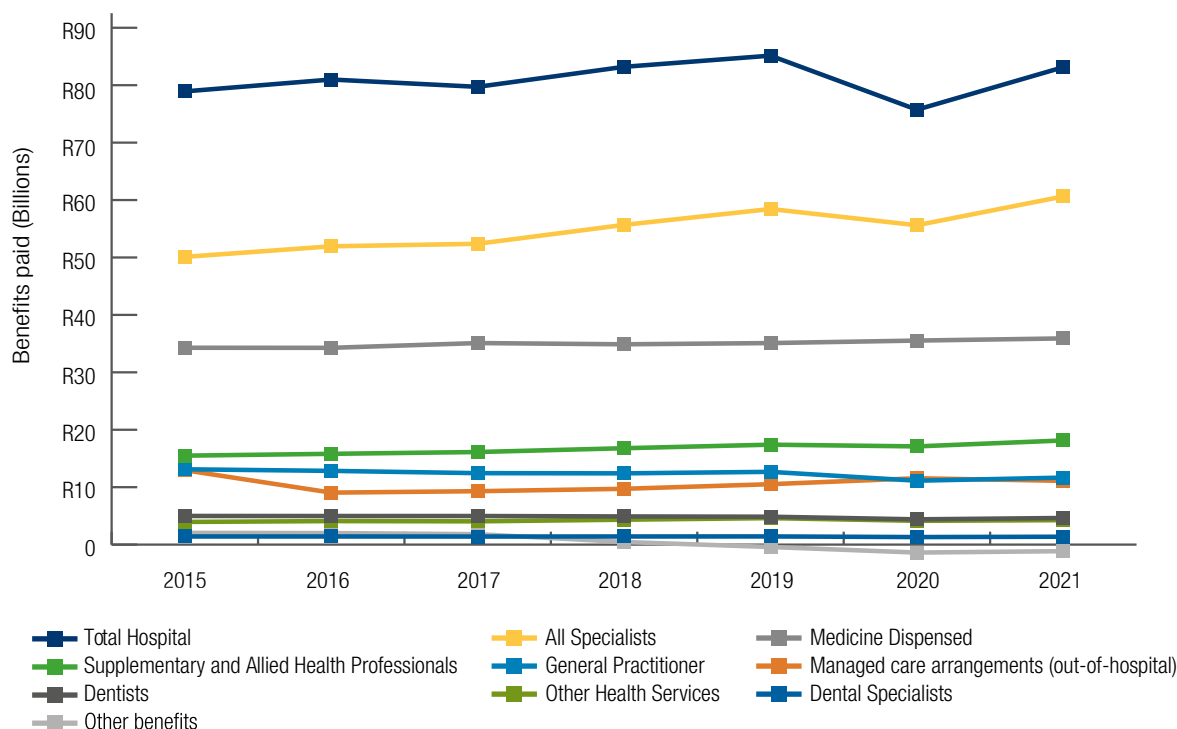


Figure 18: Total healthcare benefits paid, at 2021 prices* (2015–2021)

* All values are adjusted for inflation using the Consumer Price Index (CPI) for 2021 as a base period. Historical values are revised when the base period changes and will not correspond with the values reported in previous annual reports.

²Historical (pre-2014) provider classifications have been used in order to create continuity and preserve historical data. The groupings differ slightly from provider classifications used in other sections of the report.

Healthcare benefits paid per beneficiary

Figure 19 shows the changes in healthcare expenditure per average beneficiary per annum (pabpa) from 2015 to 2021 in real terms. The amount paid in real terms on private hospitals increased by 9.8% from R7 573 pabpa in 2020 to R8 314 pabpa in 2021. The amount spent on specialists increased in real terms from R5 562 pabpa in 2020 to R6 063 pabpa in 2021, an increase of 9%. Between 2020 and 2021, expenditure on GPs increased by 4.9% and expenditure on dentists increased by 5.3%.

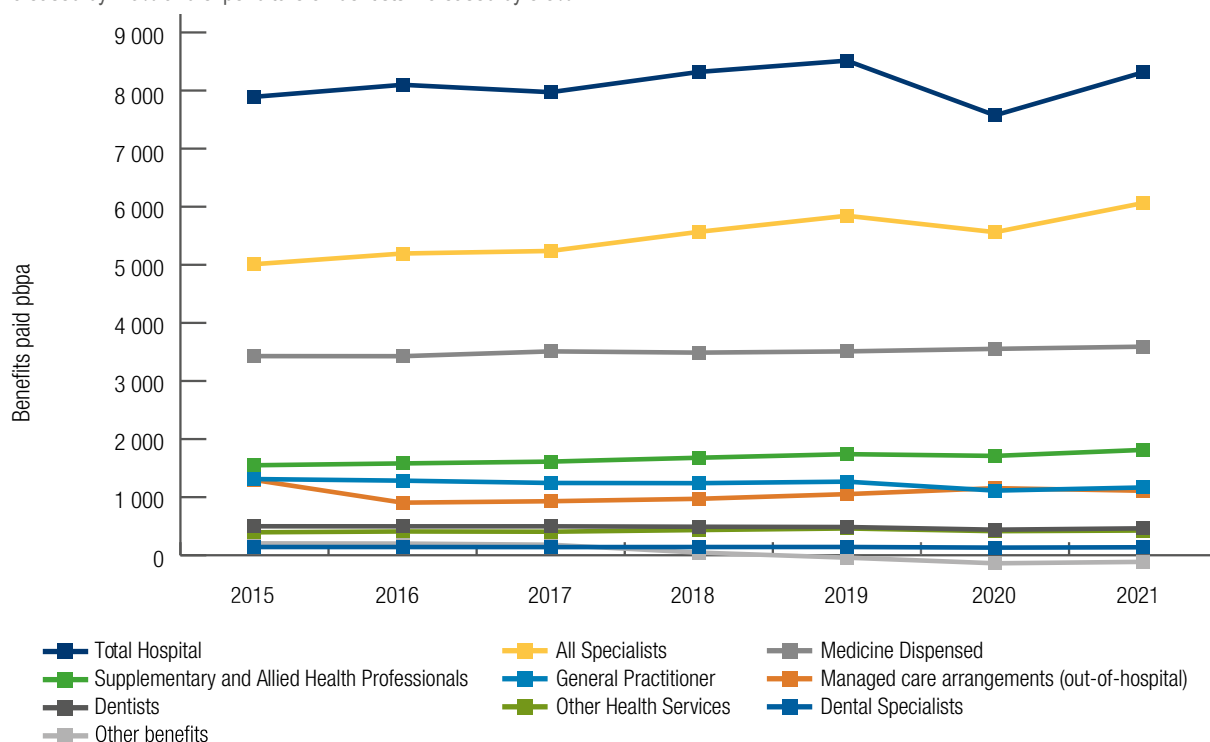


Figure 19: Total healthcare benefits paid per average beneficiary per annum at 2021 prices* (2015–2021)

* All values are adjusted for inflation using the Consumer Price Index (CPI) for 2021 as a base period. Historical values are revised when the base period changes and will not correspond with the values reported in previous annual reports.

Healthcare benefits paid per age band

Figure 20 shows the per capita healthcare expenditure across healthcare services by age group. Expenditure for beneficiaries over the age of 44 years rose above the average cost per beneficiary of R22 970, and peaked for beneficiaries in the age band 80 to 84 years at R75 811 per average beneficiary.

Expenditure on primary healthcare providers, general medical practitioners and dentists continues to be overshadowed by expenditure on specialists, hospitals and medicines dispensed, which, when combined, consist of over 80% of cost per age band.

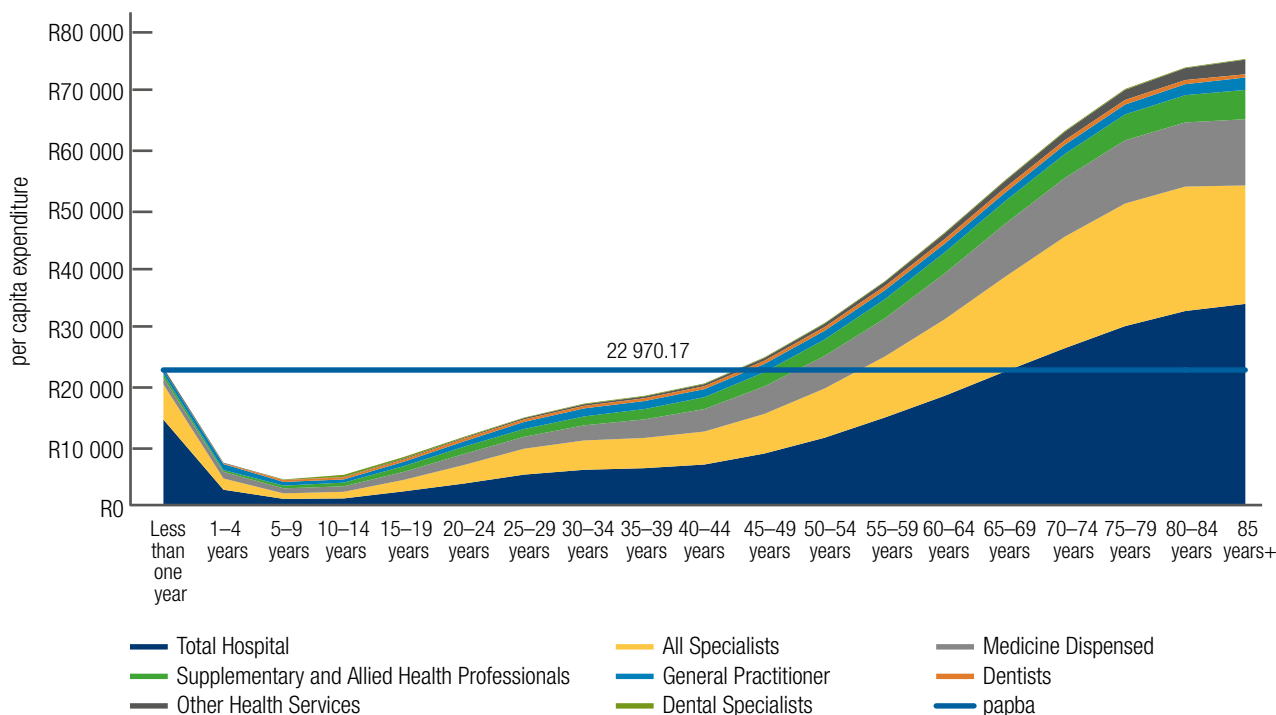


Figure 20: Expenditure per capita by age band (2021)

* Values exclude managed care fees, capitation fees, ex-gratia payments and other unspecified benefits.

Figure 21 depicts the number of beneficiaries in 2020 and 2021 against the average amount paid for benefits for each of the age bands. Expenditure for beneficiaries aged 60 to 85+ increases significantly, from approximately R46 332 to close to R75 811 per beneficiary per annum. On a year-on-year basis, expenditure increased on average by 15.0%, with the highest increase of 37.0% accruing to beneficiaries aged between 1 and 4 years.

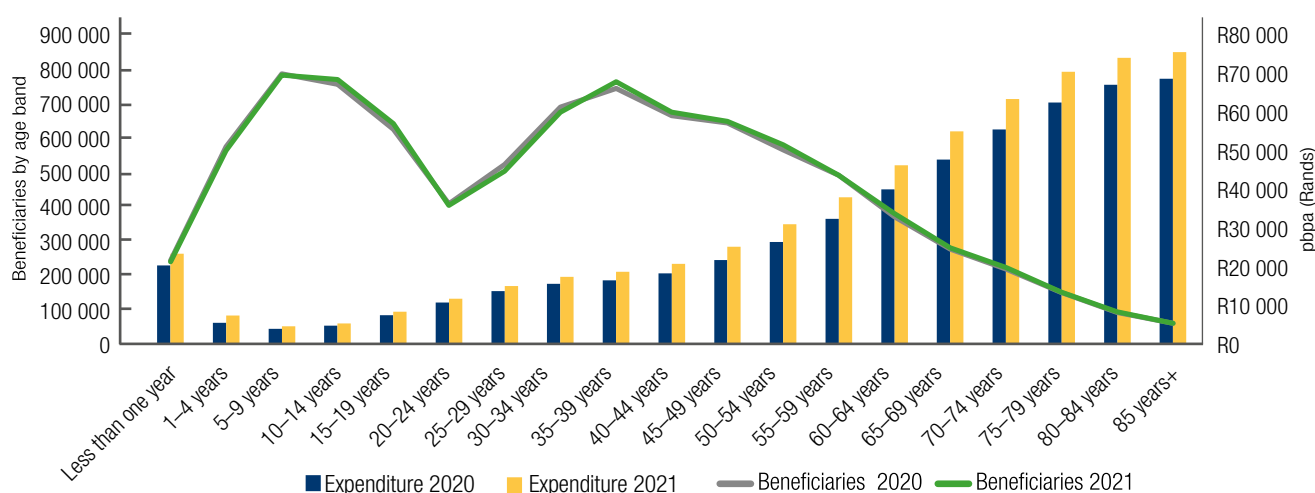


Figure 21: Expenditure by age band (2020 and 2021)

* Values exclude managed care fees, capitation fees, ex-gratia payments and other unspecified benefits.

Figure 22 depicts the proportion of total expenditure by age group. Proportionally more benefits are paid towards beneficiaries in the age bands above 45 years. Beneficiaries aged 65 years and older, who comprise 8.96% of the medical schemes' population (9.14% in 2020), consumed 26.17% of healthcare benefits in 2021 (26.25% in 2020). Beneficiaries aged between 45 and 64 years, who comprise 23.53% of the medical schemes' population, (23.62% in 2020) consumed 35.96% of healthcare benefits in 2021 (35.18% in 2020).

This translates to a total of 33% of the medical schemes' population consuming slightly more than 62% of the healthcare benefits provided in 2021, demonstrating the cross-subsidisation between the young and healthy and the older and sicklier beneficiaries.

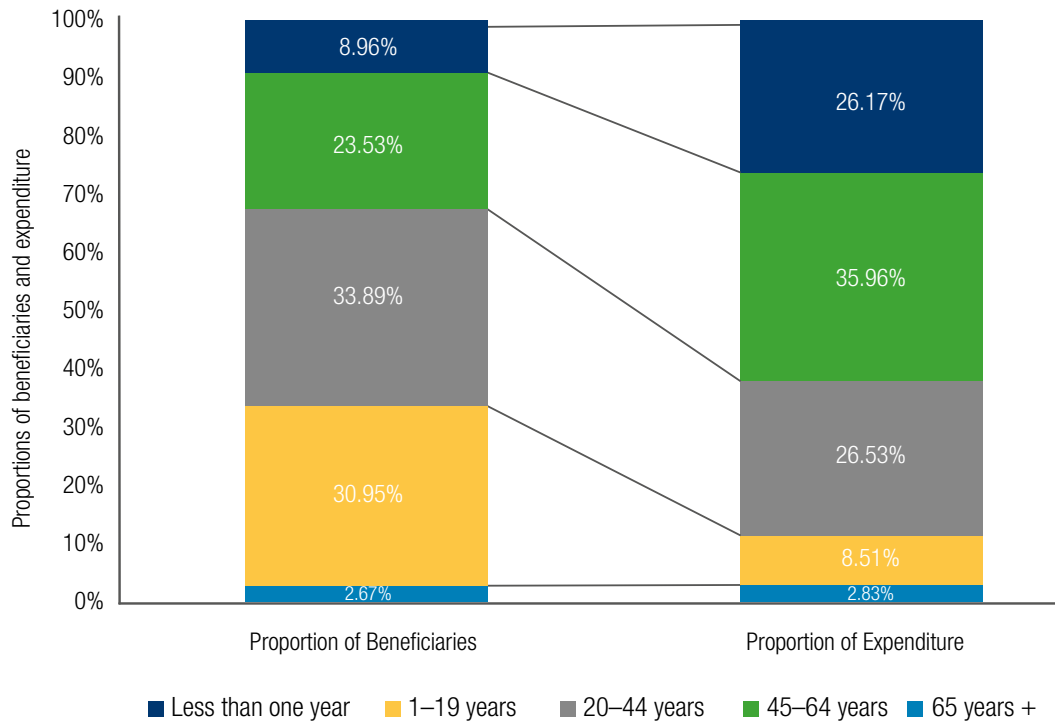


Figure 22: Proportion of total healthcare expenditure by age group (2021)

Out-of-pocket payments

Out-of-pocket payments are calculated as the difference between the claimed amount and the amount paid from the medical scheme risk. This is an understatement of the true out-of-pocket payments that members incur as it is likely that medical schemes do not fully capture and submit all costs associated with seeking healthcare.

Figure 23 depicts the estimated out-of-pocket payments for 2021 (outer ring) and 2020 (inner ring). The largest component remains that of medicines dispensed, which constituted 35.4% of out-of-pocket payments in 2021, and is marginally lower than the 35.8% recorded in 2020. Similarly, out-of-pocket payments paid to specialists remained similar between 2020 and 2021, recording 25.4% and 25.9% respectively.

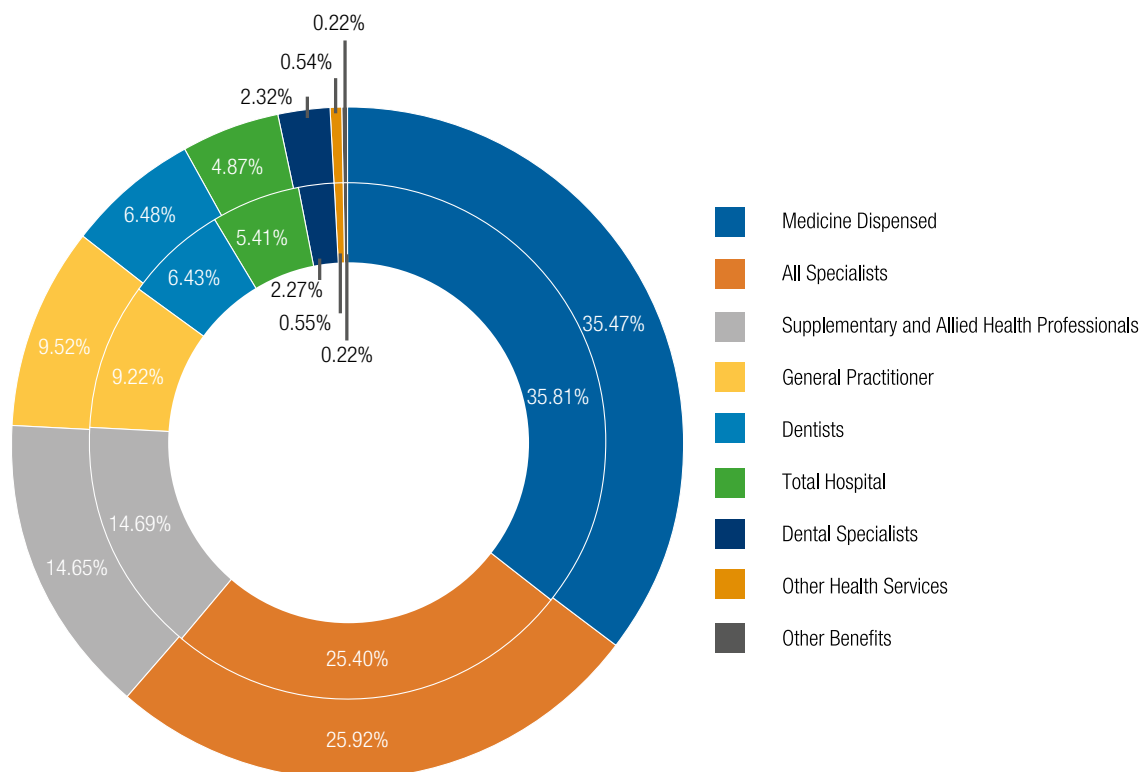


Figure 23: Out-of-pocket payments by discipline group (2020 and 2021)

Figure 24 offers a closer look into out-of-pocket payments by splitting the expenditure into the proportion paid from medical savings accounts (MSAs) and that paid by members themselves. This reveals that total hospitals, all specialists and other health services constitute the largest proportions of expenditure paid by members while GPs, dentists and supplementary and allied works constitute the largest expenditure from MSAs.

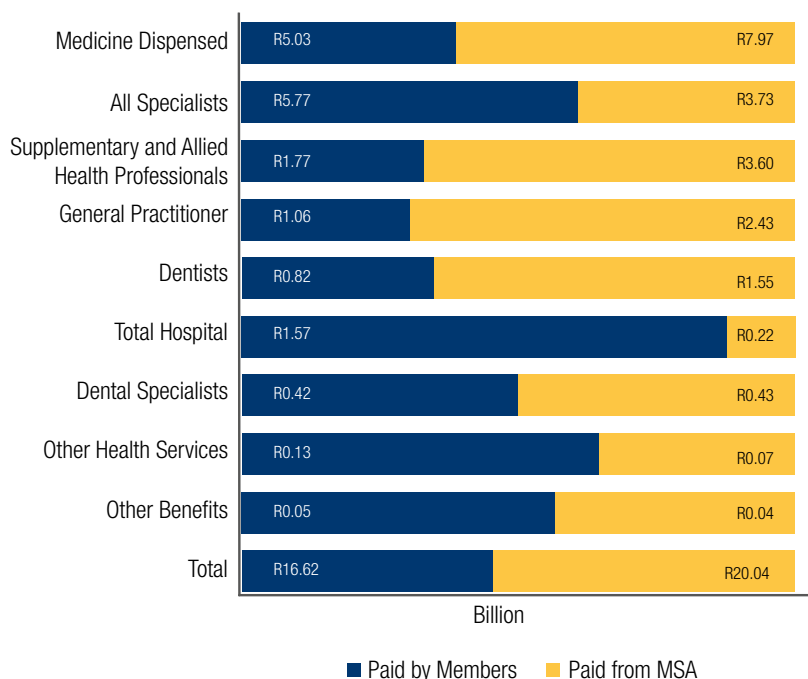


Figure 24: Out-of-pocket payments by discipline group (2021)

Figure 25 depicts the split of out-of-pocket payments by scheme type between 2020 and 2021. Generally, out-of-pocket payments are lower in restricted schemes which, by design, tend to be more comprehensive. The total out-of-pocket payments over the past six years (2016–2021) increased by 23.2% from R29.8 billion in 2016 to R36.7 billion in 2021 at a consolidated level. The percentage increase for open schemes was 34.7% while that of restricted schemes was significantly lower at 17.6%.

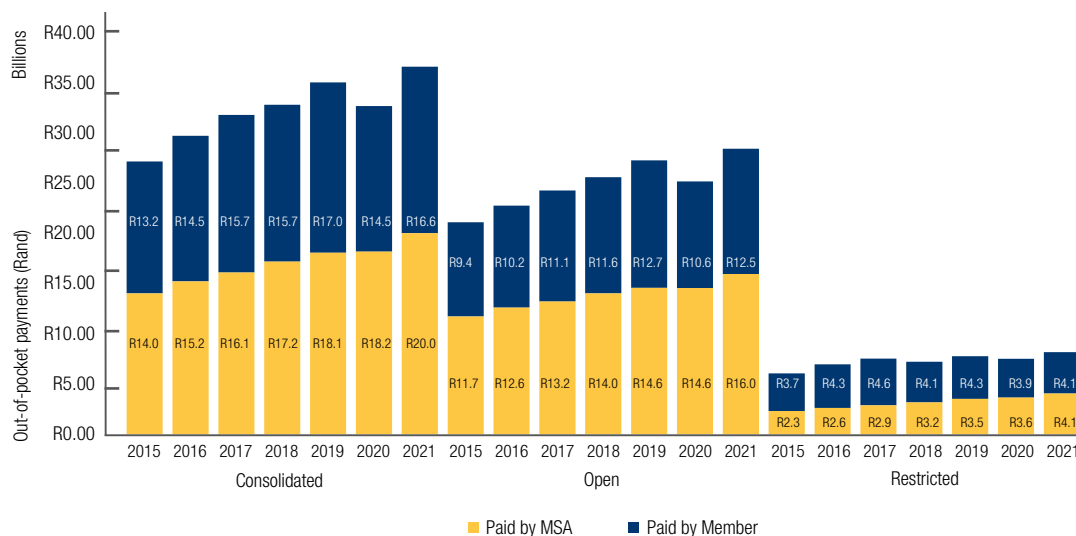


Figure 25: Out-of-pocket payments by scheme type (2015–2021)

Prescribed minimum benefits

Expenditure on prescribed minimum benefits (PMBs) is mainly driven by beneficiary profile, prevalence of chronic conditions and expenditure on treatment.

The term 'beneficiary profile' refers to the level of cross subsidisation between the young and old, and the sick and healthy. To remain sustainable, medical schemes need membership grown in young and healthier populations.

Figure 26 depicts the relationship between medical scheme expenditure on PMBs and beneficiary profiles. Expenditure generally increases with age, particularly beyond the ages of 40–44 years, while membership growth beyond this point drops rapidly. Conversely, expenditure increases significantly from the age of 59 years. In 2021, expenditure for beneficiaries aged 0–4 years, 45–69 years, and those aged over 80 was higher than in 2020. This is an indication of higher utilisation levels by these age groups once COVID-19 lockdown restrictions were eased in 2021.

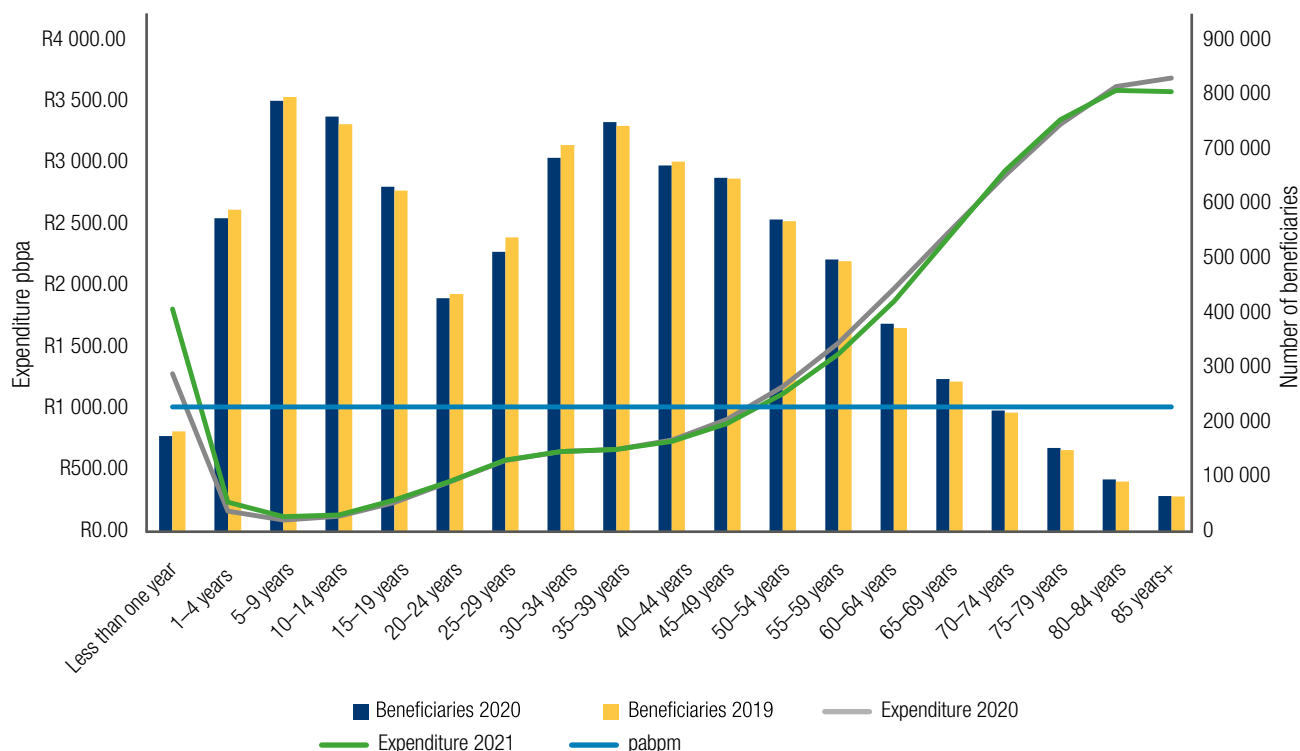


Figure 26: PMB expenditure by age band (2020 and 2021)

Chronic condition benefits

Table 7 lists the average per patient per month (pppm) expenditure for beneficiaries suffering from various chronic conditions who received treatment either in- or out-of-hospital.

Table 7: Patient expenditure per chronic disease list (CDL) in- or out-of-hospital (2020 and 2021)

CDL description and condition	Out-of-hospital			In-hospital		
	Expenditure pppm 2020	Expenditure pppm 2021		Expenditure pppm 2020	Expenditure pppm 2021	
	R	R	% Change	R	R	% Change
Haemophilia (HAE)	32 003.58	36 382.19	13.68	7 850.40	7 951.65	1.29
Multiple sclerosis (MSS)	5 189.53	5 446.89	4.96	2 384.22	2 405.38	0.89
Chronic renal disease (CRF)	4 958.35	5 010.91	1.06	6 106.94	3 777.57	-38.14
Crohn's disease (CSD)	1 962.82	2 134.38	8.74	2 715.51	2 521.42	-7.15
Ulcerative colitis (IBD)	953.75	979.19	2.67	1 477.81	1 616.54	9.39
Diabetes insipidus (DBI)	626.50	733.17	17.03	750.32	1 511.49	101.45
Schizophrenia (SCZ)	688.43	692.96	0.66	1 985.26	1 902.06	-4.19
Rheumatoid arthritis (RHA)	591.61	580.96	-1.80	1 266.37	1 237.14	-2.31
Parkinson's disease (PAR)	567.44	560.36	-1.25	1 800.83	2 027.78	12.60
Bipolar mood disorder (BMD)	500.48	486.43	-2.81	2 397.45	2 410.92	0.56
Diabetes mellitus Type 1 (DM1)	452.84	455.74	0.64	1 845.90	2 129.35	15.36
Epilepsy (EPL)	417.65	421.52	0.93	1 798.34	1 928.18	7.22
HIV/AIDS (HIV)	334.96	392.68	17.23	911.42	1 235.26	35.53
Chronic obstructive pulmonary disease (COP)	383.68	366.57	-4.46	1 889.12	1 865.35	-1.26
Systemic lupus erythematosus (SLE)	324.40	324.01	-0.12	1 841.59	1 802.54	-2.12
Diabetes mellitus Type 2 (DM2)	308.99	311.51	0.81	1 257.01	1 442.27	14.74
Glaucoma (GLC)	296.88	311.14	4.80	1 066.92	1 166.16	9.30
Bronchiectasis (BCE)	249.07	241.19	-3.16	1 677.91	1 589.62	-5.26
Dysrhythmias (DYS)	220.92	239.29	8.32	4 010.66	4 146.28	3.38
Coronary artery disease (IHD)	205.48	210.91	2.65	4 435.85	4 426.73	-0.21
Cardiomyopathy (CMY)	190.55	186.76	-1.99	3 580.43	3 488.40	-2.57
Asthma (AST)	184.75	179.14	-3.04	1 141.67	1 198.81	5.01
Hypertension (HYP)	160.90	162.51	1.00	1 245.17	1 426.37	14.55
Cardiac heart failure (CHF)	155.89	161.21	3.41	3 104.89	3 125.39	0.66
Addison's disease (ADS)	146.01	150.30	2.94	1 649.00	1 787.11	8.38
Hypothyroidism (TDH)	63.61	65.33	2.71	829.92	1 005.19	21.12
Hyperlipidaemia (HYL)	66.03	63.76	-3.44	477.98	621.44	30.01

Figure 27 depicts the number of beneficiaries registered on schemes' disease management programmes. Hypertension, hyperlipidaemia and diabetes mellitus Type 2 remain the most prevalent conditions on the CDLs of medical schemes. Figure 27 further shows the prevalence of chronic conditions against the expenditure per patient per month (pppm). Haemophilia had the highest expenditure per patient registered (although it has the lowest prevalence), followed by chronic renal failure and multiple sclerosis.

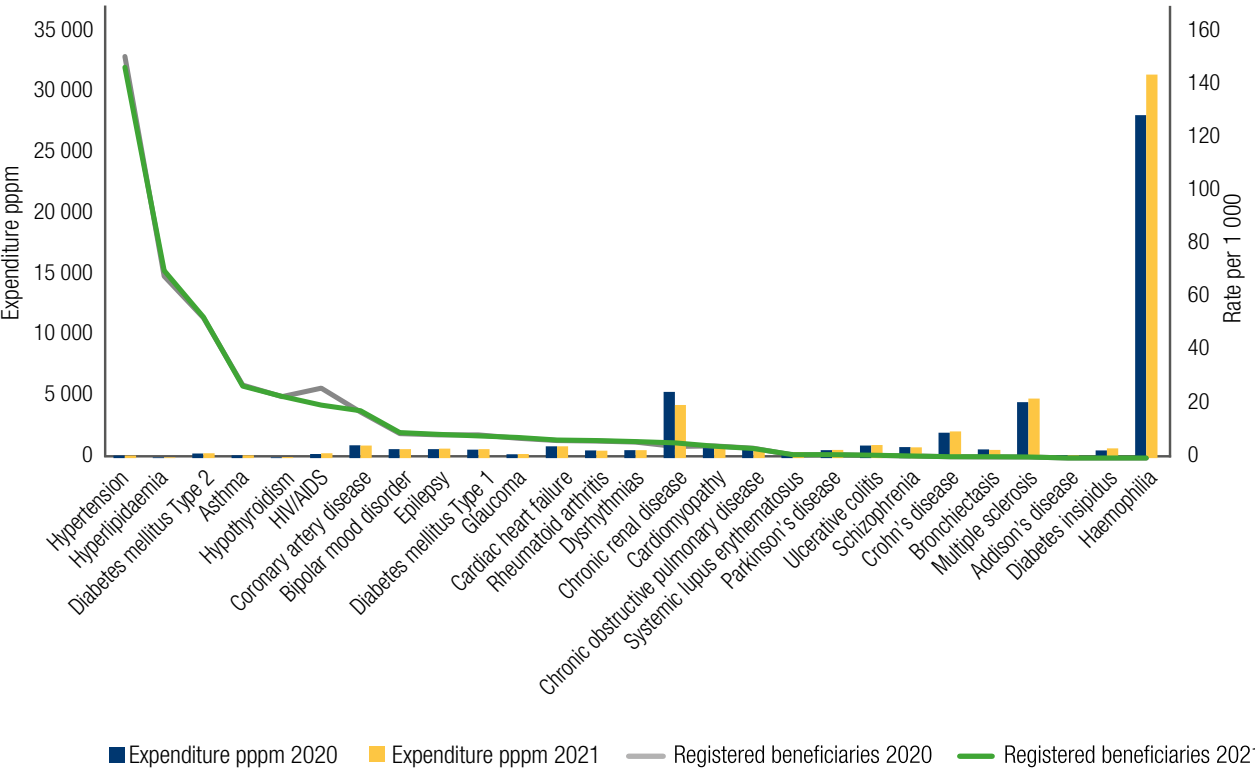


Figure 27: Expenditure per patient per month on CDL compared to beneficiaries registered on disease management programmes (2020 and 2021)

Diagnosis and treatment pair benefits

Diagnosis and treatment pairs (DTPs) are a set of procedures and treatments linked to certain prescribed minimum benefit (PMB) conditions.

Table 8 lists the top 10 expenditures on DTPs for 2020 and 2021. COVID-19 was the most expensive DTP pabpa, followed by default emergencies, pregnancy and major affective disorders. Together these accounted for 65.90% of total benefits paid in 2021.

Table 8: Diagnosis and treatment pair benefits (2020 and 2021)

DTP Description	Total Benefits Paid 2020	Total Benefits Paid 2021	Pabpa 2020	Pabpa 2021	% Change	*PPPA 2020	*PPPA 2021	% Change
	R '000 000	R '000 000	R	R		R	R	
COVID-19	3 352.85	11 200.78	376.93	1 253.04	232.43	4 218.94	6 317.18	49.73
Default emergency DTP code for claims that cannot be classified as DTP or CDL	5 858.75	8 447.04	658.65	944.98	43.47	10 352.21	13 213.61	27.64
Pregnancy	4 840.04	4 975.21	544.16	556.58	2.28	17 806.73	17 402.89	-2.27
Major affective disorders, including unipolar and bipolar depression	3 565.01	4 137.28	400.78	462.84	15.48	11 247.07	11 446.15	1.77
Bacterial, viral, fungal pneumonia	1 970.89	3 204.06	221.57	358.44	61.77	14 009.31	14 609.81	4.29
Acute and subacute ischemic heart disease, including myocardial infarction and unstable angina	2 787.89	2 873.43	313.42	321.45	2.56	52 281.13	51 280.06	-1.91
Closed fractures/dislocations of limb bones/epiphyses G (excluding fingers and toes)	2 127.52	2 373.06	239.18	265.54	11.02	25 313.47	24 905.06	-1.61
Cataract, aphakia	1 846.22	2 210.95	207.55	247.34	19.17	21 424.58	22 737.93	6.13
Metastatic infections; septicemia	2 501.07	2 153.72	281.17	240.94	-14.31	60 755.72	50 020.12	-17.67
Respiratory conditions of newborn	1 946.65	2 056.39	218.84	230.05	5.12	78 500.17	75 996.37	-3.19

*PPPA – per patient per annum

Utilisation of healthcare services

Utilisation of general practitioner (GP) health services

Figure 28 shows the utilisation of GP health services for in- and out-of-hospital settings by scheme type. Overall, the proportion of medical scheme beneficiaries visiting a GP at least once a year increased by 5.85% in 2021, as shown in Table 9. The percentage of patients consulting with a GP in a hospital setting declined to 9.57% in 2021 from 9.72% in 2020, while the out-of-hospital consultations increased by 0.15 percentage point from 90.28% in 2020 to 90.43% in 2021. The proportion of GP consultations that occurred in an in-hospital setting slightly increased to 8.45% in 2021 for open schemes, while restricted schemes reported a reduction from 11.03% in 2020 to 10.68% in 2021.

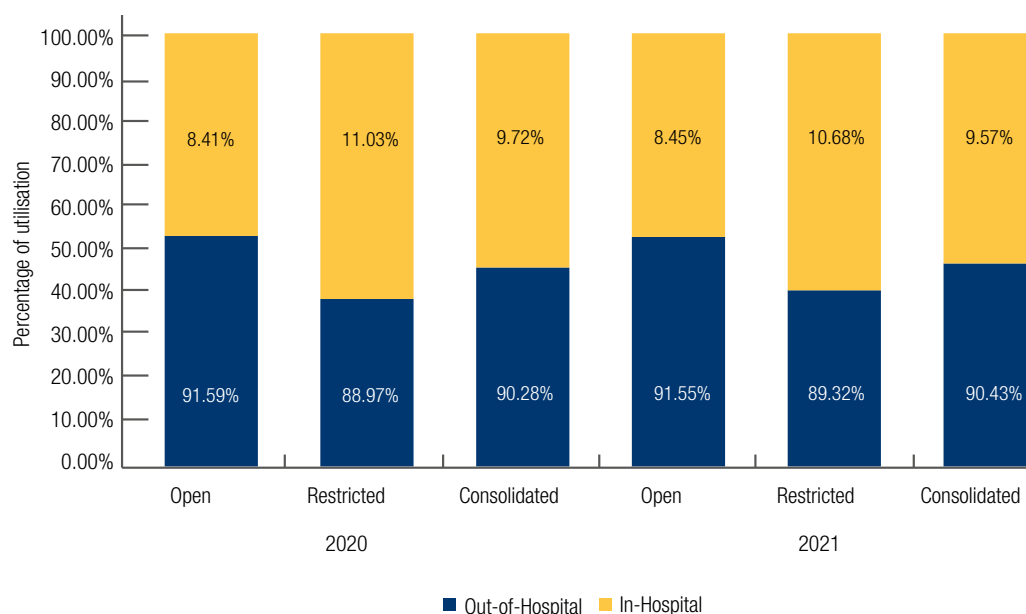


Figure 28: Utilisation of general medical practitioner health services (2020 and 2021)

Table 9 shows the expenditure and utilisation of general medical practitioner services by beneficiaries of medical schemes in 2020 and 2021. The number of GP consultations by medical scheme beneficiaries increased by 5.85% from 6.5 million in 2020 to 6.9 million in 2021. Both open and restricted schemes reported an increase in the number of beneficiaries visiting a GP between 2020 and 2021. However, the increase in open schemes was 0.37% more than that in restricted schemes. In 2021 the number of beneficiaries who visited a GP increased from 777.08 per thousand medical scheme beneficiaries, relative to 739.28 per thousand in 2020. The increase between 2021 and 2020 was mainly driven by a significant increase of 5.71% in the average number of patients per 1 000 beneficiaries covered by open schemes. The average annual number of GP consultations per patient increased by 6.10% from 2.99 visits in 2020 to 3.17 in 2021. The consolidated average expenditure on GPs per patient increased by R29.53, from R538.57 in 2020 to R568.10 in 2021. The amount paid to GPs from medical savings accounts declined significantly by 4.31% in 2021, mainly driven by a decrease of 4.53% in restricted schemes relative to 3.74% in open schemes. Risk benefits paid per patient to GPs increased by 6.63%, from R394.28 in 2020 to R420.43 in 2021. This implies that during the period under review GP consultations were mainly funded by risk accounts relative to a medical savings accounts. The average total amount paid per patient by medical schemes increased by 4.41% from R494.57 to R516.39. However, out-of-pocket expenditure for GPs increased significantly by 17.51% between 2020 and 2021.

Table 9: Utilisation of general practitioner (GP) health services (2020 and 2021)

	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Total number of visits to the provider	3 281 527	3 479 467	6.03	3 294 480	3 481 123	5.67	6 576 007	6 960 590	5.85
Average number of patients per 1 000 beneficiaries (ratio)	681.55	720.47	5.71	810.29	847.11	4.54	739.28	777.08	5.11
Average number of visits per patient (ratio)	3.03	3.24	6.76	2.98	3.15	5.88	2.99	3.17	6.10
Average amount claimed per patient (R)	497.35	521.33	4.82	551.82	583.13	5.67	538.57	568.10	5.48
Average medical savings account amount paid per patient (R)	112.89	108.66	-3.74	96.24	91.88	-4.53	100.29	95.96	-4.31
Average risk amount paid per patient (R)	332.33	352.70	6.13	414.19	442.20	6.76	394.28	420.43	6.63
Average total amount paid per patient (R)	445.22	461.36	3.63	510.43	534.08	4.63	494.57	516.39	4.41
Amount not paid per patient (R)	52.13	59.97	15.03	41.39	49.05	18.51	44.00	51.71	17.51

Utilisation of general dental practitioner health services

Figure 29 depicts the utilisation of general dental practitioner services by beneficiaries of medical schemes in 2020 and 2021. The percentage of dental consultations in a hospital setting declined to 1.25% in 2021 from 1.30% in 2020 while the out-of-hospital consultations increased to 98.75% in 2021 from 90.70% in 2020. The decline in hospital dental consultations was mainly driven by restricted schemes, which reported a decline from 2.03% in 2020 to 1.91% in 2021. Both in-hospital and out-of-hospital dental consultations for open schemes remained unchanged at 0.55% and 99.45% respectively.

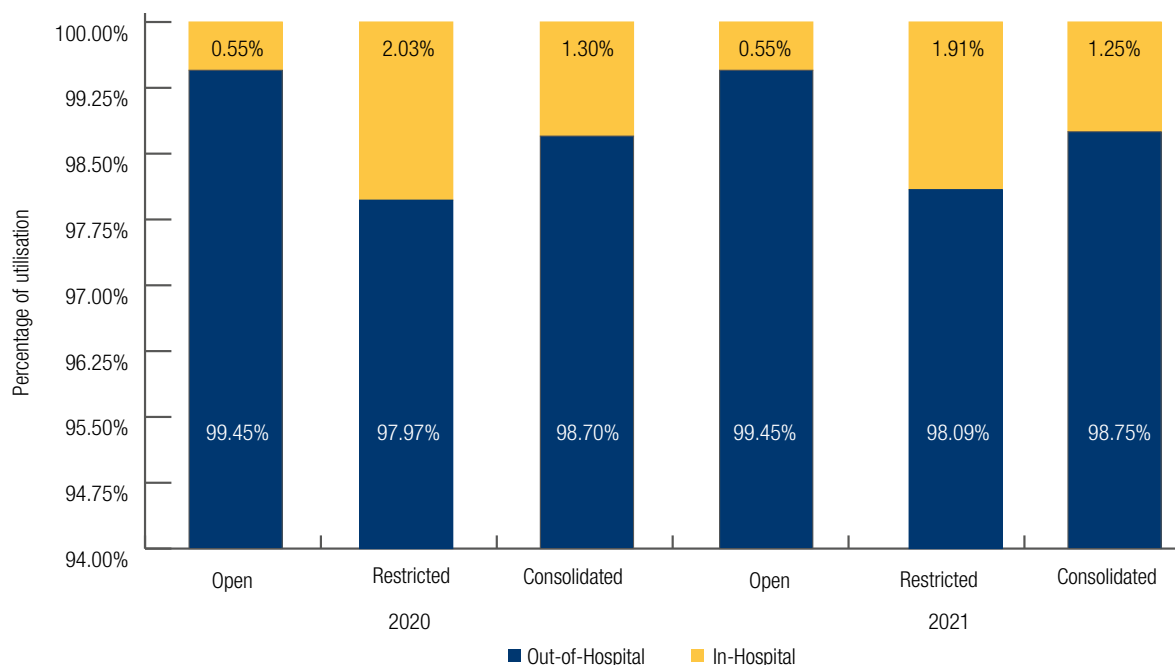


Figure 29: Utilisation of general dental practitioner health services (2020 and 2021)

The utilisation of general dental practitioner services by beneficiaries of medical schemes in 2020 and 2021 is reported in Table 10. In 2021, the number of covered medical scheme beneficiaries visiting a dentist at least once a year increased by 4.79% from 1.7 million in 2020 to 1.8 million in 2021. More beneficiaries in restricted schemes (930 633) had at least one dentist consultation in 2021 relative to those in open schemes (879 497). In 2021 the number of beneficiaries who visited a dentist increased from 194.20 in 2020 per thousand medical scheme beneficiaries, to 202.08 in 2021. The average number of visits per patient decreased by 0.94% from 1.89 to 1.87 visits between 2020 and 2021. The decrease was predominantly in open medical schemes compared to restricted schemes. The average amount claimed per patient increased by R146.93 in 2021. About 62.58% of the average amount claimed was paid from risk benefits while the remaining 37.42% was paid from medical savings accounts and out of pocket. Out-of-pocket expenditure for dentists increased by 17.62% from R201.32 in 2020 to R236.79 in 2021.

Table 10: Utilisation of general dental practitioner health services (2020 and 2021)

	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Total number of visits to the provider	849 543	879 497	3.53	877 864	930 633	6.01	1 727 407	1 810 130	4.79
Average number of patients per 1 000 beneficiaries (ratio)	176.44	182.11	3.21	215.91	226.46	4.89	194.20	202.08	4.06
Average number of visits per patient (ratio)	1.75	1.71	-1.96	1.94	1.92	-0.65	1.89	1.87	-0.94
Average amount claimed per patient (R)	1 221.72	1 378.58	12.84	1 353.77	1 497.52	10.62	1 321.65	1 468.58	11.12
Average medical savings account amount paid per patient (R)	422.40	477.12	12.96	229.64	259.91	13.18	276.53	312.74	13.10
Average risk amount paid per patient (R)	564.70	620.86	9.95	933.52	1 014.90	8.72	843.81	919.05	8.92
Average total amount paid per patient (R)	987.10	1 097.99	11.23	1 163.16	1 274.80	9.60	1 120.33	1 231.79	9.95
Amount not paid per patient (R)	234.63	280.59	19.59	190.61	222.71	16.84	201.32	236.79	17.62

Utilisation of dental specialist health services

The utilisation of dental specialist services by beneficiaries of medical schemes in 2021 and 2020 are reported in Figure 30. The proportion of consultations that occurred in out-of-hospital settings declined slightly from 95.53% in 2020 to 95.46% in 2021. The largest proportion of dental specialist consultations took place in out-of-hospital settings. This observation is explained by the higher cost associated with in-hospital provider consultations.

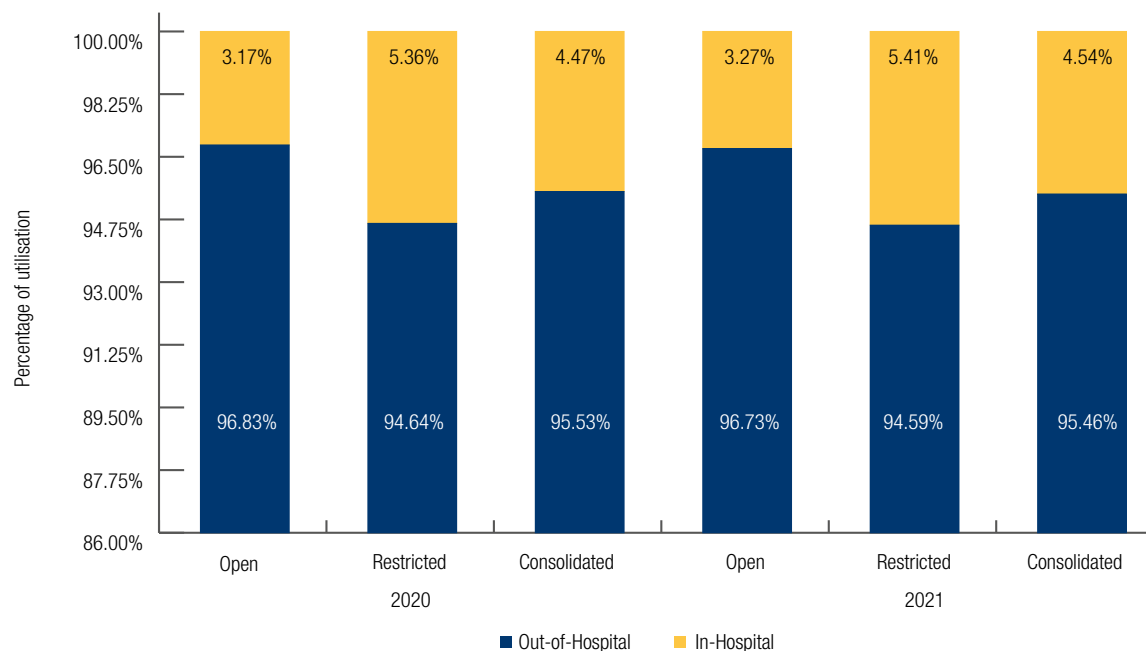


Figure 30: Utilisation of dental specialist health services (2020 and 2021)

Table 11 shows the utilisation of general dental specialist health services by beneficiaries of medical schemes in 2020 and 2021. In 2021, the number of covered medical scheme beneficiaries visiting a dental specialist at least once a year increased by 5.83%, from 351 393 in 2020 to 371 871 in 2021. Both open and restricted schemes observed an increase in the number of visits to a dental specialist. In 2021 the number of beneficiaries who visited a dentist increased from 39.50 per 1 000 in 2020 to 41.52 in 2021. There were more patients per 1 000 in restricted schemes compared to open schemes. The average number of visits per patient increased by 1.80%, from 1.99 to 2.03 visits between 2020 and 2021. The increase in average number of visits was predominantly in open medical schemes relative to restricted schemes. The average amount claimed per patient increased by R752.54 in 2021. Out-of-pocket expenditure for dental specialists increased significantly by 82.51% from R446.40 in 2020 to R814.71 in 2021.

Table 11: Utilisation of dental specialist health services (2020 and 2021)

	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Total number of visits to the provider	143 512	150 793	5.07	207 881	221 078	6.35	351 393	371 871	5.83
Average number of patients per 1 000 beneficiaries (ratio)	29.81	31.22	4.76	51.13	53.80	5.22	39.50	41.52	5.09
Average number of visits per patient (ratio)	1.63	1.68	3.27	2.11	2.14	1.43	1.99	2.03	1.80
Average amount claimed per patient (R)	2 153.14	4 607.99	114.01	2 037.67	2 233.09	9.59	2 066.14	2 818.68	36.42
Average medical savings account amount paid per patient (R)	583.06	539.23	-7.52	302.36	331.64	9.68	371.57	382.83	3.03
Average risk amount paid per patient (R)	1 165.80	2 507.03	115.05	1 275.13	1 331.21	4.40	1 248.17	1 621.14	29.88
Average total amount paid per patient (R)	1 748.86	3 046.27	74.19	1 577.49	1 662.86	5.41	1 619.75	2 003.97	23.72
Amount not paid per patient (R)	404.28	1 561.72	286.30	460.18	570.24	23.92	446.40	814.71	82.51

Utilisation of medical specialist health services

Figure 31 depicts the utilisation of medical specialist services by beneficiaries of medical schemes in 2020 and 2021. The proportion of medical specialist visits that occurred in the in-hospital setting increased to 36.50% in 2021 from 35.74% in 2020, while the out-of-hospital consultations decreased to 63.50% from 64.26%.

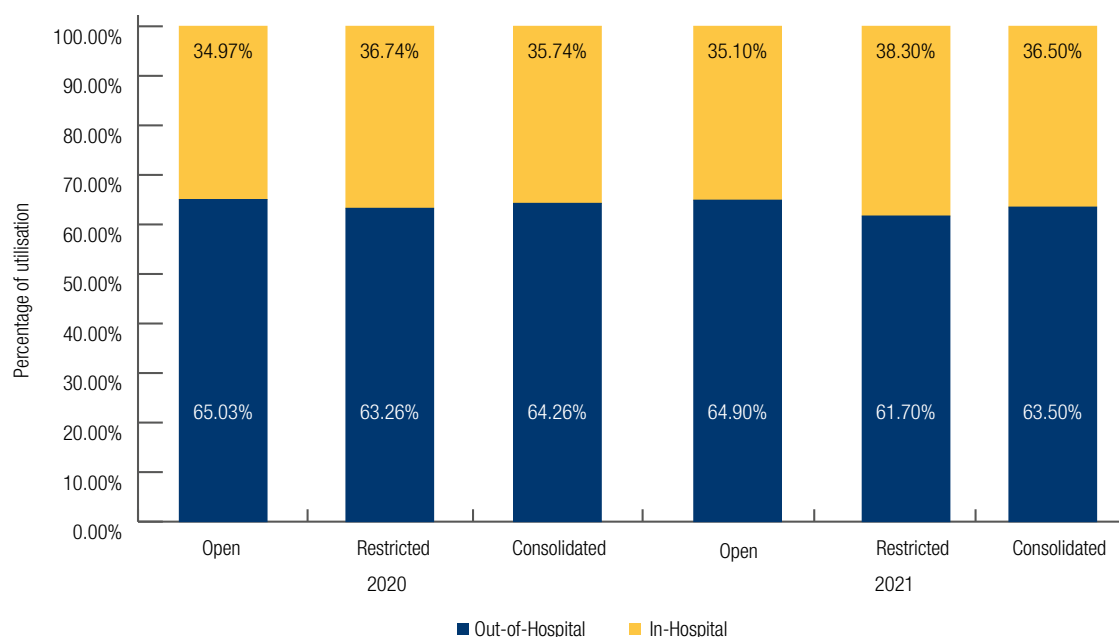


Figure 31: Utilisation of medical specialist health services (2020 and 2021)

Table 12 illustrates the utilisation of medical specialists by beneficiaries of medical schemes in 2020 and 2021. The number of beneficiaries who visited a medical specialist at least once during the year increased by 8.04%, from 2.7 million in 2020 to 3.0 million in 2021. In 2021 the number of beneficiaries who visited a medical specialist increased by 7.29% from 313.29 per 1 000 in 2020 to 336.14 in 2021. A higher number of beneficiaries in open schemes (350.39 per 1 000) consulted with a medical specialist compared to restricted schemes (320.91 per 1 000) in 2021. A marginal increase of 0.46% in the average annual number of visits per patient was observed, mainly driven by a significant increase in the number of visits for open schemes, while restricted schemes recorded a decline of 1.14% in 2021. The consolidated average amount claimed per patient increased by R67.06, from R1 459.33 in 2020 to R1 526.39 in 2021. The amount paid to a medical specialist from a medical savings account declined by 1.44% in 2021. Risk benefits paid per patient to medical specialists increased by 4.26%, from R1 254.128 in 2020 to R1 307.55 in 2021. A larger proportion of the amount claimed by medical specialists was funded from a risk account relative to a medical savings account. Overall, out-of-pocket expenditure towards medical specialist services was more than the amount paid from the medical savings account for the period under review.

Table 12: Utilisation of medical specialist health services (2020 and 2021)

	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Total number of visits to the provider	1 574 129	1 692 180	7.50	1 212 662	1 318 755	8.75	2 786 791	3 010 935	8.04
Average number of patients per 1 000 beneficiaries (ratio)	326.93	350.39	7.17	298.26	320.91	7.59	313.29	336.14	7.29
Average number of visits per patient (ratio)	3.44	3.62	5.34	3.33	3.29	-1.14	3.35	3.37	0.46
Average amount claimed per patient (R)	1 589.92	1 679.73	5.65	1 416.58	1 477.10	4.27	1 459.33	1 526.39	4.60
Average medical savings account amount paid per patient (R)	73.71	73.21	-0.69	58.82	57.86	-1.64	62.49	61.59	-1.44
Average risk amount paid per patient (R)	1 307.15	1 369.72	4.79	1 236.76	1 287.56	4.11	1 254.12	1 307.55	4.26
Average total amount paid per patient (R)	1 380.87	1 442.93	4.49	1 295.59	1 345.42	3.85	1 316.61	1 369.14	3.99
Amount not paid per patient (R)	209.06	236.80	13.27	121.00	131.67	8.82	142.71	157.24	10.18

Utilisation of surgical specialist health services

Figure 32 illustrates the utilisation of surgical specialist services by beneficiaries of medical schemes in 2020 and 2021. The proportion of medical scheme beneficiaries consulting surgical specialists in in-hospital settings increased slightly from 45.34% in 2020 to 46.17% in 2021, while the out-of-hospital consultations decreased from 54.66% in 2020 to 53.83% in 2021. The in-hospital surgical specialist consultations were higher in open schemes than in restricted schemes.

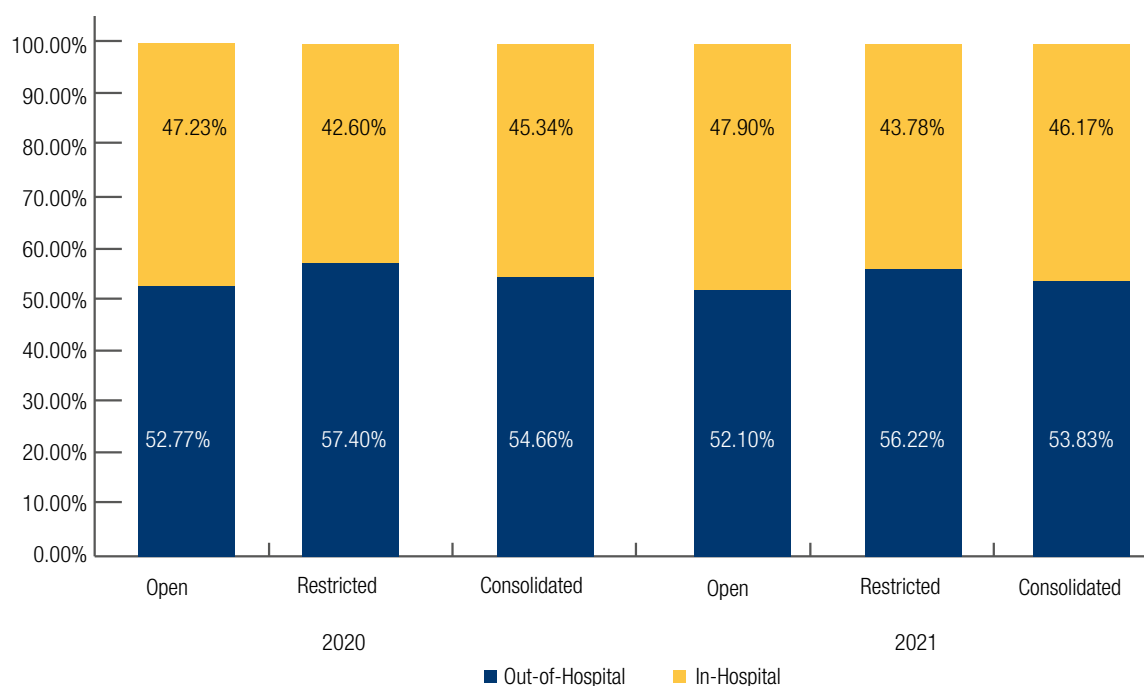


Figure 32: Utilisation of surgical specialist health services (2020 and 2021)

Table 13 shows an increase of 6.31% in the number of beneficiaries who visited surgical specialists at least once during 2021. During the period under review the average number of patients per 1 000 beneficiaries increased from 199.95 to 189.40 per 1 000 beneficiaries. A higher proportion of beneficiaries in open schemes (215.15 per 1 000) consulted with a surgical specialist compared to restricted schemes (182.99 per 1 000) in 2021. The number of visits to surgical specialists declined slightly by 0.28% between 2020 and 2021. This decline in the number of visits was mainly due to a decrease by 1.96% in the average number of visits in restricted schemes, from 1.99 visits in 2020 to 1.95 in 2021. Overall, the average expenditure claimed for surgical specialist services increased by R330.89 from R3 162.85 in 2020 to R3 493.75 in 2021. The average total amount paid per event towards surgical specialists increased by 8.76%, with risk benefits paid per patient to surgical specialists increasing to R2 819.97 in 2021 from R2 589.09 in 2020. The average out-of-pocket expenditure toward surgical services increased by 19.77% in 2021. A notable increase in out-of-pocket payments was observed in restricted schemes relative to open schemes.

Table 13: Utilisation of surgical specialist health services (2020 and 2021)

	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Total number of visits to the provider	995 283	1 039 031	4.40	689 466	751 989	9.07	1 684 749	1 791 020	6.31
Average number of patients per 1 000 beneficiaries (ratio)	206.71	215.15	4.08	169.58	182.99	7.91	189.40	199.95	5.57
Average number of visits per patient (ratio)	1.97	2.07	4.96	1.99	1.95	-1.96	1.99	1.98	-0.28
Average amount claimed per patient (R)	3 658.46	3 951.96	8.02	3 003.55	3 346.46	11.42	3 162.85	3 493.75	10.46
Average medical savings account amount paid per patient (R)	109.91	112.04	1.94	75.18	78.63	4.60	83.62	86.76	3.75
Average risk amount paid per patient (R)	2 867.18	3 049.70	6.37	2 499.71	2 746.12	9.86	2 589.09	2 819.97	8.92
Average total amount paid per patient (R)	2 977.09	3 161.74	6.20	2 574.88	2 824.76	9.70	2 672.72	2 906.73	8.76
Amount not paid per patient (R)	681.37	790.22	15.98	428.67	521.71	21.70	490.14	587.02	19.77

Utilisation of support specialist health services

Figure 33 shows the utilisation of support specialist services by beneficiaries of medical schemes in 2020 and 2021. Overall, the proportion of consultations with support specialists in a hospital setting decreased slightly from 33.90% in 2020 to 32.23% in 2021, while out-of-hospital consultations increased from 66.10% to 67.77% during the period under review. The proportion of in- and out-of-hospital consultations with support specialists was similar for both open and restricted schemes.

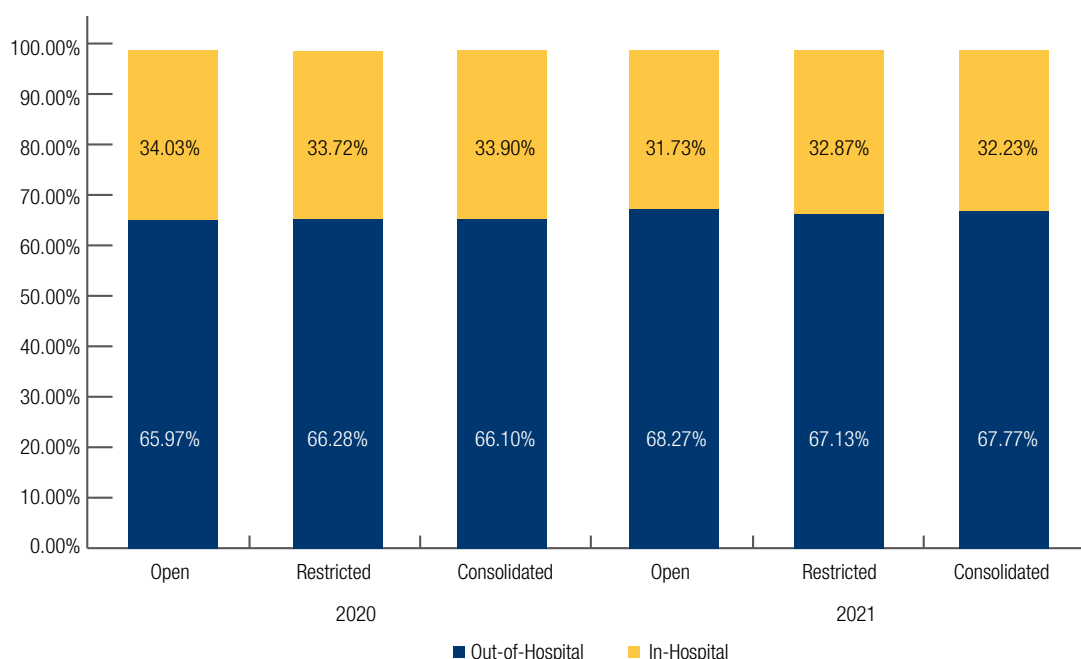


Figure 33: Utilisation of support specialist health services (2020 and 2021)

Table 14 illustrates the utilisation of support specialist services by beneficiaries of medical schemes in 2020 and 2021. The number of beneficiaries visiting support specialists increased significantly by 14.28% from 6.9 million in 2020 to 7.9 million in 2021. The increase between 2020 and 2021 was mainly driven by a significant increase (16.23%) in the number of support specialist visits by beneficiaries covered by open schemes. In 2021, the average number of patients who consulted support specialists increased significantly from 784.32 per 1 000 beneficiaries in 2020 to 890.06. A higher proportion of beneficiaries in open schemes (933.81 per 1 000) had at least one consultation compared to restricted schemes (842.64 per 1 000) in 2021. The average number of visits per patient to support specialists increased slightly from 2.30 to 2.37 between 2020 and 2021. The amount claimed per patient increased by 3.60% (R1 583.07 to R1 640.04) for all medical schemes during the period under review. Risk benefits paid by medical schemes to support specialists increased by 4.00% while the amount paid from medical savings accounts decreased by 5.26% during the period under review. Overall, out-of-pocket payments increased by 4.15% in 2021. The increase was mainly driven by an increase (4.98%) in out-of-pocket payments by beneficiaries covered in restricted schemes.

Table 14: Utilisation of support specialist health services (2020 and 2021)

	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Total number of visits to the provider	3 879 992	4 509 801	16.23	3 096 609	3 462 779	11.82	6 976 601	7 972 580	14.28
Average number of patients per 1 000 beneficiaries (ratio)	805.85	933.81	15.88	761.63	842.64	10.64	784.32	890.06	13.48
Average number of visits per patient (ratio)	2.28	2.49	9.49	2.31	2.33	0.81	2.30	2.37	2.90
Average amount claimed per patient (R)	1 708.98	1 722.44	0.79	1 542.60	1 613.55	4.60	1 583.07	1 640.04	3.60
Average medical savings account amount paid per patient (R)	102.16	97.33	-4.73	59.75	56.43	-5.55	70.07	66.38	-5.26
Average risk amount paid per patient (R)	1 441.60	1 455.62	0.97	1 383.76	1 453.09	5.01	1 397.83	1 453.71	4.00
Average total amount paid per patient (R)	1 543.76	1 552.95	0.60	1 443.51	1 509.52	4.57	1 467.89	1 520.09	3.56
Amount not paid per patient (R)	165.22	169.49	2.58	99.09	104.03	4.98	115.18	119.95	4.15

Utilisation of supplementary and allied health professional services

Figure 34 shows the utilisation of supplementary and allied health professional health services for in- and out-of-hospital settings by scheme type in 2020 and 2021. Overall, the proportion of medical scheme beneficiaries visiting any one of the supplementary and allied health professionals at least once a year increased by 14.10% in 2021, as shown Table 15. Overall, the proportion of out-of-hospital consultations with supplementary and allied health professionals was greater than the proportion of in-hospital consultations. The proportion of medical scheme beneficiaries consulting the supplementary and allied health professionals in a hospital setting increased slightly from 19.24% in 2020 to 19.77% in 2021, while out-of-hospital consultations decreased from 80.76% in 2020 to 80.23% in 2021.

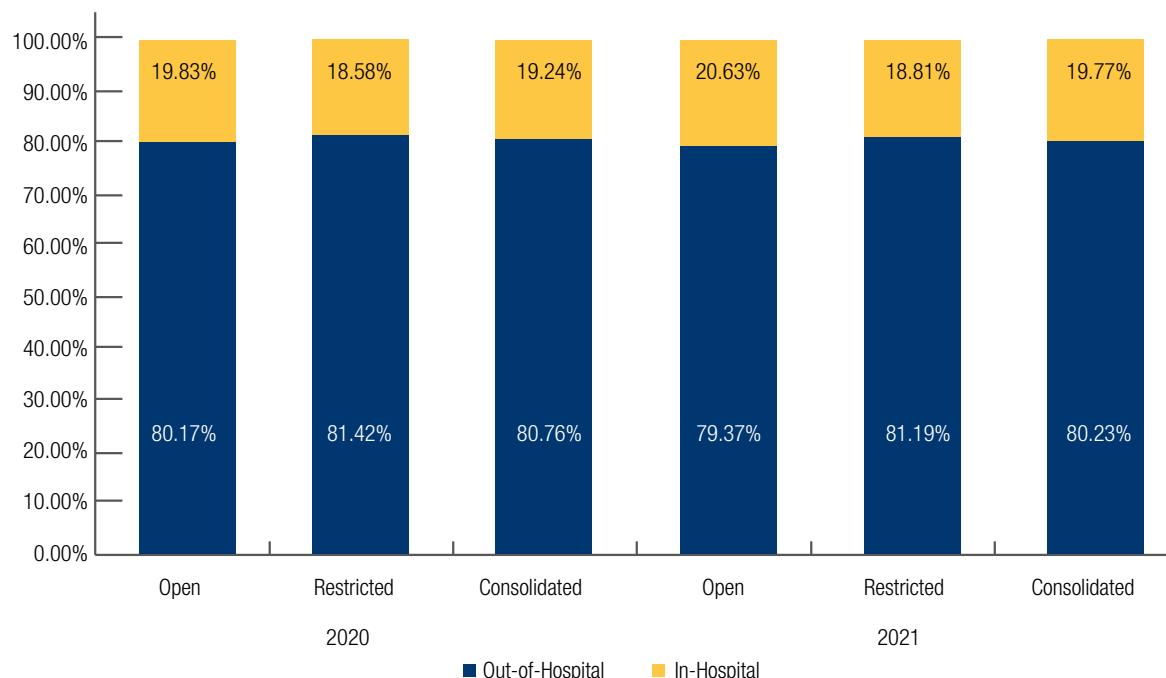


Figure 34: Utilisation of supplementary and allied health professional services (2020 and 2021)

Table 15 shows the expenditure and utilisation of supplementary and allied health professional health services by scheme type in 2020 and 2021. The number of consultations by medical scheme beneficiaries increased significantly by 14.10% from 4.1 million in 2020, to 4.7 million in 2021. Both open and restricted schemes reported an increase in the number of patients visiting supplementary and allied health professionals between 2020 and 2021. In 2021, the average number of patients who consulted supplementary and allied health professionals increased from 466.32 per 1 000 beneficiaries in 2020 to 528.36. A higher proportion of beneficiaries in restricted schemes (541.50 per 1 000) had at least one consultation compared to restricted schemes (519.21 per 1 000) in 2021. The average number of visits per patient to supplementary and allied health professionals increased slightly from 3.02 to 3.12 between 2020 and 2021. The amount claimed per patient increased by 2.29% (R1 226.65 to R1 254.75) across all medical schemes during the period under review. Risk benefits paid by medical schemes to supplementary and allied health professionals increased by 2.55% while the amount paid from medical savings accounts increased slightly by 0.16% during the period under review. Overall, out-of-pocket payments increased by 3.31% in 2021. The increase was mainly driven by an increase (16.67%) in out-of-pocket payments by beneficiaries covered in open schemes, while a decline of 0.45% was recorded for beneficiaries covered in restricted schemes.

Table 15: Utilisation of supplementary and allied health professional services (2020 and 2021)

	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Total number of visits to the provider	2 191 277	2 507 473	14.43	1 956 713	2 225 242	13.72	4 147 990	4 732 715	14.10
Average number of patients per 1 000 beneficiaries (ratio)	455.11	519.21	14.08	481.26	541.50	12.52	466.32	528.36	13.30
Average number of visits per patient (ratio)	3.26	3.46	6.33	2.94	3.01	2.20	3.02	3.12	3.30
Average amount claimed per patient (R)	1 195.29	1 208.36	1.09	1 236.92	1 269.94	2.67	1 226.65	1 254.75	2.29
Average medical savings account amount paid per patient (R)	179.17	168.41	-6.01	173.74	177.64	2.24	175.08	175.36	0.16
Average risk amount paid per patient (R)	896.48	900.37	0.43	924.13	953.88	3.22	917.31	940.68	2.55
Average total amount paid per patient (R)	1 075.65	1 068.78	-0.64	1 097.87	1 131.52	3.07	1 092.39	1 116.05	2.17
Amount not paid per patient (R)	119.63	139.58	16.67	139.05	138.42	-0.45	134.26	138.71	3.31

Analysis of admissions to hospitals

Table 16 to 21 demonstrate detailed utilisation of hospital services for both same-day and overnight admissions combined by hospital category in 2020 and 2021. Overall, more beneficiaries were admitted to hospital facilities during the period under review.

Day clinics (076/077)

The number of admissions to day clinics increased significantly by 24.97% from 146 720 in 2020 to 183 350 in 2021 as shown in Table 16. In 2021, the average number of patients admitted to day clinics increased by 24.22%, from 16.69 per 1 000 beneficiaries in 2020 to 20.74. However, the average number of admissions per patient remained unchanged at 1.21 per patient. The average age of patients admitted to day clinics increased slightly by 0.07%. The increase in the average age was driven by an increase in the average age of beneficiaries covered by restricted schemes.

Private hospitals (057/058)

Admissions to private acute hospitals (A & B status) increased by 7.88% from 1.7 million admissions in 2020 to 1.8 million in 2021. The number of beneficiaries admitted to private acute hospitals increased by 8.10% (109 504 beneficiaries) in 2021. The average number of admissions per patient admitted to private acute hospitals declined slightly by 0.21% from 1.29 admissions in 2020 to 1.28 in 2021. There was an increase in the average length of stay by 3.81% between 2020 and 2021. A marginal increase in the average age of admitted beneficiaries from both open and restricted schemes was observed in 2021.

Provincial hospitals (056)

Admissions to provincial hospitals in 2020 and 2021 were 13.31 and 22.61 per 1 000 beneficiaries respectively. Beneficiaries admitted to public hospitals were generally older than those admitted to private hospitals in 2021 (48.86 vs 42.68 years). The average number of admissions per patient admitted to public hospitals declined significantly by 46.52%, from 1.20 admissions in 2020 to 0.64 in 2021.

Table 16: Analysis of all (same-day and overnight in-patient) admissions to hospitals (2020 and 2021)

Hospital group (PCNS Number)	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Day clinics (076/077)									
Number of admissions	98 040	125 824	28.34	48 680	57 526	18.17	146 720	183 350	24.97
Number of beneficiaries admitted	81 095	104 527	28.89	40 354	47 396	17.45	121 449	151 923	25.09
Number of admissions per 1 000 beneficiaries	20.36	26.05	27.95	12.25	14.34	17.06	16.69	20.74	24.22
Number of admissions per patient	1.21	1.20	-0.43	1.21	1.21	0.61	1.21	1.21	-0.10
Average length of stay (days)	0.22	0.18	-18.85	0.22	0.24	12.47	0.22	0.20	-9.03
Average age (years)	42.86	42.83	-0.07	43.19	43.37	0.42	42.97	43.00	0.07
Private hospitals A & B – Status (057/058)									
Number of admissions	914 886	989 856	8.19	823 822	885 796	7.52	1 738 708	1 875 652	7.88
Number of beneficiaries admitted	712 006	775 020	8.85	639 221	685 711	7.27	1 351 227	1 460 731	8.10
Number of admissions per 1 000 beneficiaries	190.01	204.96	7.87	207.33	220.82	6.51	197.84	212.16	7.24
Number of admissions per patient	1.28	1.28	-0.60	1.29	1.29	0.23	1.29	1.28	-0.21
Average length of stay (days)	3.24	3.43	6.01	3.37	3.42	1.47	3.30	3.43	3.81
Average age (years)	44.48	44.92	0.98	39.78	40.14	0.90	42.26	42.68	0.01
Provincial hospitals (056)									
Number of admissions	9 117	18 550	103.47	107 815	181 312	68.17	116 932	199 862	70.92
Number of beneficiaries admitted	5 549	11 584	108.76	50 267	104 211	107.31	55 816	115 795	107.46
Number of admissions per 1 000 beneficiaries	1.89	3.84	102.85	27.13	45.20	66.58	13.31	22.61	69.91
Number of admissions per patient	1.64	1.60	-2.54	2.14	1.74	-18.88	2.09	1.73	-17.61
Average length of stay (days)	3.11	1.28	-58.98	1.04	0.58	-44.45	1.20	0.64	-46.52
Average age (years)	43.94	50.07	13.96	42.38	48.73	14.97	42.54	48.86	14.86

Rehabilitation hospitals and hospices (047/059/079)

Table 17 provides details of utilisation of health facilities for both same-day and in-patient admissions combined for the period 2020 and 2021. Changes in admission rate was above 10% for all health facilities as shown in Table 17. Admissions to rehabilitation hospitals and hospices increased by 16.55% from 12 584 in 2020 to 14 667 in 2021. The average number of admissions per patient to rehabilitation hospitals and hospices decreased by 1.91%, from 1.37 to 1.34 between 2020 and 2021. There was an increase in the average length of stay by 1.35% during the period under review. Beneficiaries covered by open schemes were much older than those covered by restricted schemes at admission (45.33 vs 51.16).

Sub-acute facilities (049)

Admissions to sub-acute facilities increased significantly by 11.25% from 22 463 in 2020 to 24 990 in 2021. The number of admissions per 1 000 increased by 10.59%, from 2.56 per 1 000 in 2020 to 2.83 per 1 000 in 2021. Sub-acute facilities recorded about 1.17 admissions per patient in 2021, with an average stay of about 12 days. Significantly older beneficiaries were admitted to sub-acute facilities (63.70). At admission, beneficiaries covered by open schemes were much older than those covered by restricted schemes (66.68 vs 59.75).

Mental health institutions (055)

The number of admissions to mental health institutions showed an increase of 14.51% from 46 983 in 2020 to 53 798 in 2021. The average number of admissions per patient admitted to mental institutions declined slightly by 0.42%, from 1.16 admissions in 2020 to 1.15 in 2021. In 2021, a slight increase of 0.17% in the average length of stay was observed. The increase in the average length of stay was driven by an increase of 1.26 in restricted schemes. The average age of beneficiaries admitted to mental institutions during the period under review was 37.28 years. Overall, the average age of beneficiaries admitted to mental institutions declined by 1.32%.

Table 17: Analysis of all (same-day and overnight in-patient) admissions to health facilities (2020 and 2021)

Hospital group (PCNS Number)	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Rehabilitation hospitals and Hospices (047/059/079)									
Number of admissions	7 893	9 140	15.80	4 691	5 527	17.82	12 584	14 667	16.55
Number of beneficiaries admitted	5 494	6 427	16.98	3 688	4 483	21.56	9 182	10 910	18.82
Number of admissions per 1 000 beneficiaries	1.64	1.89	15.45	1.18	1.38	16.71	1.43	1.66	15.86
Number of admissions per patient	1.44	1.42	-1.01	1.27	1.23	-3.07	1.37	1.34	-1.91
Average length of stay (days)	15.97	16.27	1.91	19.62	19.70	0.40	17.33	17.56	1.35
Average age (years)	50.59	51.16	1.13	46.42	45.33	-2.35	48.92	48.77	-0.31
Sub-acute facilities (049)									
Number of admissions	12 762	13 934	9.18	9 701	11 056	13.97	22 463	24 990	11.25
Number of beneficiaries admitted	11 126	12 208	9.72	8 411	9 200	9.38	19 537	21 408	9.58
Number of admissions per 1 000 beneficiaries	2.65	2.89	8.85	2.44	2.76	12.89	2.56	2.83	10.59
Number of admissions per patient	1.15	1.14	-0.49	1.15	1.20	4.19	1.15	1.17	1.53
Average length of stay (days)	11.90	12.29	3.31	11.25	11.71	4.13	11.62	12.03	3.60
Average age (years)	67.01	66.68	-0.49	58.33	59.75	2.43	63.27	63.70	0.68
Mental health institutions (055)									
Number of admissions	25 805	29 348	13.73	21 178	24 450	15.45	46 983	53 798	14.51
Number of beneficiaries admitted	21 695	24 590	13.34	18 922	22 113	16.86	40 617	46 703	14.98
Number of admissions per 1 000 beneficiaries	5.36	6.08	13.39	5.33	6.10	14.36	5.35	6.09	13.83
Number of admissions per patient	1.19	1.19	0.34	1.12	1.11	-1.21	1.16	1.15	-0.42
Average length of stay (days)	10.83	10.73	-0.96	12.37	12.53	1.26	11.53	11.55	0.17
Average age (years)	37.64	36.98	-1.75	37.94	37.61	-0.87	37.78	37.28	-1.32



Overnight in-patient admissions

Table 18: Analysis of overnight in-patient admissions to health facilities (2020 and 2021)

Hospital group (PCNS Number)	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Day clinics (076/077)									
Number of admissions	4 533	5 305	17.03	2 968	3 693	24.43	7 501	8 998	19.96
Number of beneficiaries admitted	4 014	4 779	19.06	2 552	3 181	24.65	6 566	7 960	21.23
Number of admissions per 1 000 beneficiaries	0.93	1.09	16.52	0.75	0.93	23.30	0.85	1.02	19.18
Number of admissions per patient	1.13	1.11	-1.70	1.16	1.16	-0.18	1.14	1.13	-1.05
Average length of stay (days)	4.63	4.11	-11.26	3.30	3.52	6.77	4.10	3.87	-5.73
Average age (years)	55.04	53.28	-3.20	47.65	47.07	-1.22	52.17	50.80	-2.63
Private hospitals A & B – Status (057/058)									
Number of admissions	648 020	678 827	4.75	527 061	540 403	2.53	1 175 081	1 219 230	3.76
Number of beneficiaries admitted	489 865	518 855	5.92	394 392	408 656	3.62	884 257	927 511	4.89
Number of admissions per 1 000 beneficiaries	133.66	139.40	4.29	133.22	135.36	1.60	133.46	137.58	3.08
Number of admissions per patient	1.32	1.31	-1.10	1.34	1.32	-1.05	1.33	1.31	-1.08
Average length of stay (days)	4.57	5.00	9.49	5.25	5.58	6.37	4.87	5.26	7.92
Average age (years)	45.03	45.32	0.64	41.25	41.27	0.05	43.43	43.54	0.25
Provincial hospitals (056)									
Number of admissions	3 843	3 642	-5.23	9 614	9 073	-5.63	13 457	12 715	-5.51
Number of beneficiaries admitted	2 528	2 414	-4.51	6 786	6 366	-6.19	9 314	8 780	-5.73
Number of admissions per 1 000 beneficiaries	0.79	0.75	-5.65	2.43	2.27	-6.48	1.53	1.43	-6.13
Number of admissions per patient	1.52	1.51	-0.75	1.42	1.43	0.60	1.44	1.45	0.23
Average length of stay (days)	7.38	6.50	-11.94	11.61	11.46	-1.27	10.40	10.04	-3.47
Average age (years)	42.13	43.92	4.25	45.03	46.98	4.33	44.24	46.14	4.29

Table 19: Analysis of overnight in-patient admissions to health facilities (2020 and 2021)

Hospital group (PCNS Number)	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Mental health institutions (055)									
Number of admissions	24 768	28 342	14.43	20 804	23 921	14.98	45 572	52 263	14.68
Number of beneficiaries admitted	21 007	23 786	13.23	18 592	21 631	16.35	39 599	45 417	14.69
Number of admissions per 1 000 beneficiaries	5.11	5.82	13.93	5.26	5.99	13.94	5.18	5.90	13.94
Number of admissions per patient	1.18	1.19	1.06	1.12	1.11	-1.17	1.15	1.15	-0.01
Average length of stay (days)	11.29	11.11	-1.56	12.60	12.81	1.67	11.88	11.89	0.02
Average age (years)	37.56	36.95	-1.62	37.96	37.61	-0.92	37.75	37.26	-1.30
Rehabilitation hospitals and Hospices (047/059/079)									
Number of admissions	7 050	8 369	18.71	4 127	4 861	17.79	11 177	13 230	18.37
Number of beneficiaries admitted	5 090	6 046	18.78	3 314	4 059	22.48	8 404	10 105	20.24
Number of admissions per 1 000 beneficiaries	1.45	1.72	18.19	1.04	1.22	16.72	1.27	1.49	17.60
Number of admissions per patient	1.39	1.38	-0.06	1.25	1.20	-3.83	1.33	1.31	-1.56
Average length of stay (days)	17.88	17.77	-0.59	22.30	22.39	0.44	19.51	19.47	-0.20
Average age (years)	49.56	50.47	1.84	45.77	44.92	-1.86	48.06	48.24	0.37
Sub-acute facilities (049)									
Number of admissions	12 101	13 241	9.42	8 503	10 102	18.81	20 604	23 343	13.29
Number of beneficiaries admitted	10 501	11 567	10.15	7 424	8 437	13.64	17 925	20 004	11.60
Number of admissions per 1 000 beneficiaries	2.50	2.72	8.94	2.15	2.53	17.73	2.34	2.63	12.56
Number of admissions per patient	1.15	1.14	-0.66	1.15	1.20	4.54	1.15	1.17	1.52
Average length of stay (days)	12.55	12.93	3.09	12.81	12.81	-0.07	12.66	12.88	1.75
Average age (years)	66.88	66.70	-0.27	59.23	60.35	1.89	63.71	64.02	0.49

Same-day in-patient admissions

Table 20: Analysis of same-day in-patient admissions to hospitals (2020 and 2021)

Hospital group (PCNS Number)	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Day clinics (076/077)									
Number of admissions	93 507	120 519	28.89	45 712	53 833	17.77	139 219	174 352	25.24
Number of beneficiaries admitted	77 081	99 748	29.41	37 802	44 215	16.96	114 883	143 963	25.31
Number of admissions per 1 000 beneficiaries	19.29	24.75	28.32	11.55	13.48	16.70	15.81	19.67	24.42
Number of admissions per patient	1.21	1.21	-0.40	1.21	1.22	0.68	1.21	1.21	-0.06
Average length of stay (days)	0.00	0.00	1.51	0.02	0.02	13.53	0.01	0.01	6.22
Average age (years)	42.23	42.33	0.24	42.89	43.11	0.51	42.45	42.57	0.28
Private hospitals A & B – Status (057/058)									
Number of admissions	266 866	311 029	16.55	296 761	345 393	16.39	563 627	656 422	16.46
Number of beneficiaries admitted	222 141	256 165	15.32	244 829	277 055	13.16	466 970	533 220	14.19
Number of admissions per 1 000 beneficiaries	55.04	63.87	16.04	75.01	86.51	15.34	64.02	74.07	15.71
Number of admissions per patient	1.20	1.21	1.07	1.21	1.25	2.85	1.21	1.23	1.99
Average length of stay (days)	0.00	0.00	-15.65	0.03	0.03	5.80	0.02	0.02	3.46
Average age (years)	43.26	44.11	1.96	37.42	38.47	2.81	40.20	41.18	2.44
Provincial hospitals (056)									
Number of admissions	5 274	14 908	182.67	98 201	172 239	75.39	103 475	187 147	80.86
Number of beneficiaries admitted	3 021	9 170	203.54	43 481	97 845	125.03	46 502	107 015	130.13
Number of admissions per 1 000 beneficiaries	1.09	3.06	181.43	24.82	43.14	73.81	11.75	21.12	79.69
Number of admissions per patient	1.75	1.63	-6.88	2.26	1.76	-22.06	2.23	1.75	-21.41
Average length of stay (days)	0.00	0.00	-62.94	0.00	0.00	139.60	0.00	0.00	97.47
Average age (years)	45.46	51.69	13.70	41.97	48.84	16.37	42.20	49.08	16.30

Table 21: Analysis of same-day in-patient admissions to hospitals (2020 and 2021)

Hospital group (PCNS Number)	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Mental health institutions (055)									
Number of admissions	1 037	1 006	-2.99	374	529	41.44	1 411	1 535	8.79
Number of beneficiaries admitted	688	804	16.86	330	482	46.06	1 018	1 286	26.33
Number of admissions per 1 000 beneficiaries	0.21	0.21	-3.42	0.09	0.13	40.17	0.16	0.17	8.08
Number of admissions per patient	1.51	1.25	-16.99	1.13	1.10	-3.16	1.39	1.19	-13.88
Average length of stay (days)	1.00	1.00	0.00	1.00	1.00	0.00	1.00	1.00	0.00
Average age (years)	40.21	38.12	-5.20	36.68	37.83	3.14	39.06	38.01	-2.69
Rehabilitation hospitals and Hospices (047/059/079)									
Number of admissions	843	771	-8.54	564	666	18.09	1 407	1 437	2.13
Number of beneficiaries admitted	404	381	-5.69	374	424	13.37	778	805	3.47
Number of admissions per 1 000 beneficiaries	0.17	0.16	-8.94	0.14	0.17	17.02	0.16	0.16	1.47
Number of admissions per patient	2.09	2.02	-3.02	1.51	1.57	4.16	1.81	1.79	-1.29
Average length of stay (days)	1.00	1.00	0.00	1.00	1.00	0.00	1.00	1.00	0.00
Average age (years)	63.63	62.15	-2.33	52.24	49.30	-5.62	58.15	55.38	-4.77
Sub-acute facilities (049)									
Number of admissions	661	693	4.84	1 198	954	-20.37	1 859	1 647	-11.40
Number of beneficiaries admitted	625	641	2.56	987	763	-22.70	1 612	1 404	-12.90
Number of admissions per 1 000 beneficiaries	0.14	0.14	4.38	0.30	0.24	-21.09	0.21	0.19	-11.98
Number of admissions per patient	1.06	1.08	2.22	1.21	1.25	3.01	1.15	1.17	1.72
Average length of stay (days)	1.00	1.00	0.00	1.00	1.00	0.00	1.00	1.00	0.00
Average age (years)	69.28	66.29	-4.31	51.52	53.15	3.17	58.41	59.15	1.28

Analysis of admissions to private hospitals

Figure 35 shows admission rates per 1 000 beneficiaries by age band for private hospitals in 2021. About 825.59 per 1 000 male beneficiaries aged 85+ were admitted to private acute hospitals in 2021 compared to 588.57 female per 1 000 beneficiaries. This shows that there were more elderly beneficiaries aged 85+ admitted to private acute hospitals relative to other age groups. Overall, a higher admission rate was observed for elderly beneficiaries, infants, and female beneficiaries of reproductive age. Admissions of male beneficiaries outnumbered those of females from the age band 55 to 59 until the age band 85+. The disparities in utilisation may be due to differences in healthcare-seeking behaviour by men and women.

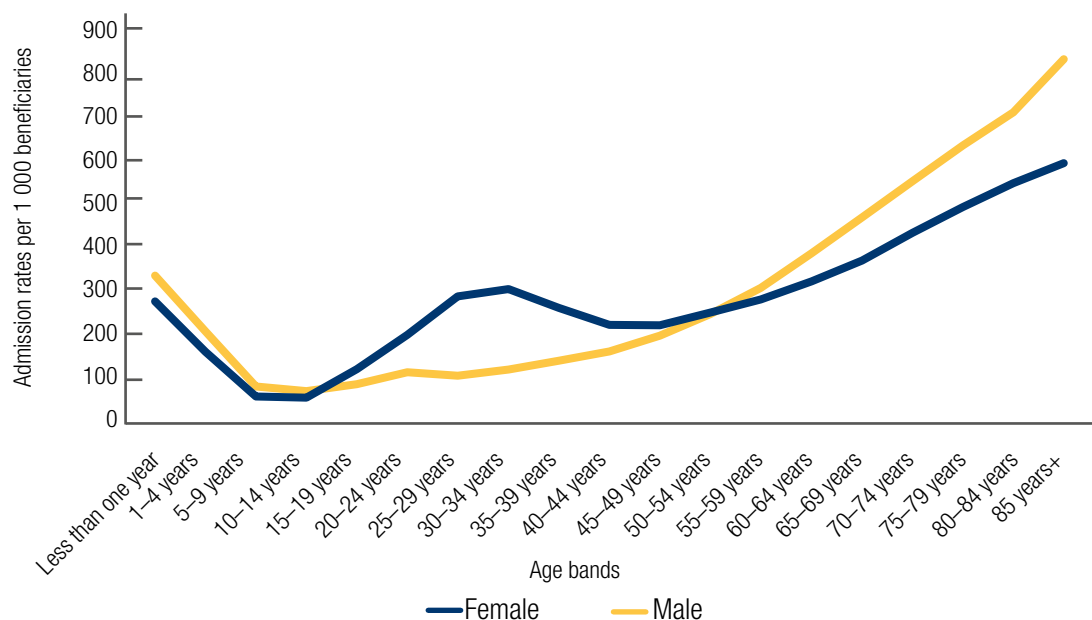


Figure 35: Admission rates (per 1 000 beneficiaries) for private hospitals by gender (2021)

Analysis of admissions to public hospitals by gender

Figure 36 shows admission rates per 1 000 beneficiaries by age band for beneficiaries admitted to public hospitals in 2021. A high admission rate of 78.04 for females and 71.78 for males, per 1 000 beneficiaries, was observed for beneficiaries aged 85+ years. The admission rate to public hospitals was lower for younger beneficiaries compared to adult beneficiaries. There were more female beneficiaries relative to male beneficiaries admitted to public hospitals.

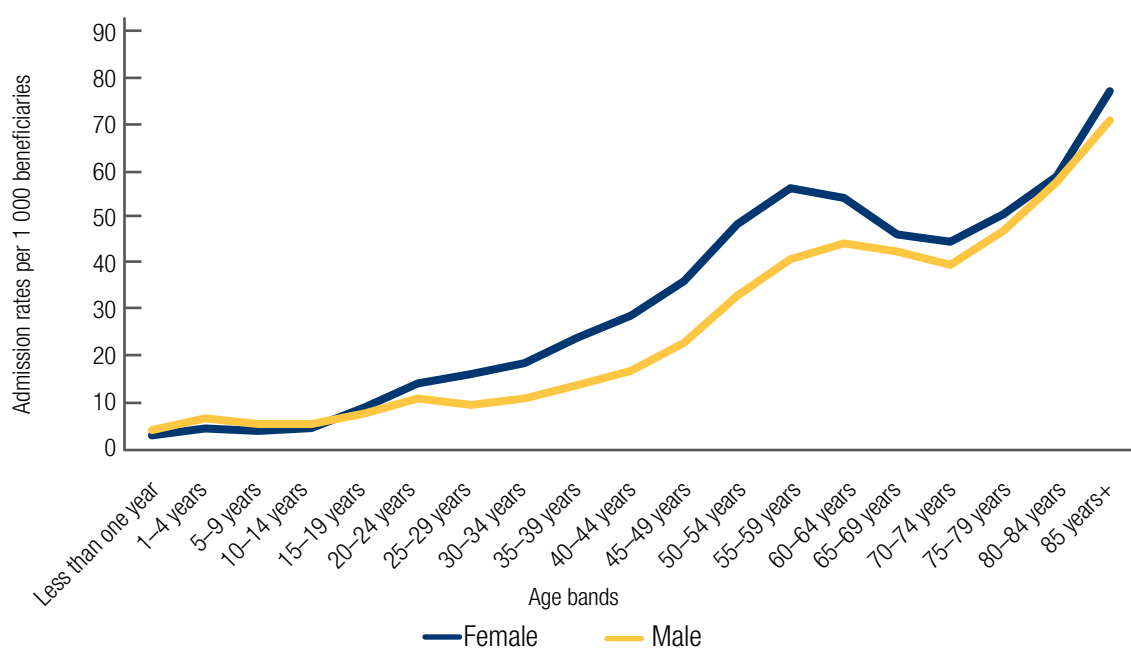


Figure 36: Admission rates (per 1 000 beneficiaries) for provincial hospitals by gender (2021)

Analysis of admissions to day clinics

Figure 37 illustrates the admission rates per 1 000 beneficiaries by age band for beneficiaries admitted to day clinics in 2021. A high admission rate to day clinics was observed for male beneficiaries aged 75 to 79 years (88.77 per 1 000). There were more male beneficiaries admitted to day clinics in the age bands 60 to 85+ years compared to female beneficiaries.

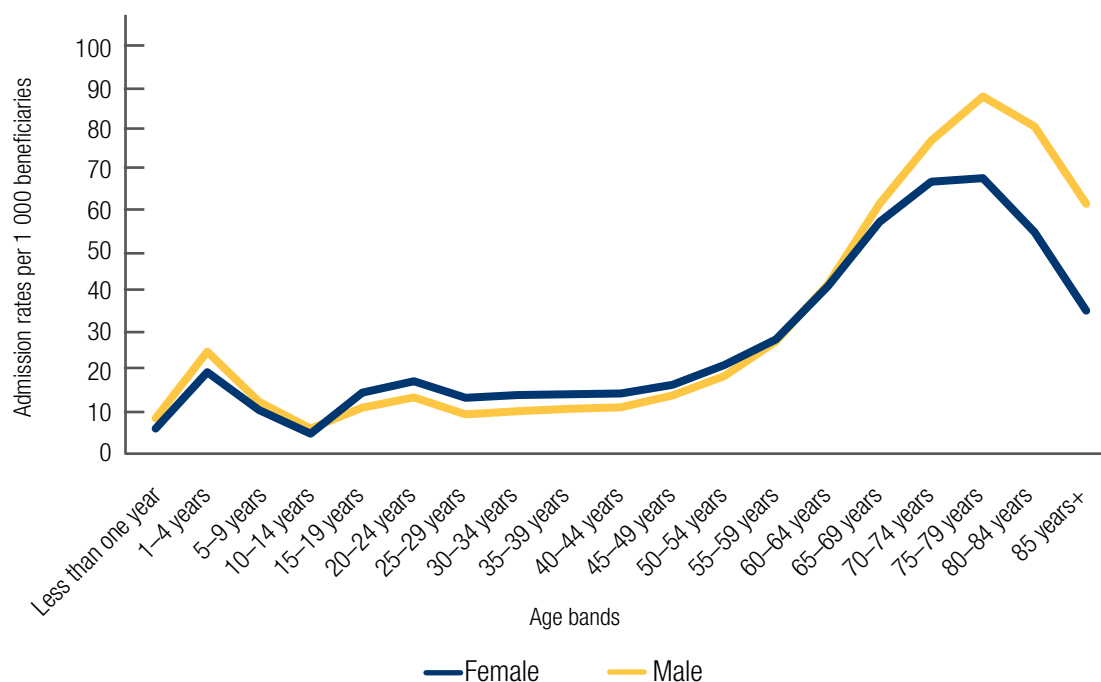


Figure 37: Admission rates (per 1 000 beneficiaries) for day clinics by gender (2021)

Analysis of admissions to mental health institutions

Figure 38 illustrates admission rates per 1 000 beneficiaries to mental health institutions in 2021. A high admission rate of 13.12 female and 11.12 male beneficiaries per 1 000 was observed for beneficiaries aged 20-24 years. Overall, more females were admitted to mental health institutions than male beneficiaries across all age groups.

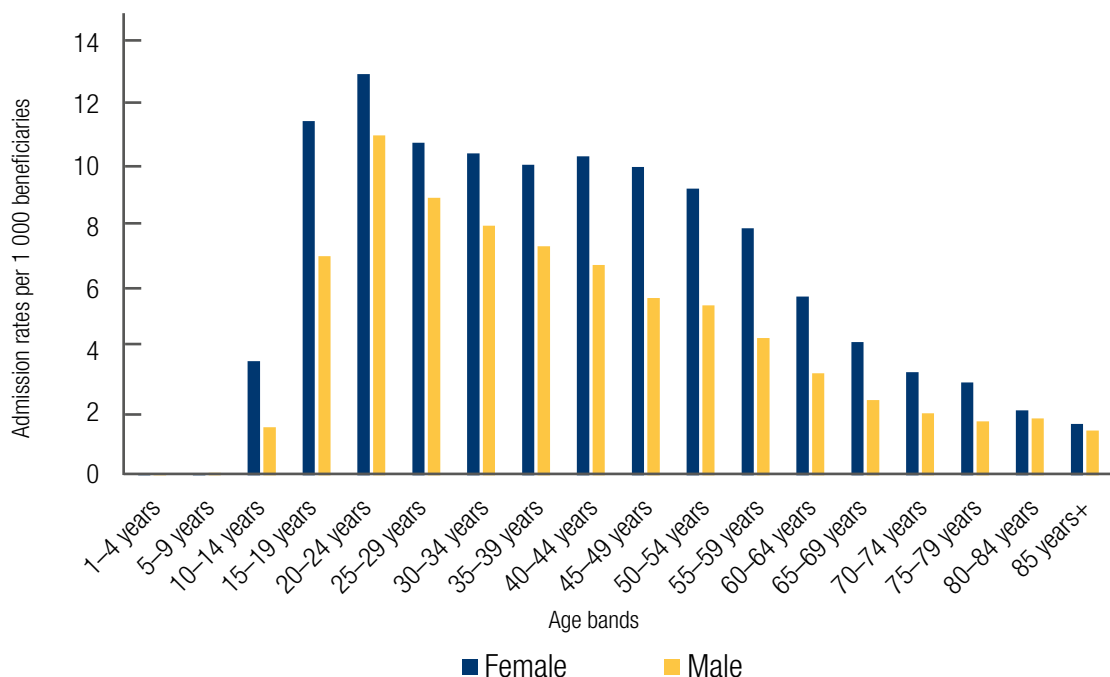


Figure 38: Admission rates (per 1 000 beneficiaries) for mental health institutions (2021)

Hospital admissions by level of care

Table 22 shows the admission rates and average length of stay by the level of care in 2020 and 2021. In 2021, more beneficiaries were admitted to general wards than to intensive care units (ICU) and high care wards. Overall, a significant increase (17.33%) in admissions was observed for ICU relative to general wards and high care units between 2020 and 2021. The number of beneficiaries admitted to general wards increased from 132.23 in 2020 to 134.30 per 1 000 beneficiaries in 2021. The average length of stay for beneficiaries admitted in general wards increased by 6.82% from 3.78 days in 2020 to 4.04 days in 2021. A slight increase (0.40%) was observed in the number of beneficiaries admitted to high care units during the period under review. The number of in-patient days per high care unit increased by 7.62%, from 3.81 days in 2020 to 4.10 days in 2021. Admissions to the ICU increased significantly by 17.33% from 9.62 per 1 000 beneficiaries in 2020 to 11.29 in 2021 with the average length of stay being 7.23 days. In 2021, the average number of hospital admissions in respect of PMB conditions increased significantly by 17.29%.

Table 22: Hospital admissions by level of care (2020 and 2021)

	Open			Restricted			Consolidated		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Number of admissions to general wards									
Number of admissions per 1 000 beneficiaries	130.86	134.77	2.99	133.85	133.75	-0.07	132.23	134.30	1.57
Average length of stay (days)	3.72	3.99	7.28	3.85	4.09	6.35	3.78	4.04	6.82
Number of admissions to high care									
Number of admissions per 1 000 beneficiaries	22.86	22.92	0.24	17.83	17.97	0.76	20.56	20.64	0.40
Average length of stay (days)	3.54	3.80	7.37	4.21	4.54	7.80	3.81	4.10	7.62
Number of admissions to ICU									
Number of admissions per 1 000 beneficiaries	10.54	12.40	17.57	8.53	9.99	17.09	9.62	11.29	17.33
Average length of stay (days)	5.82	6.99	20.03	6.63	7.59	14.47	6.15	7.23	17.61
Number of beneficiaries admitted for prescribed minimum benefit conditions									
Number of admissions per 1 000 beneficiaries	46.27	50.32	8.75	75.23	92.74	23.27	59.53	69.82	17.29

Utilisation of medical technology

Figure 39 illustrates the utilisation of selected medical technology by medical scheme beneficiaries in 2020 and 2021. The utilisation of computerised tomography scans (CT scans) was higher compared to other medical technology during the period under review. The use of CT scans increased by 12.54% from 40.79 in 2020 to 45.91 per 1 000 beneficiaries. A significant increase (20.33%) was observed in the number of patients utilising bone density scans during the period. A very small number of beneficiaries utilised positron tomography (PET) scans in both the 2020 and 2021 reporting periods (less than 1 per 1 000 beneficiaries). The number of beneficiaries receiving renal dialysis remained stable during the period.

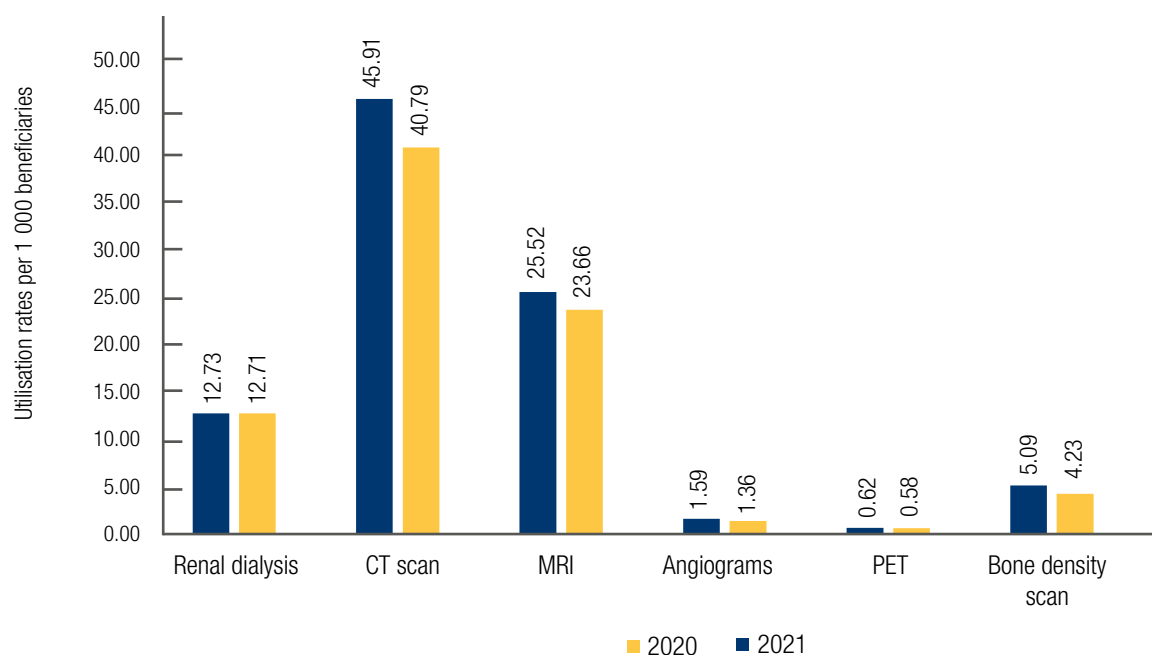


Figure 39: Utilisation of medical technology (2020 and 2021)

Figure 40 shows the utilisation of selected medical technology by medical scheme beneficiaries in 2021. The high number of beneficiaries utilising CT scans was mainly driven by the number of patients covered by open medical schemes, which recorded 51.41 per 1 000 beneficiaries. The utilisation of CT scans, MRI scans, angiograms, PET scans, and bone density scans was generally higher in open medical schemes than in restricted schemes.

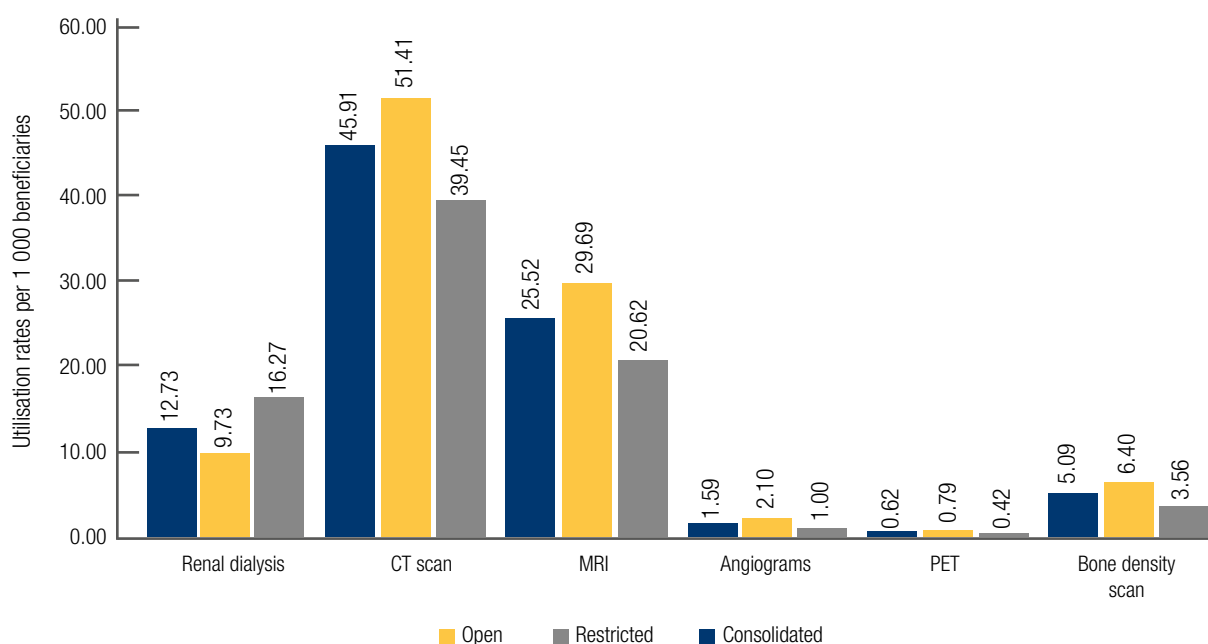


Figure 40: Utilisation of medical technology by scheme type (2021)

Utilisation of maternal and reproductive healthcare services

Table 23 provides details of the utilisation of screening, maternal and reproductive health services in 2020 and 2021. Significant changes in the utilisation of maternal and reproductive healthcare services were observed during the period under review. These changes may be explained by changes in the demographic characteristics of beneficiaries and the impact of the COVID-19 pandemic on the utilisation of healthcare services. The number of birth admissions decreased by 2.86% from 42.18 per 1 000 beneficiaries in 2020 to 40.97 in 2021. The decrease in birth admissions was driven by a decrease (5.55%) in admissions for beneficiaries covered by restricted schemes, while open schemes observed an increase of 1.61%. The number of birth admissions of women between 15 and 19 years of age dropped by 11.01%, from 8.26 per 1 000 in 2020 to 7.35 in 2021. A slight decline of 0.45% was observed in the number of caesarean sections performed during the period under review. A significant and noteworthy increase of 49.66% was observed in the number of terminations of pregnancy, performed under safe conditions in a health period under review facility during the first 12 weeks of pregnancy.



Table 23: Utilisation of maternal and reproductive healthcare services* (2020 and 2021)

	Open			Restricted			Consolidated			
Selected Health Service	2020	2021	% Change	2020	2021	% Change	2019	2020	2021	% Change
Maternal health										
Number of birth admissions (per 1 000 female beneficiaries)	28.25	28.70	1.61	57.95	54.74	-5.55	28.65	42.18	40.97	-2.86
Baby born alive in health facility who weighs less than 2 500g (per 1 000 live births)	7.61	8.34	9.71	9.26	8.51	-8.08	14.75	8.62	8.44	-2.05
Antenatal client who was tested for the first time during her current pregnancy (per 1 000 HIV positive antenatal clients)	267.78	264.89	-1.08	470.63	319.74	-32.06	259.85	373.96	290.97	-22.19
Death of an infant 0–28 days of age (per 1 000 live births)	0.45	0.39	-14.07	0.62	0.62	-0.36	0.60	0.52	0.48	-7.71
Intra Uterine Contraceptive Device (IUCD) inserted into a woman aged 15–49 years (per 1 000 female beneficiaries aged 15–49 years)	14.37	15.46	7.64	9.62	10.51	9.19	10.54	12.15	13.14	8.20
Number of birth admissions to women between 15–19 years (per 1 000 female beneficiaries aged 15–19 years)	3.55	3.04	-14.21	12.36	11.04	-10.71	8.25	8.26	7.35	-11.01
Number of birth admissions to women under 15 years (per 1 000 female beneficiaries aged under 15 years)	0.07	0.07	-4.23	0.22	0.16	-24.99	1.01	0.15	0.12	-20.01
Number of caesarean sections performed (per 1 000 birth admissions)	697.63	678.59	-2.73	627.13	645.23	2.89	613.18	667.86	664.88	-0.45
Number of mammograms paid for (per 1 000 female beneficiaries aged 50–69 years)	280.44	310.23	10.62	201.18	197.39	-1.88	259.02	245.70	259.98	5.81
Number of pap smears paid for (per 1 000 female beneficiaries aged 15–69 years)	138.85	148.22	6.75	108.34	108.77	0.39	124.31	124.84	130.01	4.14
Postnatal visits by a mother within 6 weeks after delivery (per 1 000 birth admissions)	226.03	229.37	1.48	157.96	143.69	-9.04	193.76	197.29	194.16	-1.59
Subdermal contraceptive implant inserted just under the skin of a woman aged 15–49 years upper arm (per 1 000 female beneficiaries aged 15–49 years)	0.07	0.07	10.54	0.67	4.22	530.67	0.18	0.35	2.02	478.78
Surgical procedure to prevent a man from being fertile (per 1 000 male beneficiaries aged 15–49 years)	5.81	6.56	12.81	2.11	2.27	7.62	5.43	4.24	4.74	11.74
Surgical procedure to protect a woman from further pregnancy (per 1 000 female beneficiaries aged 15–49 years)	5.37	5.73	6.76	3.14	2.77	-11.77	4.85	4.33	4.35	0.44
Termination of pregnancy at 13–20 weeks of pregnancy performed under safe conditions in a health facility (per 1 000 terminations)	101.41	119.03	17.38	48.76	71.26	46.15	77.27	75.06	97.14	29.41
Termination of pregnancy in the first 12 weeks of pregnancy performed under safe conditions in a health facility (per 1 000 terminations)	104.72	153.88	46.94	153.72	240.17	56.24	79.83	129.24	193.43	49.66
Termination of pregnancy performed under safe conditions in a health facility (per 1 000 female beneficiaries)	1.94	2.04	5.30	2.21	1.96	-11.19	1.07	2.07	2.01	-2.95
Total number of live births (per 1 000 birth admissions)	992.92	991.65	-0.13	932.34	991.01	6.29	954.16	976.06	991.48	1.58

*Low numbers for maternal services may be attributable to data quality issues. Efforts to improve maternal health data will continue in the new financial year. Historical values are revised when the base period changes and will not correspond with the values reported in previous annual reports.

Quality of care

Figure 41 shows that coverage ratios for registered beneficiaries with human immunodeficiency virus (HIV) are quite high, but below the UNAIDS cascade target of 90%. The percentage of HIV beneficiaries who received antiretroviral treatment (ART) increased to 83% in 2021, from 75% in 2020. The percentage of HIV beneficiaries for whom CD4 counts were taken was 76%, compared to 75% in 2020. The percentage of HIV beneficiaries for whom viral loads were taken was 80% in 2021 compared to 79% in 2020. The coverage ratio for ART treatment recovered to above pre-COVID-19 levels, indicating a push by schemes to get more HIV/AIDS registered beneficiaries onto ART treatment as lockdown restrictions eased.

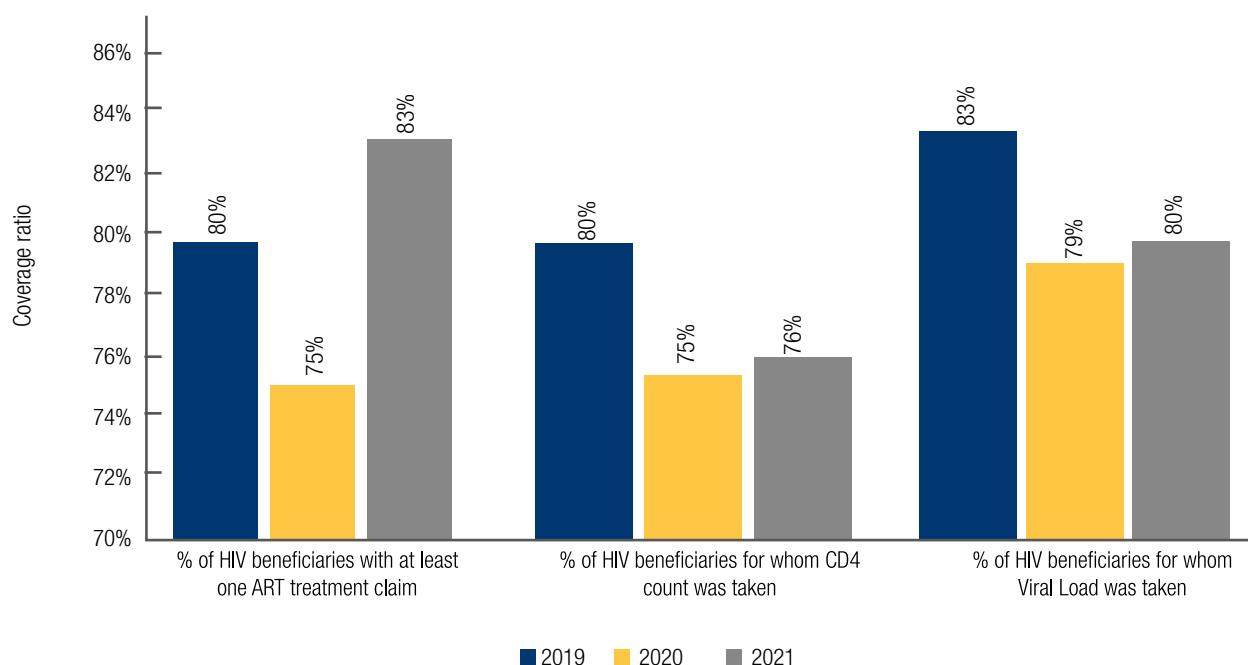


Figure 41: HIV/AIDS coverage ratios (2019–2021)

Figure 42 shows the coverage ratios for diabetes mellitus Type 2 registered beneficiaries. The HbA1c test had a coverage ratio of 35% in 2021 relative to 39% in 2020. The creatinine test coverage ratio stood at 62% in 2021 (56% in 2020), indicating recovery towards the 2019 level of 65%. Uptake of the lipogram test increased slightly, from 36% in 2020 to 37% in 2021.

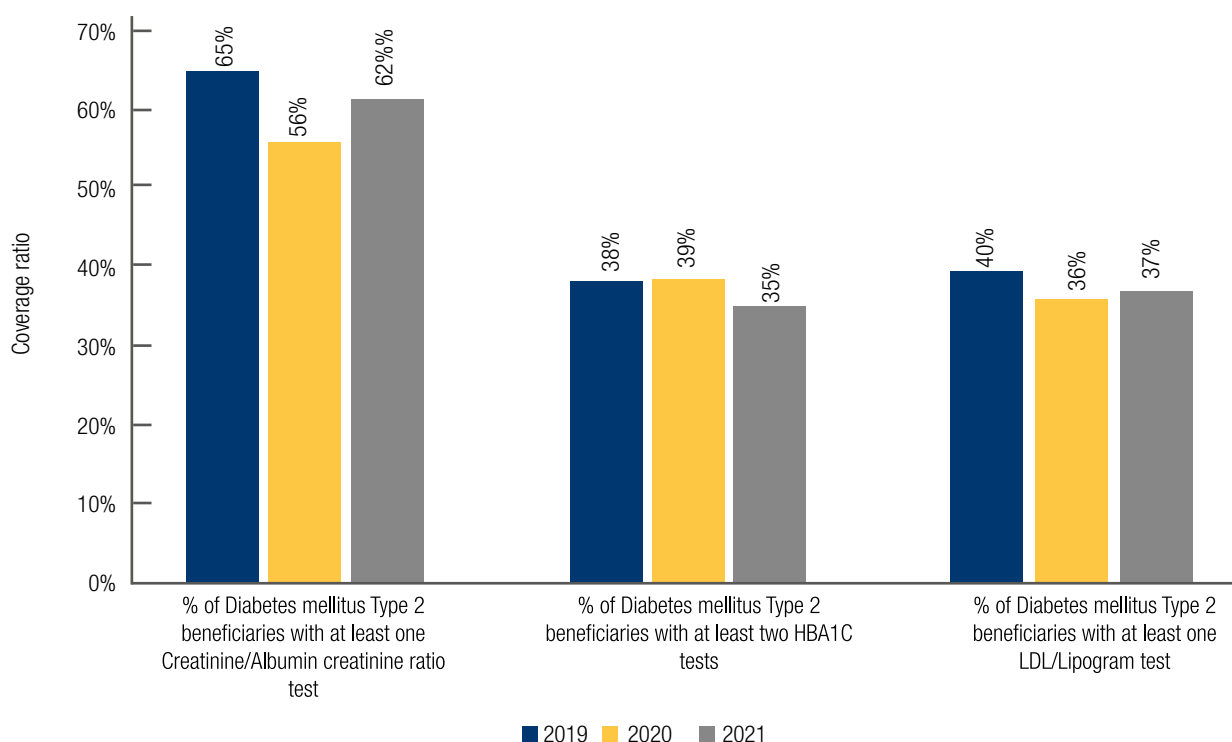


Figure 42: Diabetes mellitus Type 2 coverage ratios (2019–2021)

Figure 43 shows the coverage ratios for hypertension registered beneficiaries. The coverage ratios for the main indicators were low (especially for the electrocardiogram and creatinine tests) despite the high prevalence of hypertension. The coverage ratio for creatinine tests remained unchanged in 2021 at 8% while that of cholesterol tests stood at 44% in 2021 relative to 42% in 2020. The coverage ratios for electrocardiogram and cholesterol tests remain below 2019 levels, indicating that the utilisation of these tests has not fully recovered from the impact of lockdown restrictions.

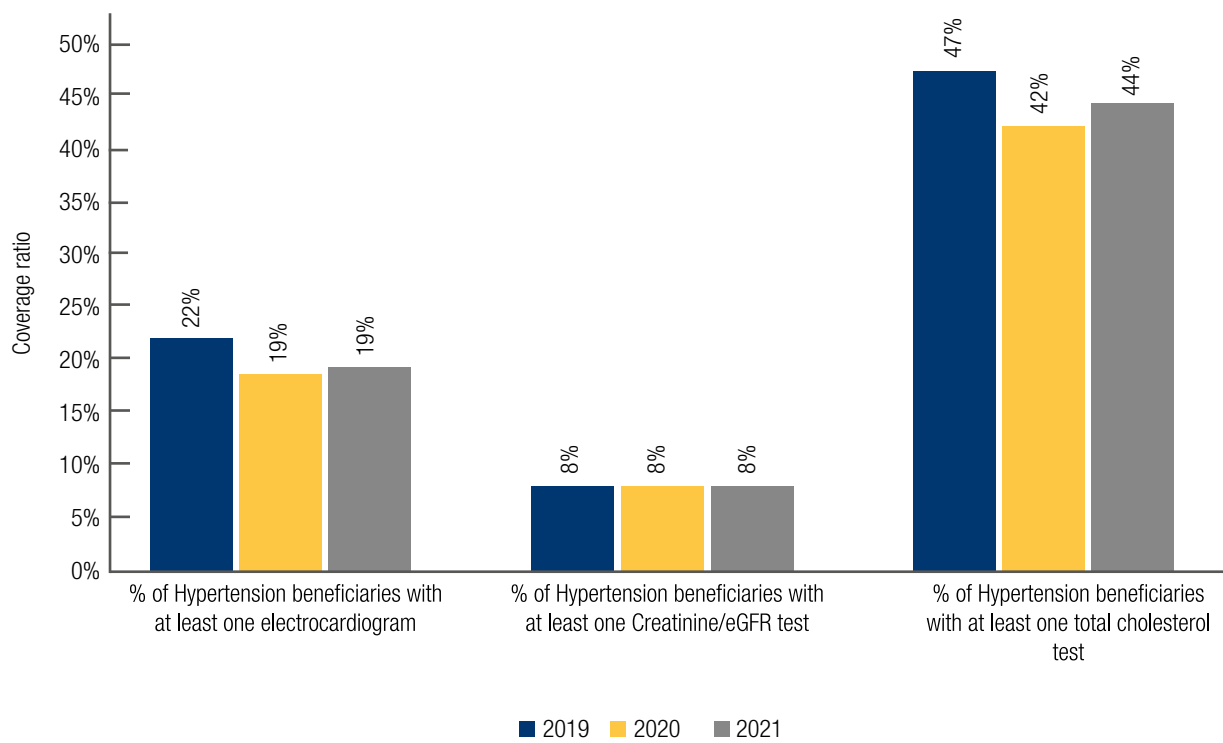


Figure 43: Hypertension coverage ratios (2019–2021)



The background of the slide is a collage of medical and financial imagery. In the top left, a yellow container with '1000' is partially visible. To its right is a teal syringe with a scale from 20 to 45 mL. Below the syringe is a clear vial with an orange cap. In the center, a large, semi-transparent orange calculator is positioned over a white computer keyboard. The bottom left corner shows a small pile of white and orange pills next to a black pen. White circuit-like lines are overlaid on the image, connecting various elements and adding a technological feel.

Part 2

Financial Overview of the Medical Schemes Industry

Snapshot of financial results for the year ended 31 December 2021

Figure 44 illustrates that for every R100 received in 2021, R90.94 was spent on claims, R8.66 was spent on non-healthcare expenditure, and R0.40 was allocated to reserves.

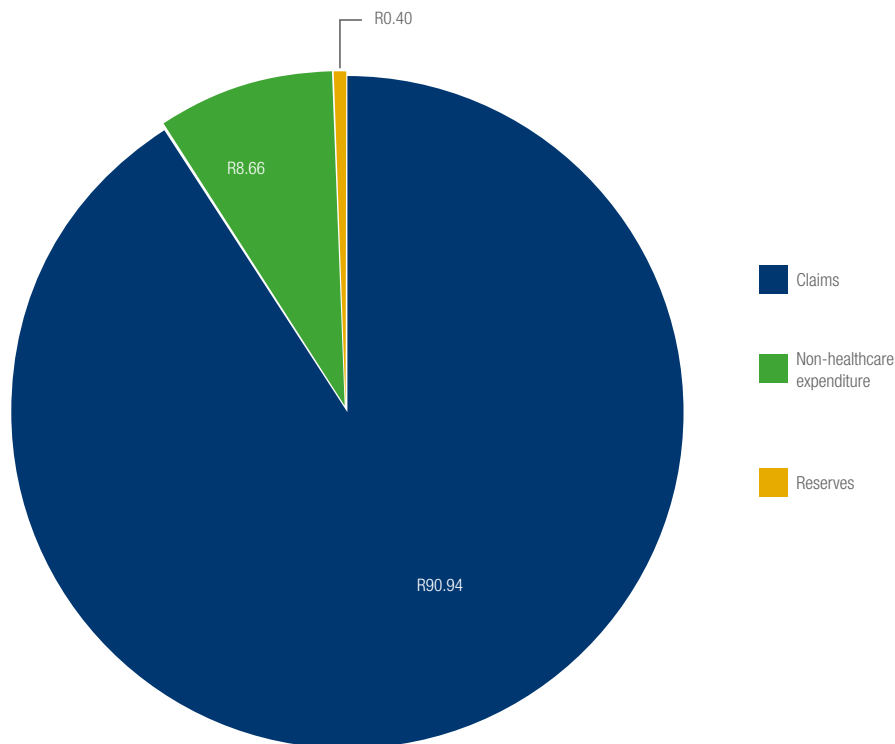


Figure 44: A snapshot of the industry – for every R100 received (2021)

Contributions

The gross contribution received from members of medical schemes in 2021 was R225.65 billion compared with R219.43 billion in December 2020, which is an increase of 2.83%.

Risk contributions (gross contributions excluding medical savings account contributions) increased by 2.82% to R204.69 billion from R199.08 billion in 2020. The equivalent increase between 2019 and 2020 was 6.66%.

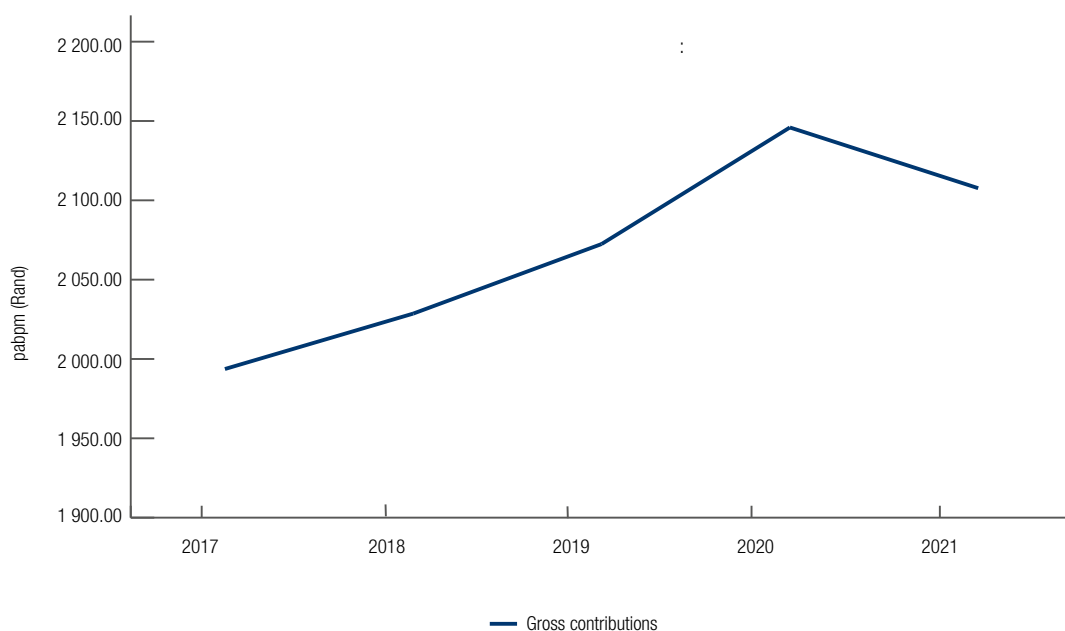


Figure 45: Gross contributions per average beneficiary per month in 2021 prices* (2017–2021)

pabpm = per average beneficiary per month

*Values for 2017–2020 were adjusted for CPI

Gross contributions, adjusted for lives covered per average beneficiary per month (pabpm) increased by 5.72% between 2017 and 2021 in real terms.

Gross contributions pabpm rose by 2.64% to R2 107.65 in 2021 from R2 053.48 in 2020. After adjusting for inflation, a decline of 1.78% was noted.

The increase in risk contributions pabpm was 2.63%, rising to R1 911.95 from R1 863.04 in 2020. After adjusting for inflation, this growth was -1.80%. As reported in the 2020/21 Annual Report (page 128) the 2021 calendar year was the first time in over a decade that the industry implemented contribution increases below consumer inflation. This was the result of a collaborative effort between the Council for Medical Schemes (CMS) and the industry, aimed at providing financial relief to members during the economic downturn. Schemes were able to implement these interventions due to additional reserves built up during 2020.

Contributions to personal medical savings accounts increased by 2.96% to R20.95 billion in 2021 from R20.35 billion in the previous year (2020: 6.14% increase). When measured on a pabpm basis in respect of only those schemes which use medical savings accounts, the increase was 2.23% – from R220.67 to R225.60. After adjusting for inflation, a decrease of 2.17% was noted.

Relevant healthcare expenditure

The total gross relevant healthcare expenditure incurred by medical schemes increased by 14.50% to R205.80 billion from R179.74 billion in 2020 (2020: decrease of 3.91%).

Risk claims increased by 14.90% to R186.15 billion from R162.00 billion in 2020 (2020: decrease of 4.18%).

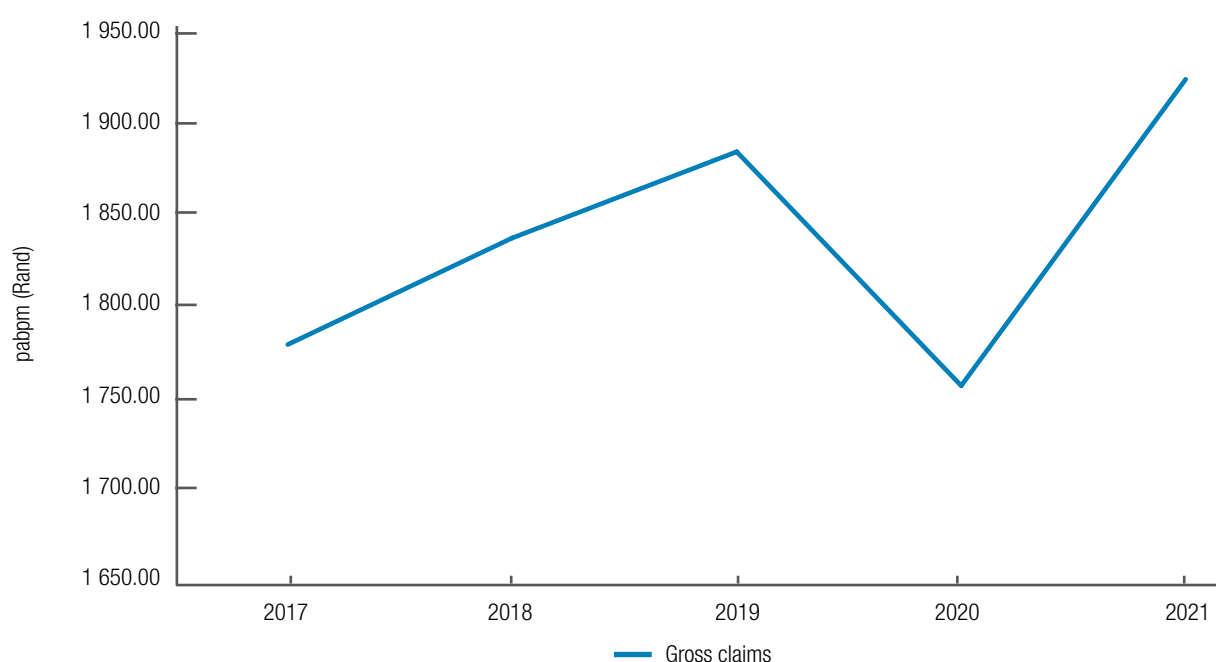


Figure 46: Gross relevant healthcare expenditure in 2021 prices* (2017–2021)

pabpm = per average beneficiary per month

**Values for 2017–2021 were adjusted for CPI*

A combination of factors have affected the claims experience of medical schemes over time, more so in later years. These include changing benefit design, demographic profiles, increased utilisation of benefits and a higher number of high-cost cases. Some medical schemes were also affected by widespread fraud and abuse of benefits, as well as wastage of resources. The change in Value Added Tax on 1 April 2018 also had an impact on claims costs.

The utilisation of services was substantially reduced with the postponement of elective procedures in response to the COVID-19 pandemic and resulted in a decreased claims ratio in 2020.

On average, medical schemes incurred a much higher claims experience in 2021 compared to 2020. This was mainly due to the release of pent-up demand resulting in increased utilisation.

Gross relevant healthcare expenditure pabpm increased by 8.00% between 2017 and 2021. The total gross relevant healthcare expenditure incurred pabpm increased by 14.28% to R1 922.25 in 2021 from R1 682.04 in 2020.

Risk claims pabpm increased by 14.68% to R1 738.73 from R1 516.10; after adjusting for inflation, an increase of 9.74% was noted.

Claims paid from medical savings accounts increased by 10.81% to R19.65 billion in 2021 from 2020's R17.73 billion (2020: 1.38% decrease). On a pabpm basis for schemes which offer medical savings accounts, medical savings account claims increased by 10.03% to R211.57 from the previous year's R192.28 (2020: 1.24% decrease). When adjusted for inflation, savings claims pasbpm increased by 5.29%.

Risk transfer arrangements

Over the last few years, medical schemes have increasingly undertaken risk transfer arrangements to manage their insurance risks. Table 24 reflects the main components of such arrangements:

- The capitation fees which schemes paid to third parties to manage their risks;
- The estimated costs which schemes would have incurred had they not used risk transfer arrangements; and
- The net effect thereof.

The "net income/(expense)" column reflects the value derived from the risk transfer arrangement (Annexure AB provides further details).

Table 24: Significant risk transfer arrangements (2020 and 2021)

	Capitation fees			Estimated recoveries			Net income/(expense)*		
	2020 R'000	2021 R'000	% growth	2020 R'000	2021 R'000	% growth	2020 R'000	2021 R'000	% growth
Open schemes	2 611 639	2 754 771	5.48	2 688 476	2 953 096	9.84	83 313	202 952	143.60
Restricted schemes	2 010 039	2 020 448	0.52	1 948 046	2 025 840	3.99	(31 649)	70 862	323.90
All	4 621 678	4 775 219	3.32	4 636 523	4 978 936	7.39	51 664	273 814	429.99

*The net income/(expense) on risk transfer arrangements includes an amount of R70.1 million in respect of profit- and loss-sharing agreements (2020: R36.8 million). These arrangements are not allowed in terms of Section 26(5) of the Medical Schemes Act (MSA).

Table 25 lists the ten schemes that incurred the greatest losses in respect of their significant risk transfer arrangements, and Table 26 details the ten benefit options that reported the greatest losses.

Table 25: Schemes with the highest risk transfer arrangement losses (2021)

Ref. no.	Name of medical scheme	Beneficiaries	Capitation fees	Estimated recoveries	Net income/(expense)	Net income/(expense) as % of capitation fees
		31 Dec 2021	R'000	R'000	R'000	%
1167	Momentum Medical Scheme	297 541	446 949	391 315	(55 634)	-12.45
1580	South African Police Service Medical Scheme (POLMED)	492 146	945 524	843 883	(33 392)	-3.53
1469	Nedgroup Medical Aid Scheme	45 535	69 601	65 054	(4 640)	-6.67
1506	Medimed Medical Scheme	14 180	9 269	6 019	(3 250)	-35.06
1271	Fishing Industry Medical Scheme (Fishmed)	4 381	19 453	16 535	(2 918)	-15.00
1583	Platinum Health	98 059	11 461	8 586	(2 876)	-25.09
1197	Libcare Medical Scheme	11 893	904	785	(2 805)	-310.29
1279	Bankmed	216 150	149 425	146 868	(2 557)	-1.71
1145	LA-Health Medical Scheme	233 017	28 278	25 923	(2 355)	-8.33
1043	Chartered Accountants (SA) Medical Aid Fund (CAMAF)	46 044	12 459	10 395	(2 064)	-16.57

The release of pent-up demand is evident in the results of capitation arrangements. The increased utilisation resulted in fewer medical schemes (27 schemes, or 48.21% of those schemes who had capitation agreements during the year) incurring losses on their capitation arrangements during 2021 compared to 2020 (2020: 42 schemes, or 71.19%).

Table 26: Options with the highest risk transfer arrangement losses (2021)

Ref. no.	Name of medical scheme	Name of benefit option	Name of contract	Beneficiaries 31 Dec 2021	Average age per beneficiary Years	Capitation fees R'000	Estimated recoveries R'000	Profit/ (loss) sharing R'000	Net income/ (expense) R'000	Net income / (expense) as % of capitation fees %
1580	South African Police Service Medical Scheme (POLMED)	Aquarium	Preferred Provider Negotiators (Pty) Ltd and Scriptpharm Risk Management (Pty) Ltd	185 917	22.95	315 188	114 334	10 794	(190 060)	-60.30
1167	Momentum Medical Scheme	Custom	Momentum Health Solutions (Pty) Ltd and Netcare Hospitals (Pty) Ltd t/a Netcare 911	165 521	33.25	191 809	167 810	-	(23 999)	-12.51
1167	Momentum Medical Scheme	Ingwe	Momentum Health Solutions (Pty) Ltd and Netcare Hospitals (Pty) Ltd t/a Netcare 911	55 795	27.62	153 715	134 345	-	(19 370)	-12.60
1167	Momentum Medical Scheme	Incentive	Momentum Health Solutions (Pty) Ltd and Netcare Hospitals (Pty) Ltd t/a Netcare 911	65 660	39.44	82 961	71 951	-	(11 010)	-13.27
1512	Bonitas Medical Fund	Bonsave	Dental Information Systems (Pty) Ltd (DENIS) ER 24 EMS Proprietary Limited Europ Assistance Worldwide (South Africa) Services (Pty) Ltd and Scriptpharm Risk Management (Pty) Ltd	83 362	30.86	118 100	111 039	-	(7 060)	-5.98
1145	LA-Health Medical Scheme	LA Focus	Dental Risk Company (Pty) Ltd (DRC)	50 063	26.60	15 253	11 569	-	(3 684)	-24.15
1512	Bonitas Medical Fund	BonComprehensive	ER 24 EMS Proprietary Limited Europ Assistance Worldwide (South Africa) Services (Pty) Ltd and Scriptpharm Risk Management (Pty) Ltd	7 824	54.43	56 705	53 484	-	(3 221)	-5.68
1197	Libcare Medical Scheme	Libcare	Claims Paid to Service Providers for Diabetes Management and Netcare 911	11 893	33.71	904	785	(2 685)	(2 805)	-310.29
1279	Bankmed	Bankmed Basic	Centre for Diabetes and Endocrinology (Pty) Ltd and Discovery Health (Pty) Ltd	40 863	25.97	137 055	134 261	-	(2 794)	-2.04
1506	Medimed Medical Scheme	Essential Option	Bay Radiology ECIPA ER 24 EMS Proprietary Limited Momentum Health Solutions (Pty) Ltd PEGP and Preferred Provider Negotiators (Pty) Ltd	1 942	30.79	7 500	4 728	-	(2 772)	-36.96

Momentum Medical Scheme and POLMED are listed in both Table 25 and Table 26 as the biggest loss-makers.

The Aquarium option of POLMED suffered the biggest loss in terms of the percentage of capitation fees paid (60.30%) followed by the Custom option of Momentum (12.51%), as shown in Table 26.

Table 27 lists the ten contracts on which schemes incurred the biggest losses in respect of their significant risk transfer arrangements, with comparative 2020 figures. Two Europ Assistance Worldwide (South Africa) Services (Pty) Ltd, two Momentum Health Solutions (Pty) Ltd and two Scriptpharm Risk Management (Pty) Ltd contracts feature on this list.

Table 27: Contracts with the highest risk transfer losses (2020 and 2021)

Ref. no.	Name of medical scheme	Contract name	2020					2021				
			Capitation fees	Estimated recoveries	Profit/ (loss) sharing	Net income/ (expense)	Net income / (expense) as % of capitation fees	Capitation fees	Estimated recoveries	Profit/ (loss) sharing	Net income/ (expense)	Net income / (expense) as % of capitation fees
			R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	%
1167	Momentum Medical Scheme	Momentum Health Solutions (Pty) Ltd	403 360	(330 664)	-	(72 696)	-18.02	423 449	(361 001)	-	(62 448)	-14.75
1580	South African Police Service Medical Scheme (POLMED)	Scriptpharm Risk Management (Pty) Ltd	743 750	(677 780)	(27 601)	(38 369)	-5.16	734 371	(646 988)	(53 124)	(34 258)	-4.66
1512	Bonitas Medical Fund	Europ Assistance Worldwide (South Africa) Services (Pty) Ltd	9 953	(1 201)	-	(8 752)	-87.94	12 309	(1 732)	-	(10 577)	-85.93
1469	Nedgroup Medical Aid Scheme	Scriptpharm Risk Management (Pty) Ltd	72 151	(66 894)	(3 474)	(1 784)	-2.47	69 601	(65 054)	93	(4 640)	-6.67
1145	LA-Health Medical Scheme	Dental Risk Company (Pty) Ltd (DRC)	17 878	(12 294)	-	(5 584)	-31.23	19 113	(15 481)	-	(3 632)	-19.00
1279	Bankmed	Discovery Health (Pty) Ltd	160 730	(149 755)	-	(10 975)	-6.83	141 266	(137 665)	-	(3 602)	-2.55
1252	Bestmed Medical Scheme	Bryte Insurance Company Ltd	4 633	(4 633)	-	-	-	3 805	(600)	-	(3 205)	-84.24
1271	Fishing Industry Medical Scheme (Fishmed)	Momentum Health Solutions (Pty) Ltd	18 079	(13 722)	-	(4 357)	-24.10	19 453	(16 535)	-	(2 918)	-15.00
1583	Platinum Health	Rustenburg Specialists	10 565	(7 217)	-	(3 349)	-31.69	11 461	(8 586)	-	(2 876)	-25.09
1252	Bestmed Medical Scheme	Europ Assistance Worldwide Services (South Africa) Services (Pty) Ltd	-	-	-	-	-	3 382	(646)	-	(2 736)	-80.91

Accredited managed healthcare services (no transfer of risk)

Accredited managed healthcare services increased by 5.18% to R5.23 billion in 2021 from R4.97 billion in 2020. In 2021, 8 842 213 average beneficiaries (or 99.11% of beneficiaries) were covered by these managed healthcare arrangements.

Table 28 shows the number of benefit options with claims ratios greater than 100% and their expenditure on managed healthcare services. There were 69 options in this category, which accounted for 14.18% of beneficiaries in respect of whom such expenditure was incurred (2020: 30 options, or 1.25% of beneficiaries). The increase is mainly due to increased utilisation as result of the release of pent-up demand, and not to the outcomes of managed care interventions.

Table 28: Accredited managed healthcare service fees (no transfer of risk) for options with a claims ratio above 100% (2021)

	Accredited managed healthcare services fees (no transfer of risk)		Risk claims		Beneficiaries	Number of options
	R'000	pmpm	R'000	% of RCI		
Open schemes	650 104	116.89	22 789 684	104.55	842 963	32
Restricted schemes	216 315	90.13	14 285 825	112.59	413 123	37
All schemes	866 419	108.82	37 075 509	107.51	1 256 086	69

pmpm = per member per month

RCI = risk contribution income

Table 29 depicts the ten largest schemes (by number of average beneficiaries) and shows their total expenditure on accredited managed healthcare services. The industry accredited managed healthcare services' average was 2.57% of Risk Contribution Income (RCI).

Table 29: Accredited managed healthcare services (no transfer of risk) of the ten largest schemes (2021)

Ref. no.	Name of medical scheme	Type	Average beneficiaries	Claims ratio %	Accredited managed healthcare services as % of RCI
1125	Discovery Health Medical Scheme	Open	2 765 100	90.09	3.14
1598	Government Employees Medical Scheme (GEMS)	Restricted	1 995 992	89.93	2.17
1512	Bonitas Medical Fund	Open	712 759	89.81	3.03
1580	South African Police Service Medical Scheme (POLMED)	Restricted	496 411	89.94	1.40
1167	Momentum Medical Scheme	Open	293 939	87.36	3.69
1145	LA-Health Medical Scheme	Restricted	231 415	81.70	2.20
1279	Bankmed	Restricted	217 301	94.57	2.51
1252	Bestmed Medical Scheme	Open	208 559	90.69	2.57
1149	Medihelp	Open	192 499	92.01	1.42
1140	Medshield Medical Scheme	Open	150 087	88.74	1.61

RCI = risk contribution income

Relationship between risk and savings components

Table 30 shows the different components of contributions and claims for open and restricted schemes pabpm.

Table 30: Contributions and relevant healthcare expenditure pabpm in 2021 prices* (2017–2021)

	Risk contributions		Savings contributions		Risk claims		Savings claims	
	pabpm R	% change	pasbpm R	% change	pabpm R	% change	pasbpm R	% change
Open schemes								
2017	1 816.15		286.85		1 583.65		274.39	
2018	1 844.30	1.55	286.10	-0.26	1 657.03	4.63	271.58	-1.02
2019	1 897.65	2.89	277.17	-3.12	1 695.43	2.32	263.83	-2.85
2020	1 984.80	4.59	287.27	3.64	1 551.74	-8.48	253.77	-3.81
2021	1 934.07	-2.56	282.60	-1.63	1 751.21	12.85	269.37	6.15
Restricted schemes								
2017	1 792.66		117.02		1 624.46		106.44	
2018	1 823.78	1.74	124.57	6.45	1 654.37	1.84	110.46	3.78
2019	1 856.66	1.80	129.46	3.93	1 710.90	3.42	114.37	3.54
2020	1 901.42	2.41	133.76	3.32	1 623.48	-5.11	110.59	-3.31
2021	1 885.80	-0.82	131.30	-1.84	1 723.98	6.19	115.85	4.76

pabpm = per average beneficiary per month

pasbpm = pabpm in respect of schemes which had savings transactions

*Values for 2017–2021 were adjusted for CPI

In the open scheme industry, the increase in both the risk and savings components of claims pabpm outpaced that of the relevant contributions pabpm component from 2017 to 2019, until the decreased utilisation in 2020 resulted in a reversal of this trend. In 2021 the trend reverted to the original observation.

A similar observation was made in the restricted scheme environment in respect of the 2021 year.

For open schemes, the proportion of claims paid from medical savings accounts decreased from 14.06% in 2020 to 13.33% in 2021. The medical savings account claims ratio increased to 95.32% from 88.34% in 2020. For restricted schemes, the proportion of claims paid from medical savings accounts decreased from 6.38% in 2020 to 6.30% in 2021. The medical savings accounts claims ratio increased to 88.23% from 82.68% in 2020.

The risk claims ratio increased in both open and restricted schemes from 2020 to 2021. It increased to 90.55% for open schemes, and 91.42% for restricted schemes.

The contributions and expenditure on savings in open schemes were much higher than in restricted schemes. This is the result of differing benefit designs in the two industries. Restricted schemes generally have more traditional and richer options.

Figures 47 and 48 show the relationship between the risk and savings pools for contributions and claims respectively.

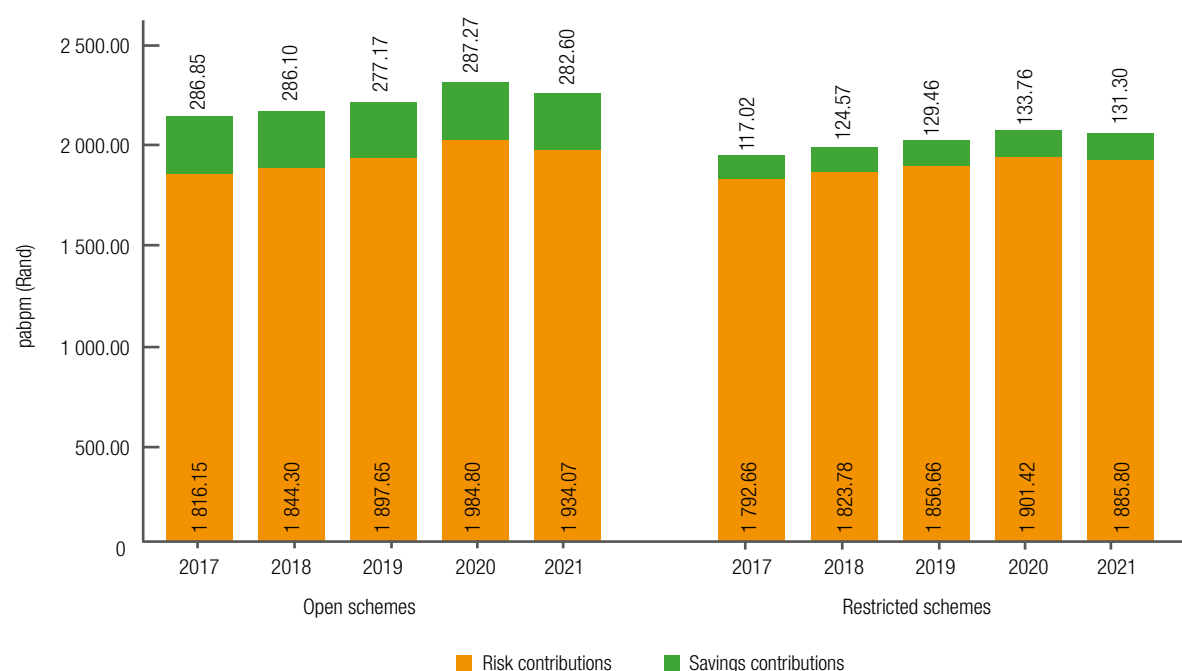


Figure 47: Risk and savings contributions and contributions pabpm in 2021 prices* (2017–2021)

pabpm = per average beneficiary per month

*Values for 2017–2021 were adjusted for CPI

At the end of 2021, savings contributions represented 10.55% of gross contributions.

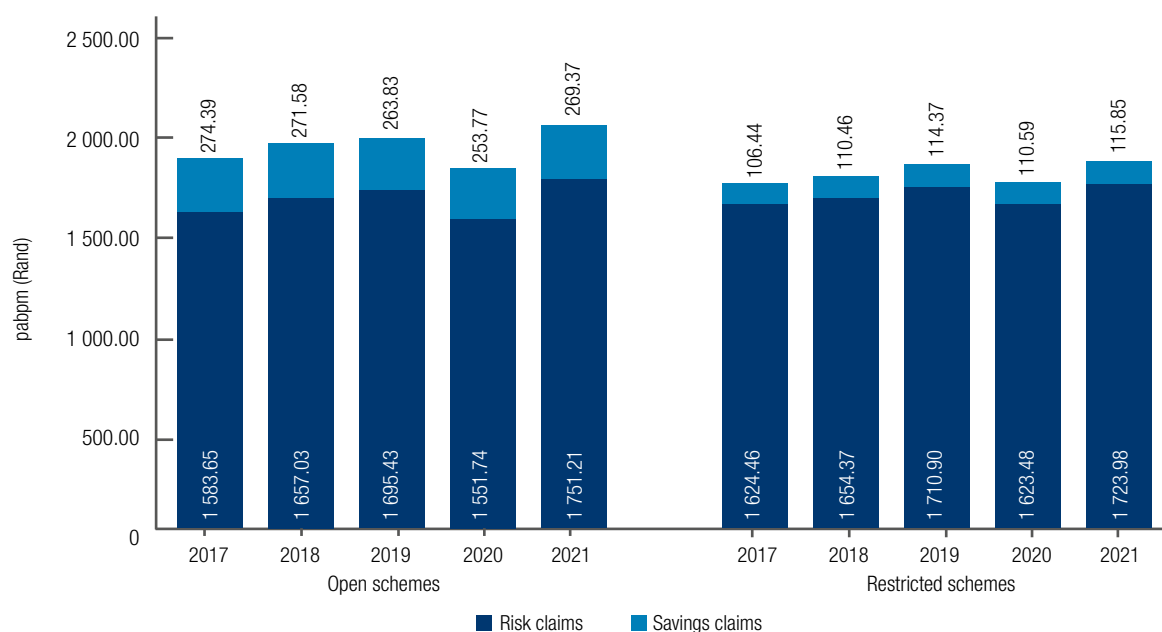


Figure 48: Risk and savings claims pabpm in 2021 prices* (2017–2021)

pabpm = per average beneficiary per month

*Values for 2017–2021 were adjusted for CPI

At the end of 2021, savings claims represented 10.85% of gross healthcare expenditure.

When adjusted for inflation, the increase in claims (both risk and savings) outpaced that of contributions from 2017 until 2021. Risk contributions and claims increased by 5.88% and 8.55% respectively on a pabpm basis, and the variance in medical savings account contributions and claims was 0.06% and -1.02% respectively.

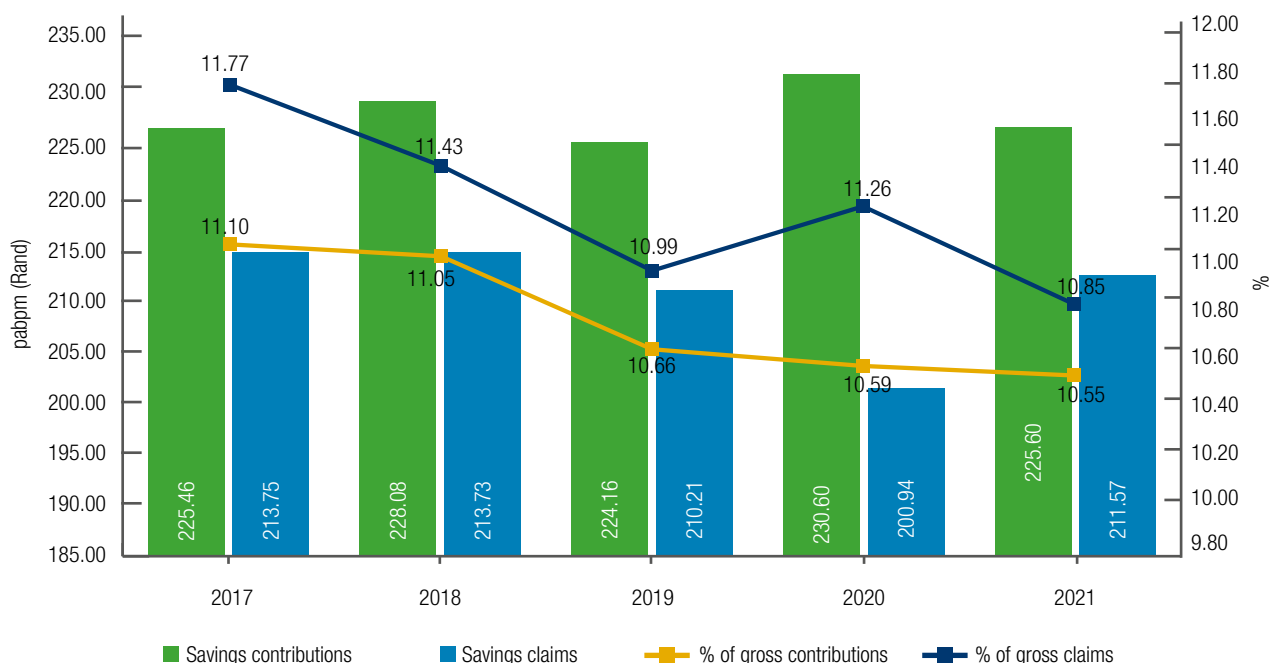


Figure 49: Medical savings account contributions and claims pabpm (2017-2021) in 2021 prices*

pabpm = per average beneficiary per month

*Values for 2017–2021 were adjusted for CPI

The proportion of claims paid from medical savings accounts as a percentage of gross healthcare expenditure decreased from 2017 to 2021. The 2020 experience is an outlier due to the postponement of elective procedures.

Relationship between contributions and relevant healthcare expenditure

Figure 50 shows the relationship between risk contributions and claims paid over the last 5 years. All figures have been adjusted for inflation.

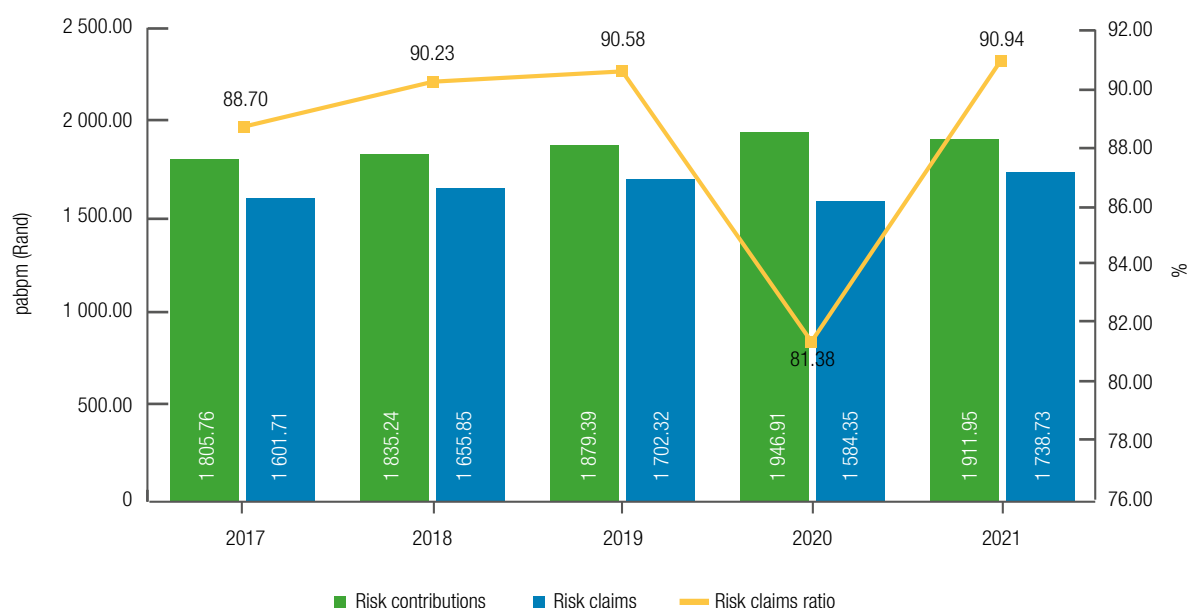


Figure 50: Risk claims ratio for all schemes in 2021 prices* (2017–2021)

pabpm = per average beneficiary per month

*Values for 2017–2021 were adjusted for CPI

During 2020 the utilisation of services was substantially reduced with the postponement of elective procedures in response to the COVID-19 pandemic. The claims ratio therefore decreased significantly from 2019's 90.58% to 2020's 81.38%. The release in pent-up demand as well as COVID-19 expenditure in 2021 resulted in an increased claims ratio of 90.94%.

Figure 51 clearly illustrates the effect of lockdown on the seasonality of claims in 2020 when compared with the 2021 and 2019 experience.

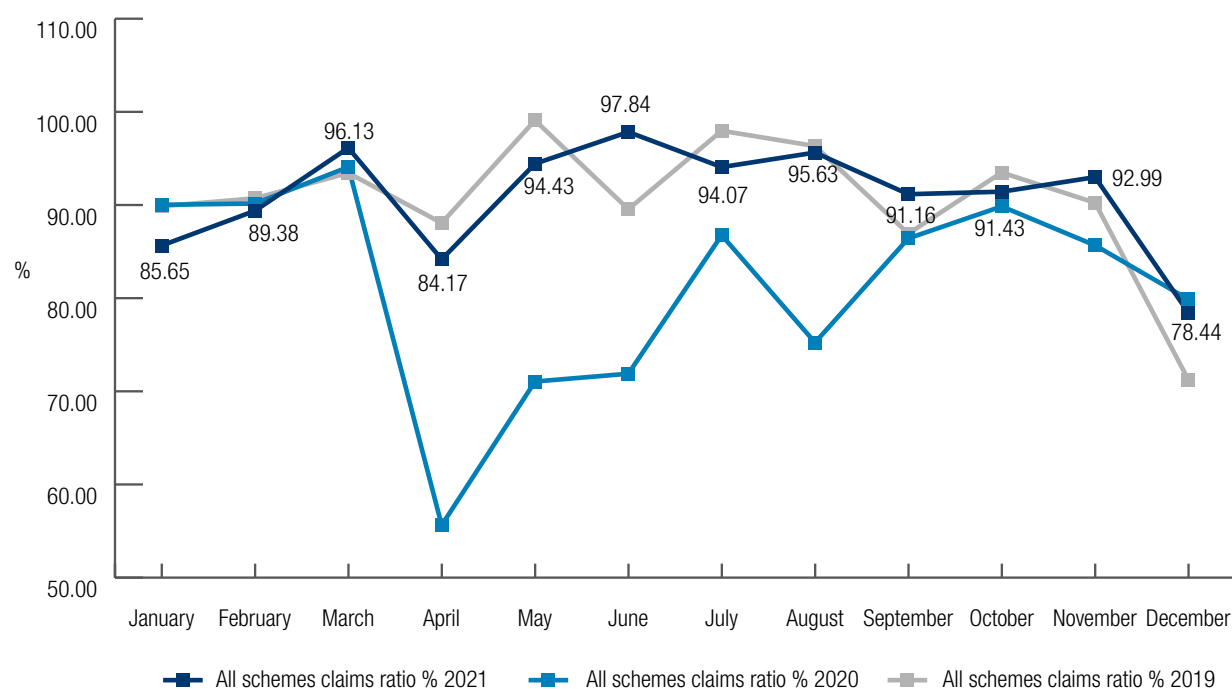


Figure 51: Seasonality of claims (2019–2021)

Figures 52 and 53 show the seasonal pattern in monthly claims (as a percentage of monthly contributions) for each industry during 2021 and 2020, respectively.

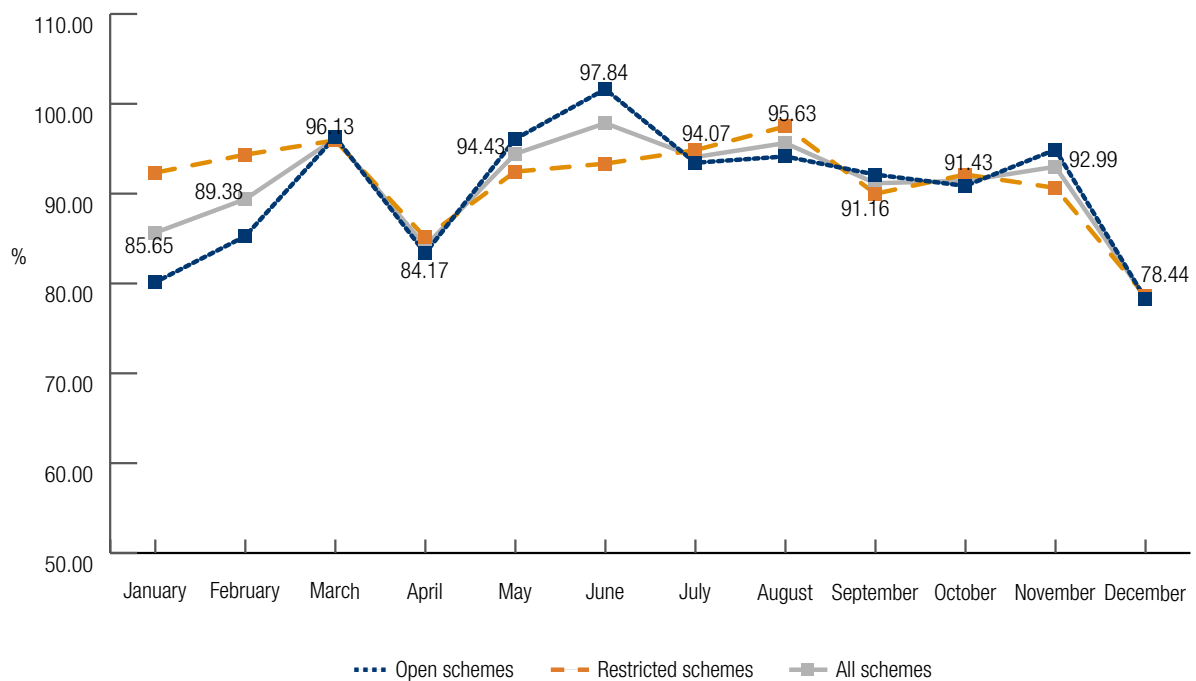


Figure 52: Seasonality of claims per industry per month (2021)

Both open and restricted schemes follow the same general trend: an increase in claims in the first quarter of the year as members gain access to new benefits, increases in claims over the winter months, and a downward trend in the last quarter of the year.

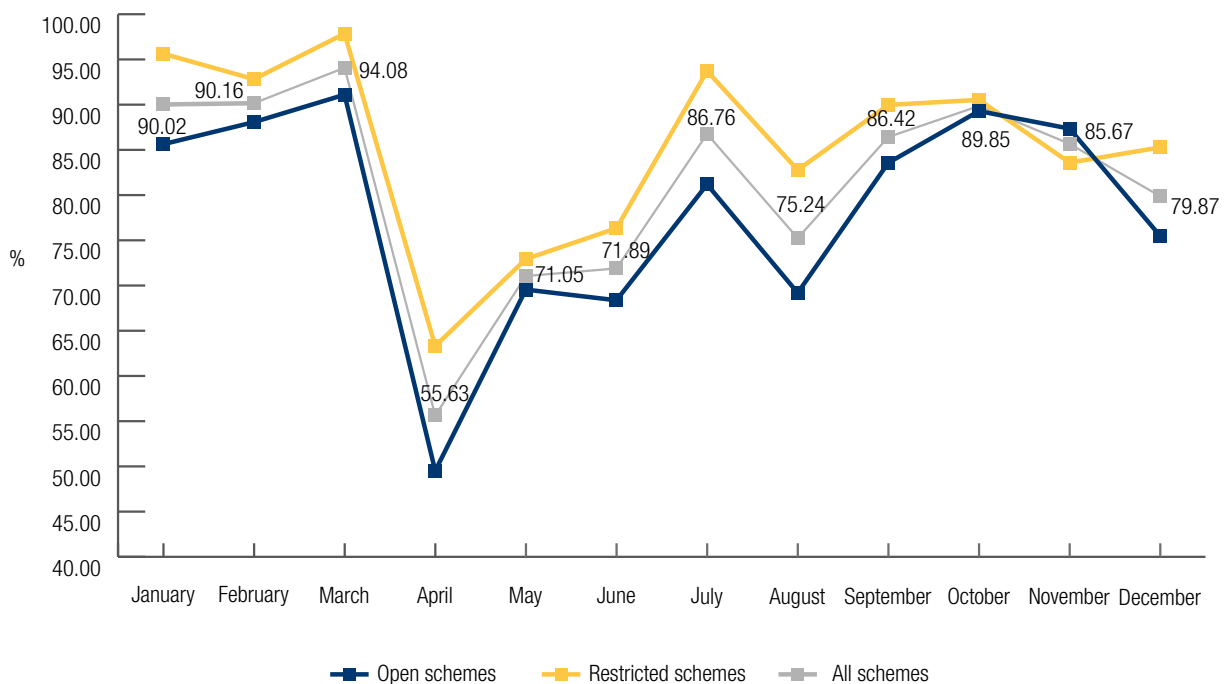


Figure 53: Seasonality of claims per industry per month (2020)

The 2020 year is an exception to the general trend. The effect of lockdowns are clearly demonstrated by the dip in the claims ratios in April 2020, with some of the pent-up demand being released during the last quarter of the year (i.e. the downward trend was not as noticeable as during previous periods).

Table 31 shows the percentage deviation from the industry average of 90.55% and 78.18% for 2021 and 2020 respectively, for the open schemes that experienced increases in their claims ratios in excess of 15.00% from 2020 to 2021.

Table 31: Open scheme deviation from industry average (2020 and 2021)

Ref. no.	Name of medical scheme	% change in claims ratio	% deviation from average claims ratio of 78.18 2020	% deviation from average claims ratio of 90.55 2021
1554	Genesis Medical Scheme	23.63	-10.76%	-4.74%
1167	Momentum Medical Scheme	20.86	-7.55%	-3.52%
1491	Compicare Wellness Medical Scheme	20.18	4.57%	8.50%
1125	Discovery Health Medical Scheme	18.26	-2.56%	-0.51%
1252	Bestmed Medical Scheme	18.22	-1.88%	0.15%
1464	Suremed	16.66	6.11%	6.88%
1149	Medihelp	16.47	1.05%	1.61%

Table 32 provides comparative information in respect of the schemes highlighted in Table 31.

Table 32: Open schemes with a claims ratio increase greater than 15% (2020 and 2021)

Ref. no.	Name of medical scheme	Claims ratio	Claims ratio	Average age per beneficiary	Average age per beneficiary	Solvency	Solvency	Prescribed solvency
		2020	2021	2020	2021	2020	2021	
1554	Genesis Medical Scheme	69.77	86.26	35.15	35.92	205.26	215.75	25.00
1167	Momentum Medical Scheme	72.28	87.36	33.76	33.93	39.65	38.23	25.00
1491	Compicare Wellness Medical Scheme	81.75	98.25	41.78	42.17	49.51	43.11	25.00
1125	Discovery Health Medical Scheme	76.18	90.09	34.94	35.25	36.93	38.01	25.00
1252	Bestmed Medical Scheme	76.71	90.69	37.40	37.28	47.29	45.68	25.00
1464	Suremed	82.96	96.78	40.36	40.98	115.04	115.60	25.00
1149	Medihelp	79.00	92.01	37.42	37.55	40.28	39.85	25.00

All the schemes whose claims ratios increased in excess of 15% during 2021 have solvency ratios that are above the minimum required statutory level of 25%.

Table 33 shows the percentage deviation from the industry average of 91.42% and 85.38% for 2021 and 2020 respectively, for restricted schemes that experienced increases in excess of 15.00% in their claims ratios from 2020 to 2021.

Table 33: Restricted scheme deviation from industry average (2020 and 2021)

Ref. no.	Name of medical scheme	% change in claims ratio	% deviation from average claims ratio of 85.38 2020	% deviation from average claims ratio of 91.42 2021
1548	Medipos Medical Scheme	30.41	71.09	108.38
1572	Engen Medical Benefit Fund	28.53	-16.53	0.20
1086	Foodmed Medical Scheme	27.28	-43.68	-33.05
1197	Libcare Medical Scheme	27.07	-5.33	12.35
1424	SABC Medical Aid Scheme	23.88	-5.45	9.40
1043	Chartered Accountants (SA) Medical Aid Fund (CMAF)	23.56	-10.95	2.76
1582	Transmed Medical Fund	22.64	-4.86	8.97
1465	Alliance-Midmed Medical Scheme	21.99	-8.91	3.77
1201	Rand Water Medical Scheme	18.20	-11.95	-2.80
1469	Nedgroup Medical Aid Scheme	16.83	-1.42	7.57
1253	Glencore Medical Scheme	16.71	3.09	12.37
1241	Multichoice Medical Aid Scheme	16.39	-5.75	2.45
1234	Sasolmed	15.95	5.21	13.94
1214	Old Mutual Staff Medical Aid Fund	15.93	-1.70	6.43
1495	Massmart Health Plan	15.86	-2.14	5.88
1291	Witbank Coalfields Medical Aid Scheme	15.65	-4.33	3.33



When compared with open schemes, a greater number of restricted schemes experienced increases in their claims ratios.

Table 34 provides comparative information in respect of the schemes highlighted in Table 33.

Table 34: Restricted schemes with a claims ratio increase greater than 15% (2020 and 2021)

Ref. no.	Name of medical scheme	Claims ratio	Claims ratio	Average age per beneficiary	Average age per beneficiary	Solvency	Solvency	Prescribed solvency
		2020	2021	2020	2021	2020	2021	
1548	Medipos Medical Scheme	146.08	190.50	37.50	37.89	67.70	36.08	25.00
1572	Engen Medical Benefit Fund	71.27	91.60	40.55	41.15	110.88	122.59	25.00
1086	Foodmed Medical Scheme	48.09	61.21	30.68	30.88	590.33	576.61	25.00
1197	Libcare Medical Scheme	80.83	102.71	32.00	33.71	105.07	110.02	25.00
1424	SABC Medical Aid Scheme	80.73	100.01	36.36	37.55	83.40	86.47	25.00
1043	Chartered Accountants (SA) Medical Aid Fund (CAMAF)	76.03	93.94	31.48	31.99	54.32	55.50	25.00
1582	Transmed Medical Fund	81.23	99.62	56.04	56.61	22.37	19.72	25.00
1465	Alliance-Midmed Medical Scheme	77.77	94.87	33.96	34.18	53.71	54.69	25.00
1201	Rand Water Medical Scheme	75.18	88.86	31.40	31.01	137.82	142.43	25.00
1469	Nedgroup Medical Aid Scheme	84.17	98.34	34.35	34.97	45.71	46.76	25.00
1253	Glencore Medical Scheme	88.02	102.73	26.11	26.21	64.82	63.11	25.00
1241	Multichoice Medical Aid Scheme	80.47	93.66	26.54	26.77	98.98	95.41	25.00
1234	Sasolmed	89.83	104.16	31.63	31.48	51.07	49.16	25.00
1214	Old Mutual Staff Medical Aid Fund	83.93	97.30	34.87	35.35	48.32	52.15	25.00
1495	Massmart Health Plan	83.55	96.80	31.60	32.07	67.44	69.97	25.00
1291	Witbank Coalfields Medical Aid Scheme	81.68	94.46	29.01	28.83	99.12	96.99	25.00

Medipos Medical Scheme's increased claims ratio is attributable to the non-receipt of a number of monthly contributions from its employer group. In Case No. J1144/21, the Honourable Justice Tlhothlhemajwe ordered the South African Post Office (SOC) Ltd on 28 September 2021, subject to the approval of the CMS, to pay a certain amount of contributions on a monthly basis. Council granted the scheme an exemption from compliance with Section 26(7), Section 32 of the Medical Schemes Act 131 of 1998 and Scheme Rule 13.3, to allow a contribution deferral based on the terms and conditions of the court order on 13 October 2021. The exemption was granted until 31 December 2022.

All the schemes whose claims ratios increased by more than 15% during 2021 have solvency ratios that are above the minimum required statutory level of 25%.

The top ten schemes with the highest claims ratios for both open and restricted schemes in 2021 are shown in Table 35 and Table 36.

Table 35: Top ten open scheme claims ratios (2020 and 2021)

Ref. no.	Name of medical scheme	Claims ratio	Claims ratio	Average age per beneficiary	Average age per beneficiary	Solvency	Solvency
		2020	2021	2020	2021	2020	2021
1141	Health Squared Medical Scheme	89.92	102.89	46.68	47.09	17.32	6.04
1034	Cape Medical Plan	87.26	99.84	41.49	42.24	98.69	95.80
1537	Hosmed Medical Aid Scheme	85.61	98.34	33.58	-	38.74	-
1491	Compcare Wellness Medical Scheme	81.75	98.25	41.78	42.17	49.51	43.11
1202	Fedhealth Medical Scheme	84.29	96.85	40.14	40.86	44.66	42.76
1464	Suremed Health	82.96	96.78	40.36	40.98	115.04	115.60
1486	Sizwe Hosmed Medical Fund	85.86	95.28	31.90	32.64	38.62	49.42
1149	Medihelp	79.00	92.01	37.42	37.55	40.28	39.85
1252	Bestmed Medical Scheme	76.71	90.69	37.40	37.28	47.29	45.68
1125	Discovery Health Medical Scheme	76.18	90.09	34.94	35.25	36.93	38.01

Table 36: Top ten restricted scheme claims ratios (2020 and 2021)

Ref. no.	Name of medical scheme	Claims ratio	Claims ratio	Average age per beneficiary	Average age per beneficiary	Solvency	Solvency
		2020	2021	2020	2021	2020	2021
1548	Medipos Medical Scheme	146.08	190.50	37.50	37.89	67.70	36.08
1270	Golden Arrow Employees' Medical Benefit Fund	111.19	125.98	35.38	35.14	270.42	354.38
1237	BP Medical Aid Society	106.89	120.11	47.02	49.31	137.73	159.18
1012	Anglo Medical Scheme	95.56	108.10	42.79	42.31	450.02	467.40
1234	Sasolmed	89.83	104.16	31.63	31.48	51.07	49.16
1068	De Beers Benefit Society	94.09	104.09	49.76	49.87	182.09	187.09
1253	Glencore Medical Scheme	88.02	102.73	26.11	26.21	64.82	63.11
1197	Libcare Medical Scheme	80.83	102.71	32.00	33.71	105.07	110.02
1038	SAMWUMed	92.74	100.26	32.85	32.86	98.50	94.04
1424	SABC Medical Aid Scheme	80.73	100.01	36.36	37.55	83.40	86.47

Medipos Medical Scheme's increased claims ratio is attributable to the non-receipt of a number of monthly contributions from its employer group.



Non-healthcare expenditure

Non-healthcare expenditure consists of commercial reinsurance agreements, administration expenditure, broker costs and impaired receivables. The non-healthcare expenditure for all medical schemes at the end of 2021 was reported at R17.72 billion, an increase of 3.41% from R17.14 billion in 2020.

The non-healthcare ratio (as a % of RCI) increased from 8.61% in 2020 to 8.66% in 2021.

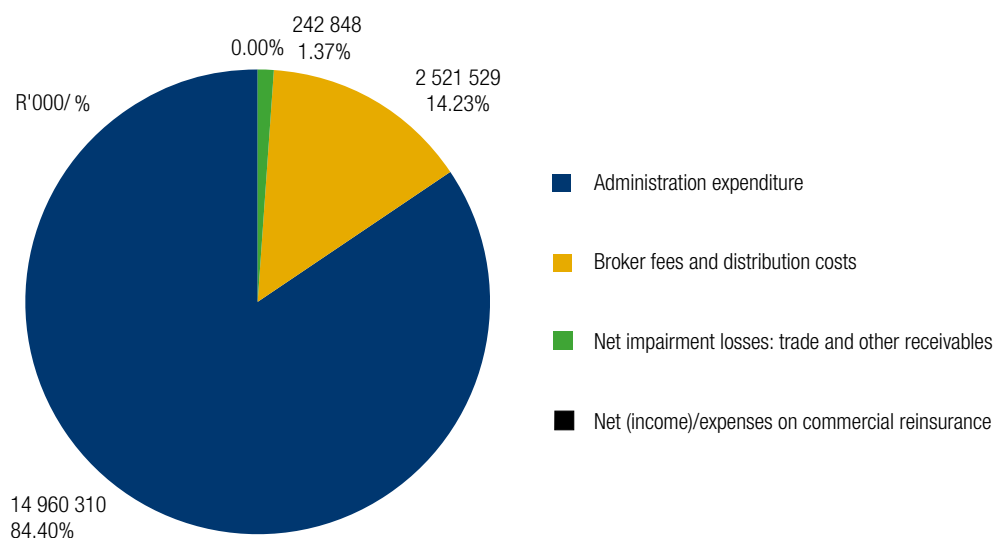


Figure 54: Distribution of non-healthcare expenditure of medical schemes (2021)

Administration expenditure is the largest component of non-healthcare expenditure (84.40%), followed by broker fees and other distribution costs (14.23%) and impaired receivables (1.37%).

Trends in non-healthcare expenditure

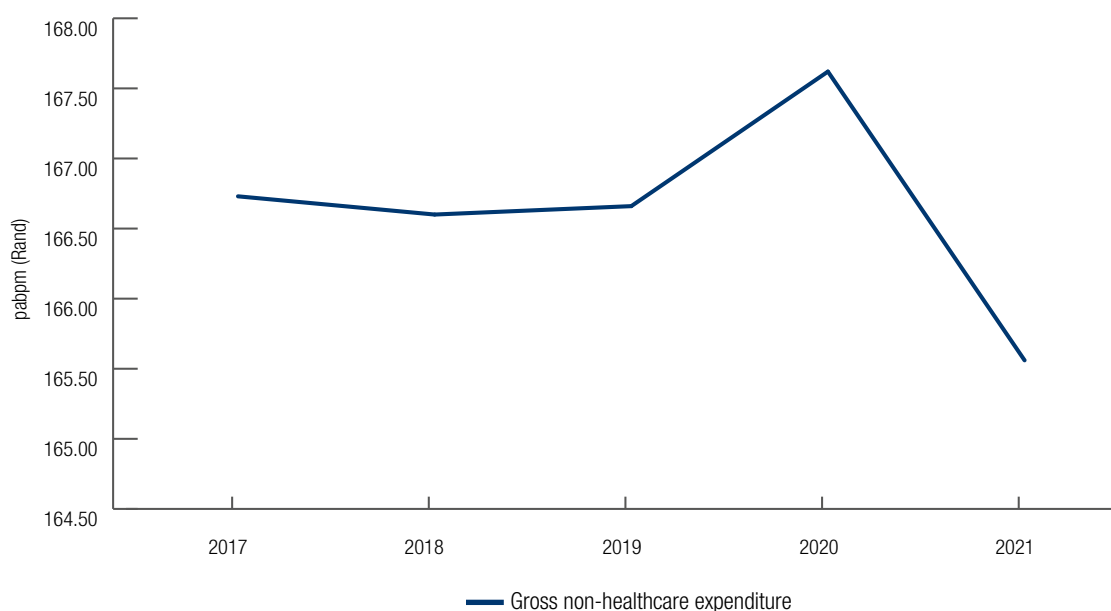


Figure 55: Gross non-healthcare expenditure in 2021 prices* (2017–2021)

pabpm = per average beneficiary per month

*Values for 2017–2021 were adjusted for CPI

Gross non-healthcare expenditure pabpm (adjusted for inflation) has decreased by 0.70% since 2017. In the interests of member protection, it is important that such expenditure be associated with a discernible value proposition.

As mentioned in the contributions section of this report, in 2021 schemes endeavoured to restrict their contribution increases in an attempt to aid members during the economic recession.

Circular 52 of 2020 requested schemes to engage their business partners to forego any increase in relation to administration and managed care fees for the 2021 year. A year-on-year increase of 3.22% in non-healthcare expenditure pabpm was experienced, which in real terms represents a decrease of 1.23%. It is clear that as part of the 2021 pricing negotiations, schemes were able to limit non-healthcare expenditure tariff increases.

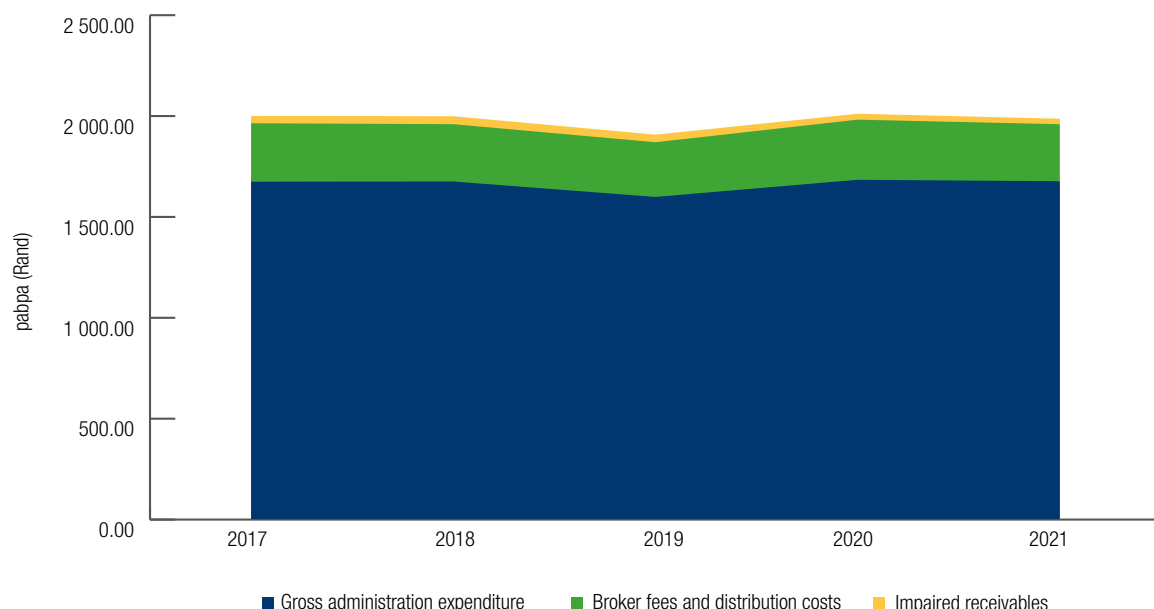


Figure 56: Non-healthcare expenditure pabpa in 2021 prices* (2017–2021)

pabpa = per average beneficiary per annum

**Values for 2017–2021 were adjusted for CPI*

A marginal decrease of 1.23% in non-healthcare expenditure, from R2 011.45 pabpa in 2020 to R1 986.69 pabpa in 2021, was experienced.

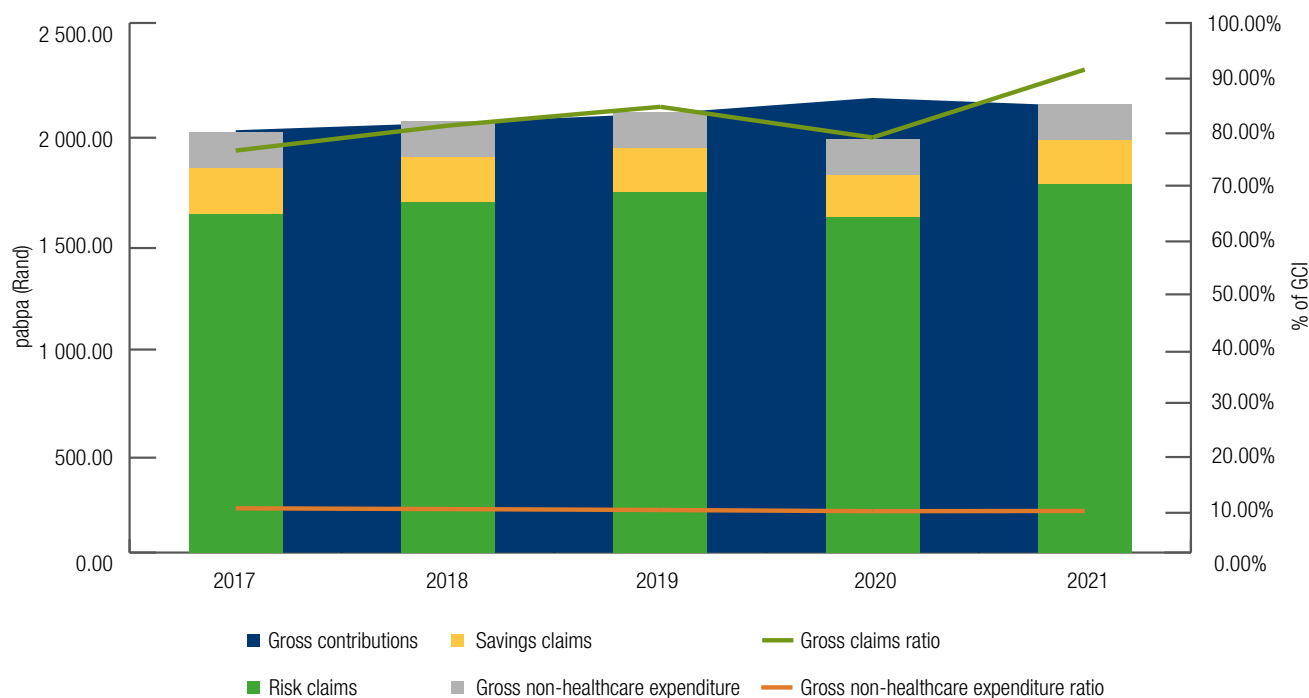


Figure 57: Claims and non-healthcare expenditure pabpm in 2021 prices* (2017–2021)

pabpm = per average beneficiary per month

GCI = Gross Contribution Income

**Values for 2017–2021 were adjusted for CPI*

Because the increase in gross contributions outpaced non-healthcare expenditure, the ratio diminished over time, resulting in a gross non-healthcare expenditure ratio of 7.86% at the end of 2021.

Table 37 shows that total non-healthcare expenditure has decreased marginally by 0.70% over the last five years.

Table 37: Trends in contributions, claims and non-healthcare expenditure in 2021 prices* (2017–2021)

	Gross contributions		Gross claims		Gross non-healthcare expenditure	
	pabpa	%	pabpa	%	pabpa	%
	R	growth	R	growth	R	growth
2017	23 924.16		21 358.40		2 000.72	
2018	24 343.31	1.75	22 044.74	3.21	1 999.22	-0.07
2019	24 869.22	2.16	22 600.23	2.52	1 999.95	0.04
2020	25 751.03	3.55	21 093.07	-6.67	2 011.45	0.58
2021	25 291.80	-1.78	23 067.02	9.36	1 986.69	-1.23
since 2017		5.72		8.00		-0.70

pabpa = per average beneficiary per annum

** Values for 2017–2021 were adjusted for CPI*

Based on Figure 58, which shows a comparison of non-healthcare expenditure between open and restricted schemes, it is evident that expenditure in restricted schemes is much lower than in open schemes on a pabpm basis. This is partly because restricted schemes do not incur the same level of marketing (including advertising) expenditure and broker fees as the open scheme industry.

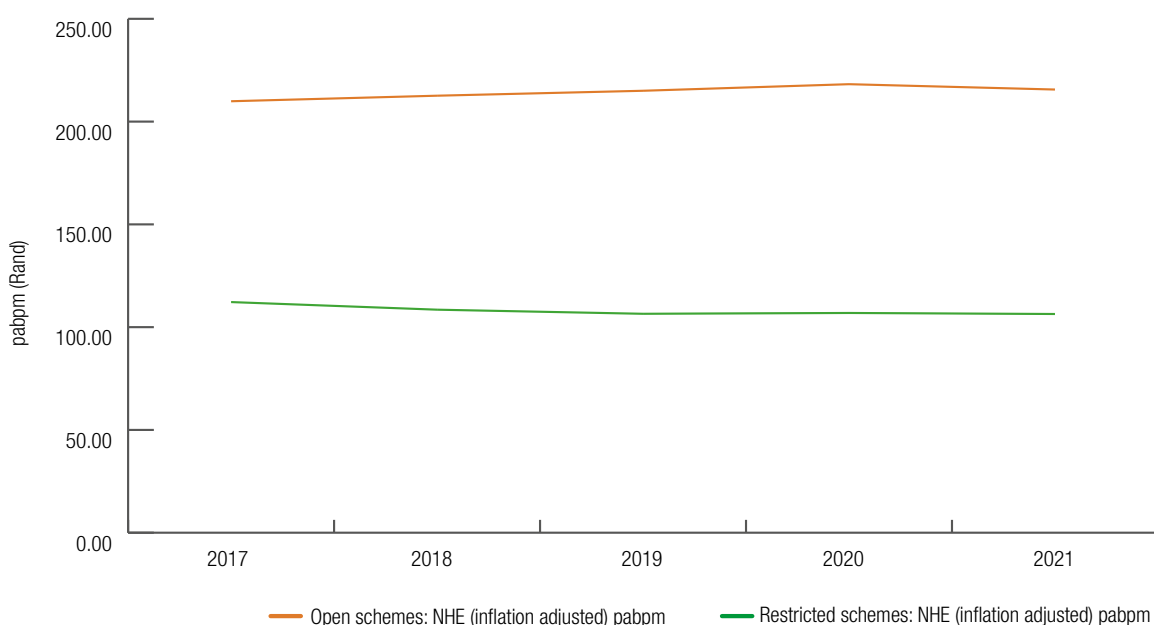


Figure 58: Non-healthcare expenditure in open and restricted schemes in 2021 prices* (2017–2021)

pabpm = per average beneficiary per month

**Values for 2017–2021 were adjusted for CPI*

Schemes with high non-healthcare expenditure

Table 38 shows the nine open schemes with non-healthcare expenditure greater than the industry average of R215.59 pabpm and highlights those schemes exceeding the open schemes average of 11.15% when expressed as a percentage of Risk Contribution Income (RCI).

Table 38: Trends in claims, non-healthcare expenditure, and reserve-building as a percentage of contributions among open schemes (2020 and 2021)

Ref. no.	Name of medical scheme	Net non-healthcare expenditure		Net claims incurred		Net non-healthcare expenditure		Reserve-building		
		2020	2021	2020	2021	2020	2021	2020	2021	%
		pabpm R	pabpm R	As % of RCI	As % of RCI	As % of RCI	As % of RCI	As % of RCI	As % of RCI	change
1141	Health Squared Medical Scheme	303.05	323.02	89.92	102.89	12.11	12.62	-2.04	-15.50	-659.80
1491	Compicare Wellness Medical Scheme	261.85	275.28	81.75	98.25	13.16	12.72	5.09	-10.96	-315.32
1202	Fedhealth Medical Scheme	256.80	264.28	84.29	96.85	12.63	12.15	3.08	-9.00	-392.21
1464	Suremed Health	257.00	260.95	82.96	96.78	12.81	12.62	4.23	-9.41	-322.46
1087	Keyhealth	239.62	252.47	77.81	89.47	9.22	9.85	12.96	0.68	-94.75
1486	Sizwe Hosmed Medical Fund	221.60	242.11	85.86	95.28	11.31	12.11	2.83	-7.39	-361.13
1125	Discovery Health Medical Scheme	215.05	221.63	76.18	90.09	11.65	11.77	12.17	-1.87	-115.37
1167	Momentum Medical Scheme	214.72	220.60	72.28	87.36	14.75	14.74	12.97	-2.10	-116.19
1140	Medshield Medical Scheme	197.54	218.22	78.99	88.74	10.02	10.81	10.99	0.46	-95.81
	Industry average - open schemes	208.80	215.59	78.18	90.55	10.99	11.15	10.83	-1.69	-115.60

pabpm = per average beneficiary per month

RCI = Risk Contribution Income

Table 39 shows the ten restricted schemes with highest non-healthcare expenditure pabpm. These schemes' non-healthcare expenditure exceeded the industry average of R106.39 pabpm. Table 39 furthermore highlights those schemes exceeding the restricted schemes average of 5.64% when expressed as a percentage of Risk Contribution Income (RCI).

Table 39: Trends in claims, non-healthcare expenditure, and reserve-building as a percentage of contributions among restricted schemes (2020 and 2021)

Ref. no.	Name of medical scheme	Net non-healthcare expenditure		Net claims incurred		Net non-healthcare expenditure		Reserve-building		
		2020	2021	2020	2021	2020	2021	2020	2021	%
		pabpm R	pabpm R	As % of RCI	As % of RCI	As % of RCI	As % of RCI	As % of RCI	As % of RCI	change
1194	Profmed	261.15	254.69	82.21	94.50	11.69	10.93	6.09	-5.43	-189.16
1566	Horizon Medical Scheme	146.17	247.65	76.65	71.01	13.12	23.03	10.23	5.96	-41.74
1068	De Beers Benefit Society	202.69	227.51	94.09	104.09	6.72	7.12	-0.81	-11.21	-1 283.95
1441	Parmed Medical Aid Scheme	185.09	220.06	85.60	89.92	3.49	3.96	10.91	6.11	-44.00
1043	Chartered Accountants (SA) Medical Aid Fund (CAMAF)	189.23	189.57	76.03	93.94	8.17	8.03	15.80	-1.97	-112.47
1145	LA-Health Medical Scheme	176.62	178.50	76.03	81.70	11.88	11.63	12.09	6.66	-44.91
1516	Quantum Medical Aid Society	153.24	175.79	85.35	96.56	9.45	10.00	5.20	-6.55	-225.96
1237	BP Medical Aid Society	236.28	173.96	106.89	120.11	9.12	6.15	-16.01	-26.26	-64.02
1597	Umvuzo Health Medical Scheme	158.11	166.73	78.41	83.37	10.47	10.55	11.12	6.08	-45.32
1582	Transmed Medical Fund	151.98	166.68	81.23	99.62	8.22	9.82	10.54	-9.44	-189.56
	Industry average – restricted schemes	102.31	106.39	85.38	91.42	5.62	5.64	8.99	2.94	-67.30

pabpm = per average beneficiary per month

RCI = Risk Contribution Income

Figure 59 depicts those open schemes whose non-healthcare expenditure, as a percentage of risk contribution income, exceeds the industry average of 11.15%, whilst their solvency ratio is below the open schemes average of 39.61%.

Figure 60 shows the restricted schemes whose non-healthcare expenditure as a percentage of risk contribution income exceeds the industry average of 5.64%, whilst their solvency ratio is below the restricted schemes average of 56.15%.

It is concerning that some of these medical schemes fall below the 25.0% solvency target yet exhibit high levels of non-healthcare expenditure. This is an area that needs to be continually assessed and reviewed to ensure efficiencies.

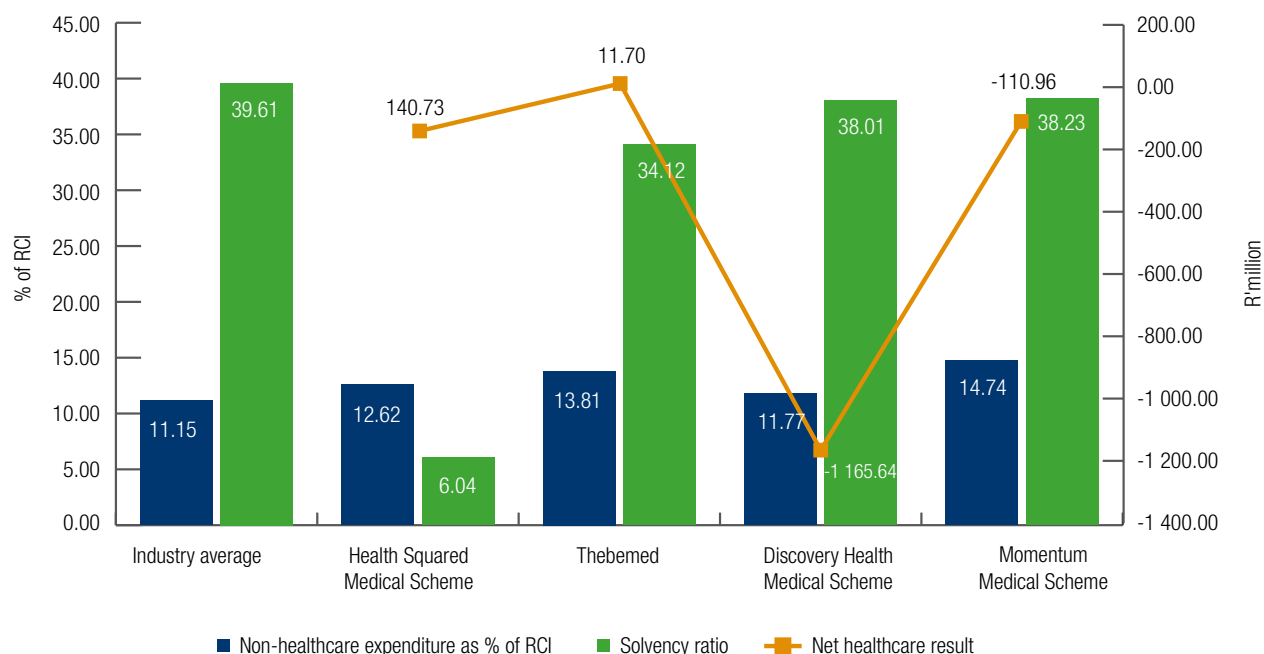


Figure 59: Open schemes with high non-healthcare expenditure and solvency ratios below average (2021)

RCI = Risk Contribution Income

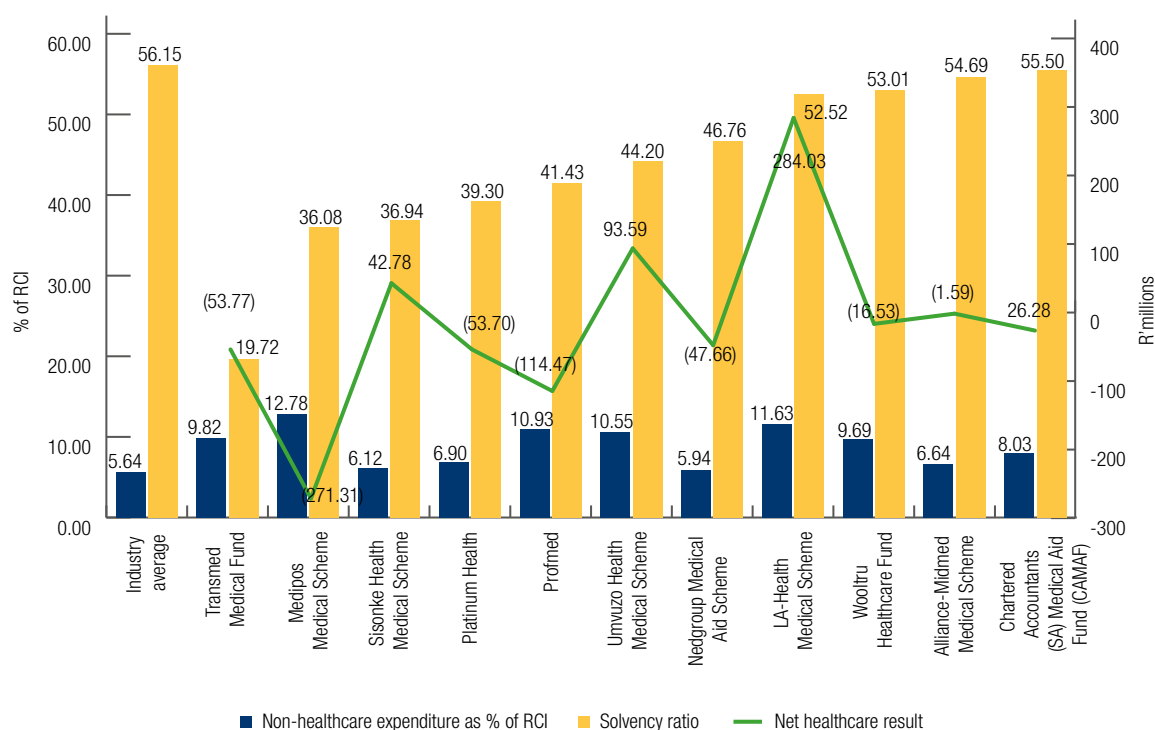


Figure 60: Restricted schemes with high non-healthcare expenditure and solvency ratios below average (2021)

RCI = Risk Contribution Income

Administration expenditure

Administration expenditure, being the largest component of non-healthcare expenditure in all medical schemes, grew by 4.25% to R14.96 billion in 2021 from R14.35 billion in 2020.

Open schemes increased their administration expenditure by 3.88% to R10.00 billion, from R9.62 billion in 2020. Restricted schemes increased their administration expenditure by 5.00%, from R4.73 billion in 2020 to R4.96 billion in 2021.

Administration expenditure accounted for 6.63% of Gross Contribution Income (GCI) in 2021 (2020: 6.54%). Eight open schemes (representing 10.86% of all average beneficiaries) and eight restricted schemes (representing 3.94% of all average beneficiaries) had an overall administration expenditure greater than 10.00% of GCI in 2021.

Table 40 shows administration expenditure by type of scheme administration.

Table 40: Gross Administration Expenditure (GAE) in 2021 prices* (2017–2021)

	Open schemes				Restricted schemes			
	Self-administered		Third party		Self-administered		Third party	
	pabpm R	% change	pabpm R	% change	pabpm R	% change	pabpm R	% change
2017	162.15		166.51		92.24		107.60	
2018	156.46	-3.51	170.94	2.66	121.84	32.09	100.74	-6.38
2019	155.44	-0.65	172.17	0.72	126.83	4.09	98.99	-1.73
2020	156.97	0.99	175.04	1.66	126.97	0.11	99.23	0.25
2021	155.86	-0.71	174.60	-0.25	121.90	-3.99	99.11	-0.13

pabpm = per average beneficiary per month

*Values for 2017–2021 were adjusted for CPI

Open schemes

During 2021, there were five self-administered open schemes (2020:5), representing 579 416 average beneficiaries (2020:584 305), and 13 third-party-administered open schemes (2020:13), representing 4 254 905 average beneficiaries (2020: 4 273 471).

Self-administered open schemes experienced a real decrease of 0.71% in expenditure on administration, from R156.97 pabpm in 2020 to R155.86 pabpm in 2021, while third-party-administered open schemes decreased their expenditure by 0.25% in real terms to R174.60 pabpm from R175.04 pabpm in 2020. Third-party-administered open schemes paid 12.02% more for administration expenditure than self-administered open schemes. This figure was 11.51% higher in 2020.

Restricted schemes

During 2021, there were ten self-administered restricted schemes (2020:10), representing 367 584 average beneficiaries (2020:357 197), and 47 third-party-administered restricted schemes (2020:48), representing 3 719 806 average beneficiaries (2020:3 689 706).

Self-administered restricted schemes expended 22.99% more on administration, at R121.90 pabpm, compared with the R99.11 pabpm of third-party administered restricted schemes (2020:27.95%).

The GAE pabpm in the open scheme industry is significantly higher than that of the restricted scheme industry. The same trend is noted when comparing the costs incurred in respect of third party administered and self-administered schemes respectively between the two industries. This is partly because restricted schemes do not incur the same level of marketing (including advertising) expenditure and broker fees as the open scheme industry.



Table 41 and Figure 61 show the ten open schemes with the highest administration expenditure pabpm. A high cost per life covered is sometimes the function of a low average number of beneficiaries rather than high absolute administration costs. Schemes need to operate with a certain number of lives for average operational costs to be lower and make the business more profitable and sustainable into the long term.

Table 41: Ten open schemes with administration expenditure above the industry average of R172.35 pabpm (2021)

Ref. no.	Name of scheme	Name of administrator	Average beneficiaries	Administration expenditure	Administration expenditure	Administration expenditure
				R'000	pabpm R	% of GCI
1141	Health Squared Medical Scheme	Agility Health (Pty) Ltd	29 549	102 242	288.34	10.67
1491	Compicare Wellness Medical Scheme	Universal Healthcare Administrators (Pty) Ltd	29 395	87 721	248.68	10.20
1087	Keyhealth	Professional Provident Society Healthcare Administrators (Pty) Ltd	70 124	195 458	232.28	8.48
1464	Suremed Health	Momentum Thebe Ya Bophelo (Pty) Ltd	2 002	5 491	228.56	10.21
1202	Fedhealth Medical Scheme	Medscheme Holdings (Pty) Ltd	135 711	358 490	220.13	9.88
1486	Sizwe Hosmed Medical Scheme	3sixty Health (Pty) Ltd	118 748	300 035	210.55	10.50
1167	Momentum Medical Scheme	Momentum Health Solutions (Pty) Ltd	293 939	650 492	184.42	11.73
1554	Genesis Medical Scheme	Self-Administered	20 027	42 357	176.25	11.78
1034	Cape Medical Plan	Self-Administered	8 244	17 269	174.56	8.85
1125	Discovery Health Medical Scheme	Discovery Health (Pty) Ltd	2 765 100	5 779 424	174.18	7.62

GCI = Gross Contribution Income

pabpm = per average beneficiary per month

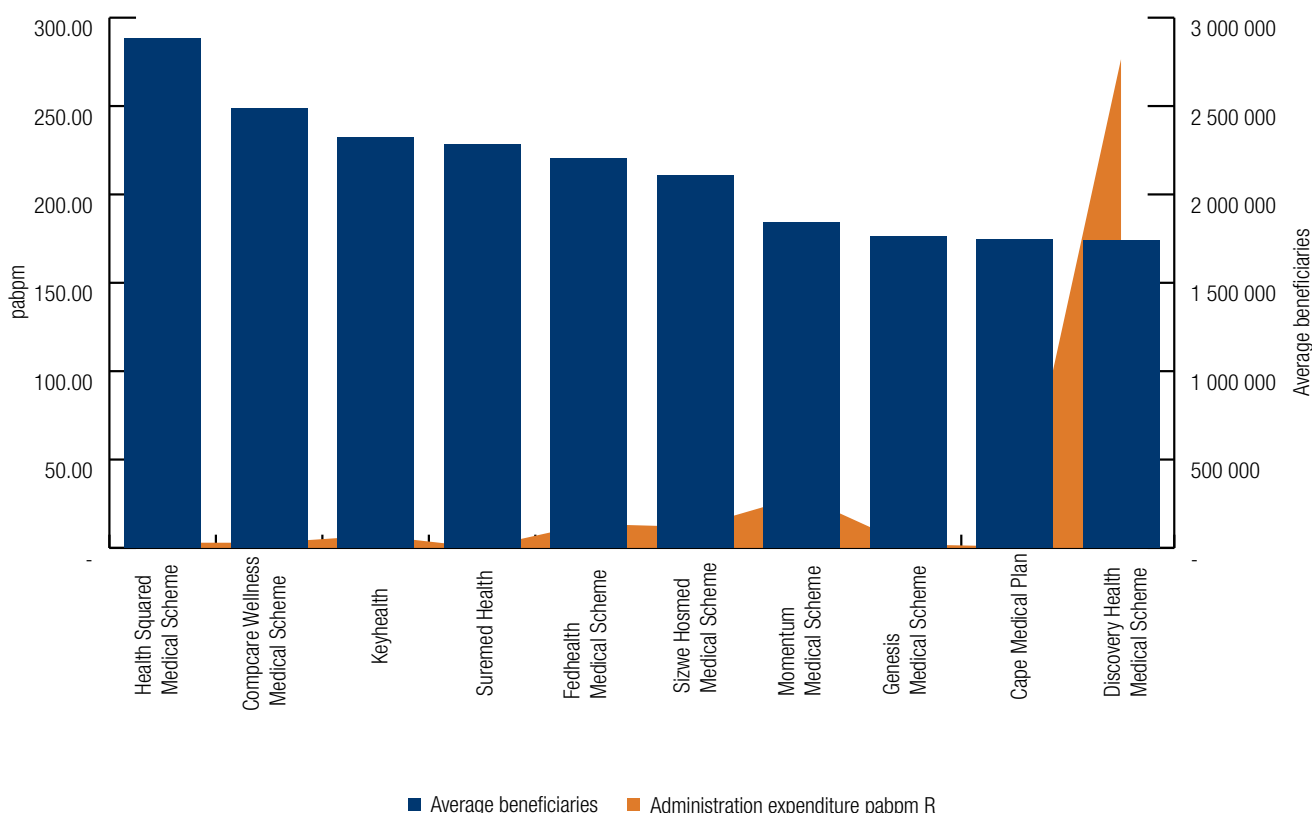


Figure 61: Ten open schemes with administration expenditure above the industry average of R172.35 pabpm (2021)

pabpm = per average beneficiary per month

Table 42 and Figure 62 show the ten restricted schemes with the highest administration expenditure pabpm.

Table 42: Ten restricted schemes with the highest administration expenditure above the industry average of R101.16 pabpm (2021)

Ref. no.	Name of scheme	Name of administrator	Average beneficiaries	Administration expenditure	Administration expenditure	Administration expenditure
				R'000	pabpm R	% of GCI
1566	Horizon Medical Scheme	Medscheme Holdings (Pty) Ltd	1 805	5 311	245.20	22.53
1194	Profmed	Professional Provident Society Healthcare Administrators (Pty) Ltd	75 336	215 825	238.74	10.25
1068	De Beers Benefit Society	Self-Administered	8 765	23 802	226.30	7.08
1441	Parmed Medical Aid Scheme	Medscheme Holdings (Pty) Ltd	4 448	10 419	195.20	3.51
1043	Chartered Accountants (SA) Medical Aid Fund (CAMAF)	Self-Administered	47 042	106 579	188.80	7.39
1237	BP Medical Aid Society	Momentum Health Solutions (Pty) Ltd	2 936	6 143	174.36	6.17
1516	Quantum Medical Aid Society	Discovery Health (Pty) Ltd	5 886	7 116	172.71	8.43
1582	Transmed Medical Fund	Momentum Health Solutions (Pty) Ltd	27 967	55 723	166.04	9.78
1571	Anglovaal Group Medical Scheme	Discovery Health (Pty) Ltd	4 823	9 239	159.63	6.24
1012	Anglo Medical Scheme	Discovery Health (Pty) Ltd	17 645	33 762	159.45	5.73

GCI = Gross Contribution Income

pabpm = per average beneficiary per month

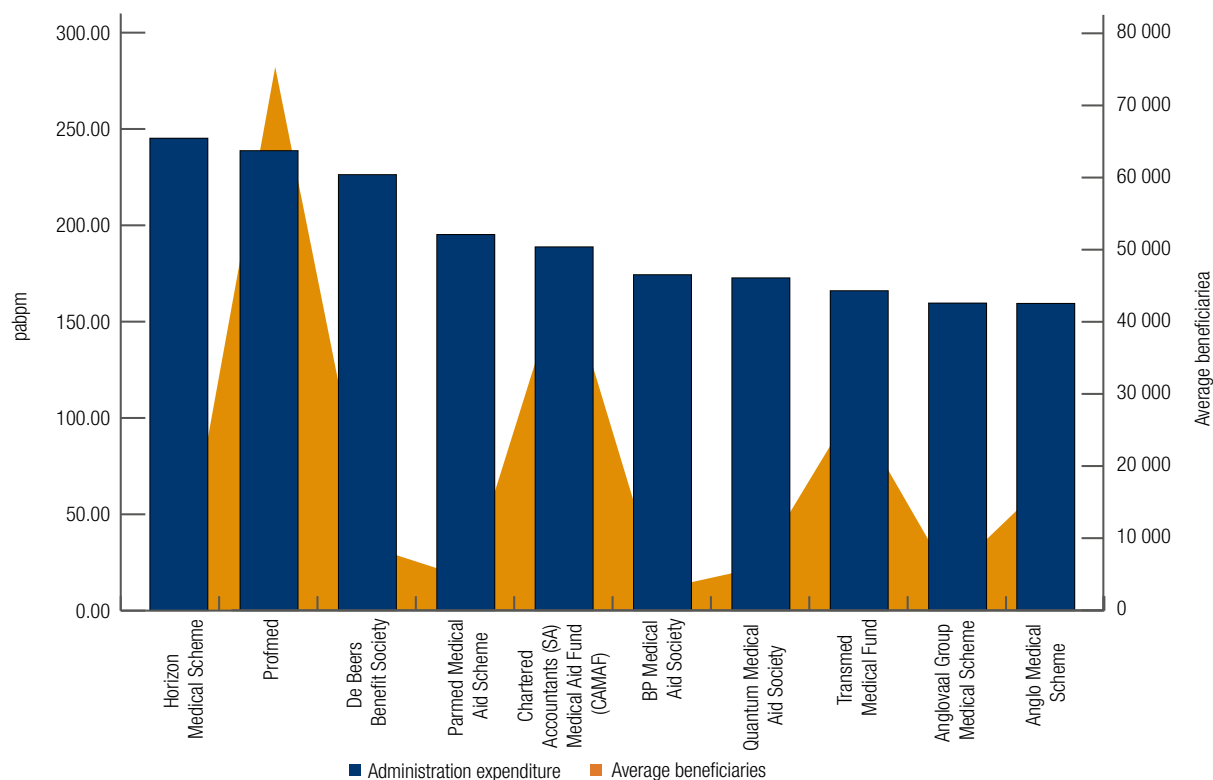


Figure 62: Ten restricted schemes with the highest administration expenditure above the industry average of R101.16 pabpm (2021)

pabpm = per average beneficiary per month



Fees paid in respect of accredited administration services and other administration services

Circular 77 of 2019 (with effective date 1 January 2021) was issued to standardise the contracting and reporting of accredited administration services and other administration services, thereby ensuring transparency which would allow for more efficient monitoring and comparability across the industry of the individual services contracted.

Fees paid in respect of accredited administration services (and co-administration) to third-party administrators were the main component of Gross Administration Expenditure (GAE). The R9.46 billion incurred in 2021 represented 70.90% of GAE of schemes which incurred this expenditure.

Fees paid to accredited administrators in respect of other services (such as marketing expenditure, forensic investigations and recoveries and internal audit services) were valued at R1.17 billion in 2021, and represented 14.64% of GAE of schemes which incurred this expenditure in 2021.

Table 43 shows the total fees paid to third-party administrators in respect of accredited administration services and other administration services.

Table 43: Total fees paid to third-party administrators in respect of accredited administration services and other administration services pabpm (2020 and 2021)

	Open schemes			Restricted schemes		
	2020	2021	% Variance	2020	2021	% Variance
	pabpm R	pabpm R		pabpm R	pabpm R	
Third party						
Administration fees	147.58	152.94	3.63	56.60	59.74	5.55
Co-administration fees	-	-0.74	-100.00	6.85	7.07	3.21
Total	147.58	152.95	3.64	60.17	63.56	5.63

pabpm = per average beneficiary per month

Kindly refer to the administrator market section of this report for further information relating to third-party administrators.

On average, third-party-administered open schemes spent 140.64% more per beneficiary on administration fees than third-party-administered restricted schemes (2020: 145.27%).

Tables 44 and 45 show the ten schemes with the highest fees paid in respect of accredited administration services to their administrators (pampm).

Table 44: Ten open schemes with the highest fees paid in respect of accredited administration services pampm – industry average R275.44 pampm (2021)

Ref. no.	Name of medical scheme	Name of administrator	Average members	Fee paid in respect of accredited administration services pampm R
1125	Discovery Health Medical Scheme	Discovery Health (Pty) Ltd	1 339 822	310.93
1491	Compicare Wellness Medical Scheme	Universal Healthcare Administrators (Pty) Ltd	18 167	309.27
1202	Fedhealth Medical Scheme	Medscheme Holdings (Pty) Ltd	71 062	271.68
1141	Health Squared Medical Scheme	Agility Health (Pty) Ltd	17 643	259.09
1087	Keyhealth	Professional Provident Society Healthcare Administrators (Pty) Ltd	33 621	238.27
1464	Suremed Health	Momentum Thebe Ya Bophelo (Pty) Ltd	1 036	219.19
1486	Sizwe Hosmed Medical Scheme	3sixty Health (Pty) Ltd	49 899	217.54
1506	Medimed Medical Scheme	Momentum Thebe Ya Bophelo (Pty) Ltd	5 814	211.01
1512	Bonitas Medical Fund	Medscheme Holdings (Pty) Ltd	340 138	200.41
1167	Momentum Medical Scheme	Momentum Health Solutions (Pty) Ltd	153 261	197.16

pampm = per average member per month

Table 45: Ten restricted schemes with the highest fees paid in respect of accredited administration services pampm – industry average R144.22 pampm (2021)

Ref. no.	Name of medical scheme	Name of administrator	Average members	Fee paid in respect of accredited administration services pampm R
1194	Profmed	Professional Provident Society Healthcare Administrators (Pty) Ltd	36 369	281.01
1590	Building & Construction Industry Medical Aid Fund	Universal Healthcare Administrators (Pty) Ltd	4 181	266.28
1571	Anglovaal Group Medical Scheme	Discovery Health (Pty) Ltd	2 426	259.86
1145	LA-Health Medical Scheme	Discovery Health (Pty) Ltd	91 759	258.75
1520	University of Kwa-Zulu Natal Medical Scheme	Discovery Health (Pty) Ltd	3 408	247.31
1578	TFG Medical Aid Scheme	Discovery Health (Pty) Ltd	3 169	236.64
1572	Engen Medical Benefit Fund	Discovery Health (Pty) Ltd	3 295	236.42
1441	Parmed Medical Aid Scheme	Medscheme Holdings (Pty) Ltd	2 424	236.25
1241	Multichoice Medical Aid Scheme	Discovery Health (Pty) Ltd	3 534	234.18
1013	Rhodes University Medical Scheme	Momentum Thebe Ya Bophelo (Pty) Ltd	1 200	230.42

pampm = per average member per month

Although the services provided by the various administrators of schemes as well as the benefit option design may vary, there does not seem to be a correlation between the scheme size and the administration fees charged in the restricted scheme environment.

Table 46 depicts the breakdown of the total fee paid in respect of accredited administration services.

Table 46: Breakdown of fees paid to third-party administrators in respect of accredited administration services (2021)

Component of accredited administration service	Open schemes	Restricted schemes
	% of total fee	% of total fee
Member record management	10.63	8.01
Contribution management	8.73	8.17
Claims management	14.44	22.08
Financial management	1.63	3.49
Information management and data control	16.68	15.62
Broker remuneration management	2.67	0.24
Customer services	45.22	42.39

The majority of the fees paid in respect of accredited administration services relate to customer services in both the open and restricted scheme environments. Annexure W provides the detailed breakdown of the accredited administration services provided per scheme.

Tables 47 and 48 show the schemes with the highest fees paid to their administrators in respect of accredited administration services (pampm).

Table 47: Open schemes which paid fees to accredited administrators in respect of other administration services pampm – industry average R41.36 pampm (2021)

Ref. no.	Name of medical scheme	Name of administrator	Average members	Fee paid to accredited administrator in respect of other administration services pampm R
1167	Momentum Medical Scheme	Momentum Health Solutions (Pty) Ltd	153 261	143.95
1202	Fedhealth Medical Scheme	Medscheme Holdings (Pty) Ltd	71 062	48.46
1125	Discovery Health Medical Scheme	Discovery Health (Pty) Ltd	1 339 822	34.56
1512	Bonitas Medical Fund	Medscheme Holdings (Pty) Ltd	340 138	22.57
1506	Medimed Medical Scheme	Momentum Thebe Ya Bophelo (Pty) Ltd	5 814	2.22
1464	Suremed Health	Momentum Thebe Ya Bophelo (Pty) Ltd	1 036	1.85
1592	Thebemed	Momentum Thebe Ya Bophelo (Pty) Ltd	11 375	1.44

pampm = per average member per month

Table 48: Restricted schemes which paid the highest fees to accredited administrators in respect of other administration services pampm – industry average R27.05 pampm (2021)

Ref. no.	Name of medical scheme	Name of administrator	Average members	Fee paid to accredited administrator in respect of other administration services pampm R
1145	LA-Health Medical Scheme	Discovery Health (Pty) Ltd	91 759	71.00
1600	Motohealth Care	Momentum Health Solutions (Pty) Ltd	16 948	68.36
1563	Pick n Pay Medical Scheme	Momentum Health Solutions (Pty) Ltd	7 008	47.08
1186	PG Group Medical Scheme	Momentum Health Solutions (Pty) Ltd	1 320	36.62
1293	Wooltru Healthcare Fund	Momentum Health Solutions (Pty) Ltd	9 579	34.69
1005	AECI Medical Aid Society	Medscheme Holdings (Pty) Ltd	5 594	34.35
1039	MBMed Medical Aid Fund	Medscheme Holdings (Pty) Ltd	4 470	27.20
1441	Parmed Medical Aid Scheme	Medscheme Holdings (Pty) Ltd	2 424	27.12
1270	Golden Arrow Employees' Medical Benefit Fund	Momentum Health Solutions (Pty) Ltd	2 444	23.29
1197	Libcare Medical Scheme	Discovery Administration Services (Pty) Ltd	5 834	23.15

pampm = per average member per month

Table 49 depicts the breakdown of the total fee paid in respect of other administration services.

Table 49: Breakdown of fees paid to third-party administrators in respect of other administration services (2021)

Component of accredited administration service	Open schemes	Restricted schemes
	% of total fee	% of total fee
Actuarial services	2.16	1.45
Benefit management services	-	15.49
Internal audit services	4.75	11.72
Distribution services	5.57	1.02
Broker services (accredited brokers and in-house sales and marketing services)	0.18	0.28
Marketing services	43.50	33.88
Third party claim recovery services	0.62	1.79
Forensic investigations and recoveries	6.77	11.64
Governance and compliance services rendered	5.22	9.59
Other	31.24	13.15

The majority of the fees paid in respect of other administration services relate to marketing services in both the open and restricted scheme environments. Annexure W provides the detailed breakdown of the other administration services provided per scheme.

Fees paid in respect of other services provided by the external auditor

The extent of fees paid to schemes' external auditors in respect of services other than the external assurance function are indicative of possible independence concerns. Schemes' audit committees must evaluate the appropriateness of the services to be provided, and the fee relative to the audit fee, to ensure that the provision of such services does not impair the external auditor's independence or objectivity.

Table 50: Schemes with fees paid to external auditors in respect of other services rendered (2020 and 2021)

Ref. no.	Name of scheme	Name of audit firm	External auditor: fees paid in respect of other services			
			2020	%	2021	%
			R'000	of audit fee	R'000	of audit fee
1252	Bestmed Medical Scheme	Deloitte & Touche	-	13.45	257	0.00
1125	Discovery Health Medical Scheme	PricewaterhouseCoopers Inc	1 867	9.99	706	19.98
1145	LA-Health Medical Scheme	KPMG Inc	12	3.12	26	1.50
1214	Old Mutual Staff Medical Aid Fund	PricewaterhouseCoopers Inc	21	3.04	29	2.18
1194	Profmed	PricewaterhouseCoopers Inc	-	2.78	69	0.00
1279	Bankmed	PricewaterhouseCoopers Inc	-	1.85	27	0.00

Governance-related expenditure

During the past few years governance-related expenditure incurred by medical schemes has come under scrutiny.

Table 51: Top ten open schemes with the highest governance-related expenditure* (pabpm) (2021)

Ref. no.	Name of medical scheme	Average beneficiaries	PO fees R'000	Legal fees R'000	Consulting fees R'000	Trustee remuneration R'000	Investigation fees (fraud and other) R'000	Total governance-related expenditure pabpm
1464	Suremed Health	2 002	657	6	-	1 113	-	73.91
1141	Health Squared Medical Scheme	29 549	2 029	1 292	3 384	3 229	-	28.02
1034	Cape Medical Plan	8 244	1 894	4	424	322	-	26.73
1554	Genesis Medical Scheme	20 027	3 166	1 638	16	711	-	23.01
1140	Medshield Medical Scheme	150 087	6 365	13 412	2 619	4 298	2 544	16.23
1537	Hosmed Medical Aid Scheme	52 089	2 782	-	2 275	4 220	-	14.84
1592	Thebemed	22 048	2 760	519	349	-	-	13.71
1486	Sizwe Hosmed Medical Fund	118 748	3 415	1 130	7 349	6 346	1 018	13.51
1087	Keyhealth	70 124	2 880	5 792	2 591	-	-	13.38
1491	Compicare Wellness Medical Scheme	29 395	2 037	69	-	2 547	-	13.19

pabpm = per average beneficiary per month

* For the purposes of this report, any expenditure on structures related to the governance of medical schemes is included in "governance-related expenditure".

Table 52: Top ten restricted schemes with the highest governance-related expenditure* (pabpm) (2021)

Ref. no.	Name of medical scheme	Average beneficiaries	PO fees R'000	Legal fees R'000	Consulting fees R'000	Trustee remuneration R'000	Investigation fees (fraud and other) R'000	Total governance-related expenditure pabpm
1465	Alliance-Midmed Medical Scheme	3 627	492	307	1 199	-	-	45.91
1237	BP Medical Aid Society	2 936	450	-	939	168	56	45.77
1566	Horizon Medical Scheme	1 805	672	-	83	-	-	34.85
1291	Witbank Coalfields Medical Aid Scheme	24 500	4 623	2 029	761	35	-	25.33
1547	Malcor Medical Scheme	10 729	678	-	1 858	96	395	23.51
1186	PG Group Medical Scheme	2 846	708	-	-	-	84	23.18
1012	Anglo Medical Scheme	17 645	2 516	-	1 006	953	369	22.88
1441	Parmed Medical Aid Scheme	4 448	1 087	-	-	(4)	62	21.44
1582	Transmed Medical Fund	27 967	4 820	46	-	1 443	416	20.04
1548	Medipos Medical Scheme	22 501	1 702	524	32	1 735	670	17.27

pabpm = per average beneficiary per month

* For the purposes of this report, any expenditure on structures related to the governance of medical schemes is included in "governance-related expenditure".

Remuneration and other considerations of trustees accounted for 0.62% of GAE. Table 53 and Figure 63 show the ten schemes with the highest average trustee fees. Figure 64 shows the breakdown of trustee remuneration for the ten schemes with the highest remuneration. Further details are contained in Annexure X.

Table 53: Ten schemes with the highest trustee fees (2020 and 2021)

Ref. no.	Name of medical scheme	Type	Trustee remuneration and other considerations		No. of trustees		Average fee per trustee	
			2020	2021			2020	2021
			R'000	R'000	2020	2021	R'000	R'000
1598	Government Employees Medical Scheme (GEMS)	Restricted	8 322	11 163	12	15	694	744
1125	Discovery Health Medical Scheme	Open	8 028	9 433	7	8	1 147	1 179
1580	South African Police Service Medical Scheme (POLMED)	Restricted	6 577	7 659	17	18	387	426
1486	Sizwe Hosmed Medical Fund	Open	3 768	6 346	12	22	314	288
1512	Bonitas Medical Fund	Open	5 635	6 067	10	11	564	552
1202	Fedhealth Medical Scheme	Open	5 314	4 355	14	12	380	363
1140	Medshield Medical Scheme	Open	4 317	4 298	12	9	360	478
1537	Hosmed Medical Aid Scheme	Open	7 084	4 220	10	10	708	422
1194	Profmed	Restricted	3 805	3 559	9	9	423	395
1141	Health Squared Medical Scheme	Open	3 303	3 229	5	5	661	646

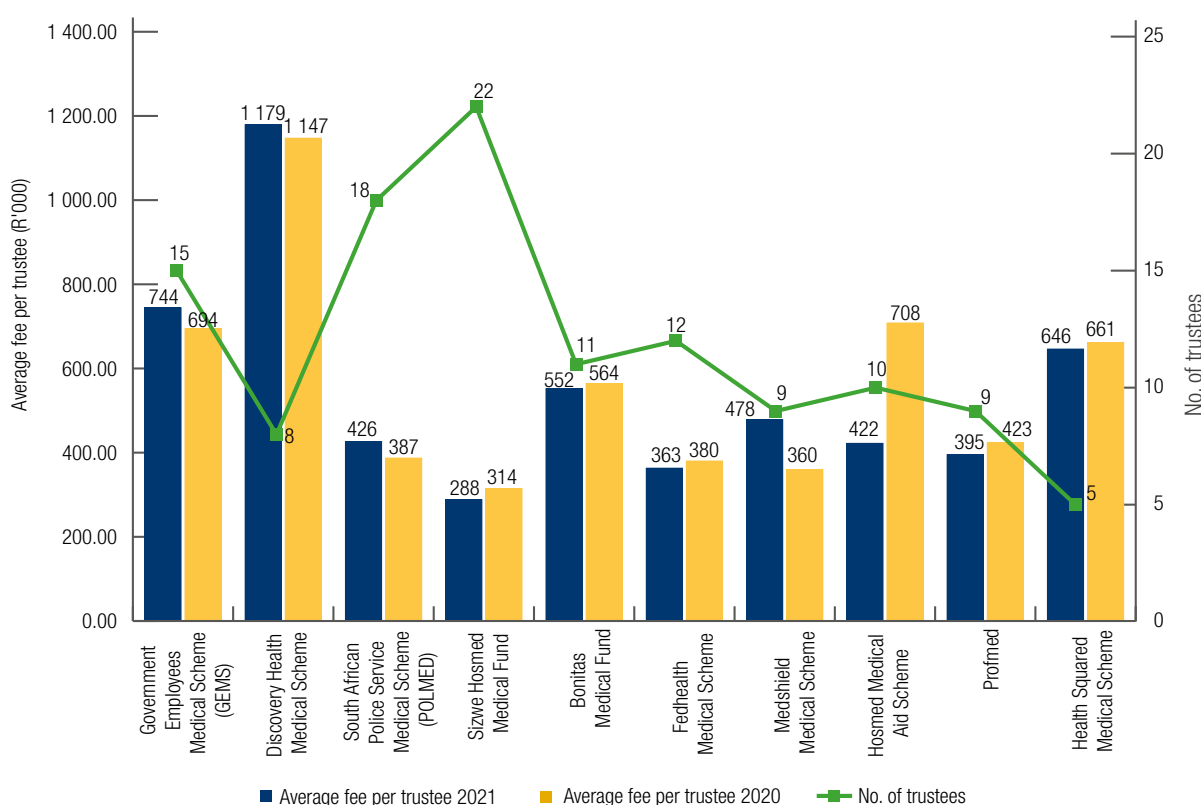


Figure 63: Ten schemes with highest average trustee fees (2021 and 2020)

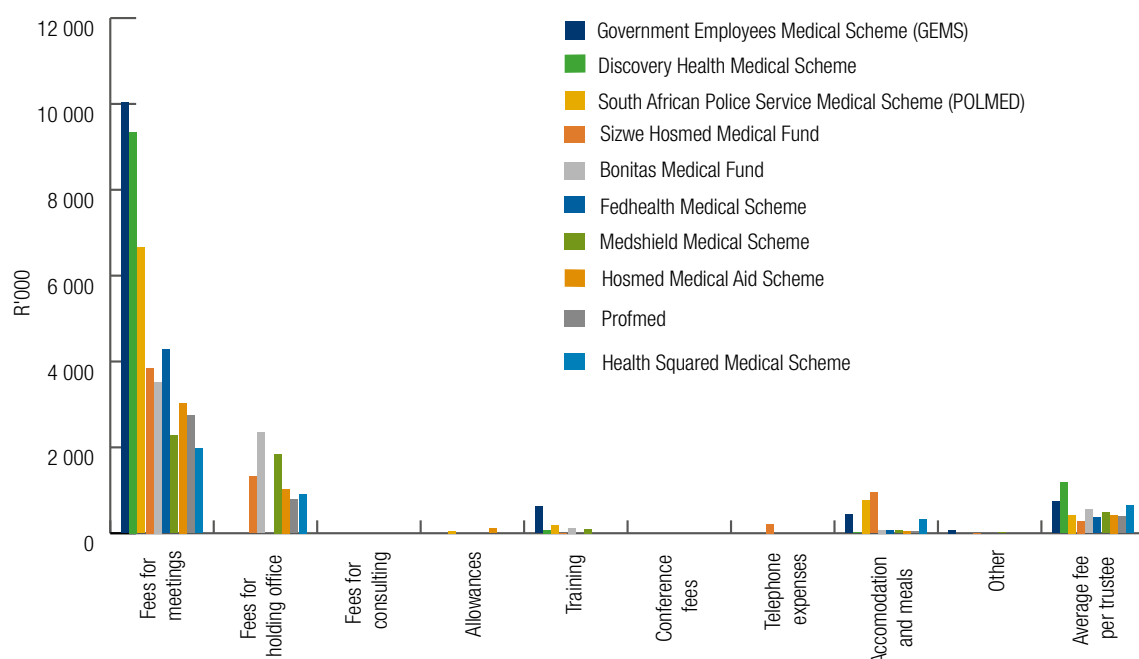


Figure 64: Composition of trustee remuneration for the ten schemes with the highest remuneration (2021)

The remuneration of principal officers of medical schemes amounted to 0.94% of GAE in 2021. The fees of principal officers amounted to 0.59% of GAE in open schemes (2020: 0.59%) and 1.65% in restricted schemes in 2021 (2020: 1.66%).

Table 54: Ten schemes with the highest remuneration of principal officers (2020 and 2021)

Ref. no.	Name of medical scheme	Average beneficiaries	Principal officer remuneration		
			2020	2021	%
			R'000	R'000	Change
1597	Umvuzo Health Medical Scheme	81 165	4 363	8 464	93.99
1512	Bonitas Medical Fund	712 759	5 512	6 699	21.53
1252	Bestmed Medical Scheme	208 559	6 491	6 663	2.65
1125	Discovery Health Medical Scheme	2 765 100	4 932	6 409	29.95
1140	Medshield Medical Scheme	150 087	6 126	6 365	3.90
1580	South African Police Service Medical Scheme (POLMED)	496 411	5 756	6 004	4.31
1598	Government Employees Medical Scheme (GEMS)	1 995 992	9 128	5 069	-44.47
1582	Transmed Medical Fund	27 967	4 564	4 820	5.61
1145	LA-Health Medical Scheme	231 415	4 283	4 625	7.99
1291	Witbank Coalfields Medical Aid Scheme	24 500	4 257	4 257	8.60

Fraud detection and prevention

Fraud, waste and abuse of resources pose a perennial challenge in many sectors, including the healthcare sector. This area has come under the spotlight, particularly against the backdrop of increasing costs.

Table 55 depicts monies spent by open and restricted schemes in respect of their fraud interventions, including investigating and identifying fraudulent claims, recoveries, and recovery administration fees paid to third parties. It should be noted that a significant number of medical schemes have such fees included in the composite administration fee paid to third party administrators.

Table 55: Expenditure on fraud detection and prevention (2021)

	Fraud investigation fees (expense)	Forensic recoveries income
	R'000	R'000
Open schemes	43 001	37 255
Restricted schemes	27 764	94 871
All schemes	70 765	132 126

Broker costs

Broker costs include all broker service fees (or broker commissions) and other distribution costs.

Broker costs represented 14.23% of total non-healthcare expenditure in 2021, while accounting for 14.81% in 2020. Broker costs decreased by 0.70%, from R2.54 billion in 2020 to R2.52 billion in 2021 (2020: increase of 3.63%).

Broker service fees as a percentage of GCI decreased slightly from 1.16% in 2020 to 1.12% in 2021.

For schemes that pay broker service fees, the amounts paid on a per average member per month (pampm) basis increased to R81.84 pampm in 2021 from R82.75 pampm in 2020, representing a decrease of 1.10%.

Figure 65 illustrates the increase in broker service fees pampm in those schemes that incurred this expenditure (the data is limited to the extent that it is based on full scheme membership and not restricted to members who incurred this expenditure), relative to the statutory limit imposed.

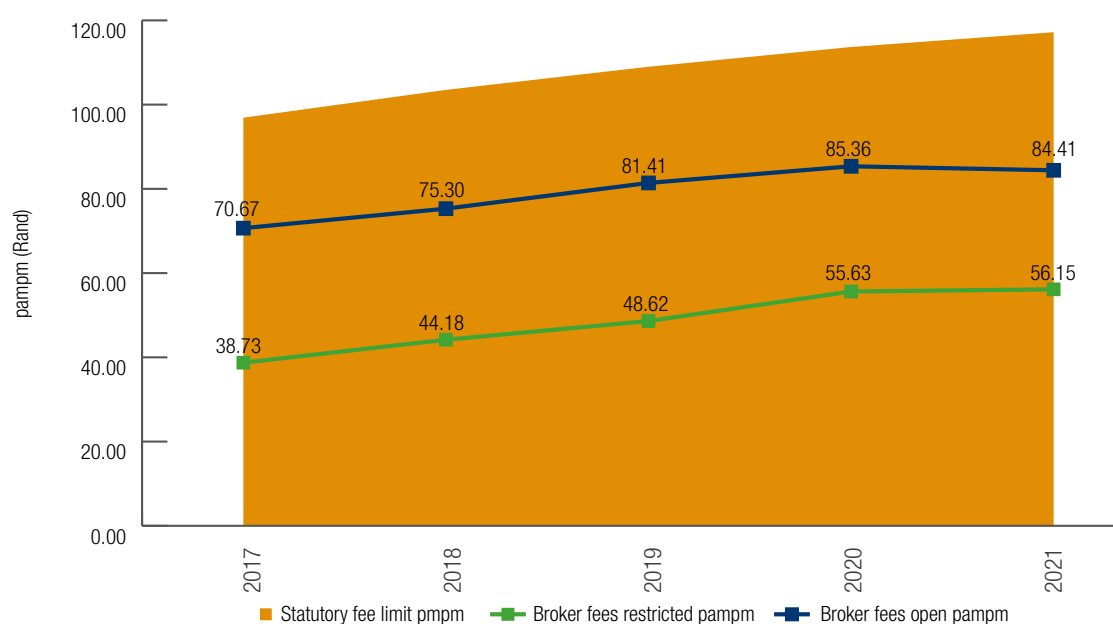


Figure 65: Broker service fees pampm (2017–2021)

Figure 66 illustrates the increase in broker service fees relative to the number of members of open schemes that pay brokers.

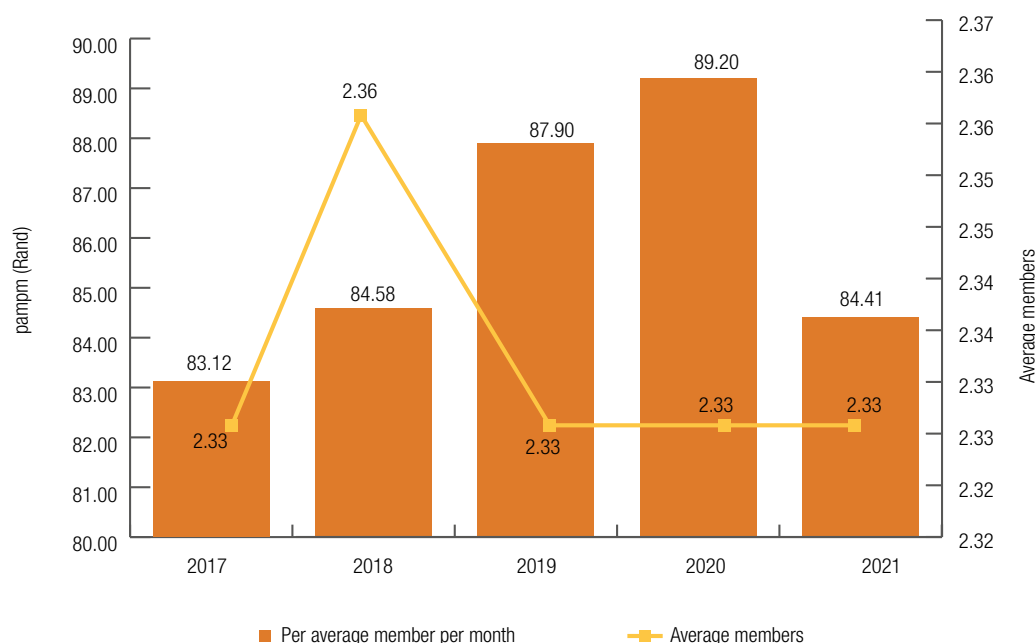


Figure 66: Broker service fees for open schemes – 2021 prices (2017–2021)

**Values for 2017–2021 were adjusted for CPI*

The data is limited to the extent that it is based on full scheme membership and not restricted to members who incurred this expenditure.

There is no clear correlation between the average number of scheme members and the fees paid to brokers.

Table 56 shows the schemes whose broker service fees were higher than the industry average of R81.84 pampm during 2021 (2020: R82.75 pampm). These seven schemes (2020: 5) represented 77.42% (2020: 77.39%) of total membership that paid for broker service fees, and 84.18% (2020: 84.47%) of total broker service fees paid. One of these schemes paid at a level of almost 15% greater than the industry average.

Table 56: Schemes with broker fees above the industry average of R81.84 pampm (2020 and 2021)

Ref. no.	Name of medical scheme	Type	Broker service fees*		
			2020	2021	%
			pampm R	pampm R	Change
1486	Sizwe Hosmed Medical Fund	Open	85.92	94.07	9.49
1145	LA-Health Medical Scheme	Restricted	111.25	90.33	-18.80
1125	Discovery Health Medical Scheme	Open	92.99	89.50	-3.75
1512	Bonitas Medical Fund	Open	84.05	88.35	5.12
1537	Hosmed Medical Aid Scheme	Open	89.79	84.76	-5.60
1140	Medshield Medical Scheme	Open	77.75	84.57	8.77
1202	Fedhealth Medical Scheme	Open	83.15	82.70	-0.54

pampm = per average member per month

*excluding distribution costs

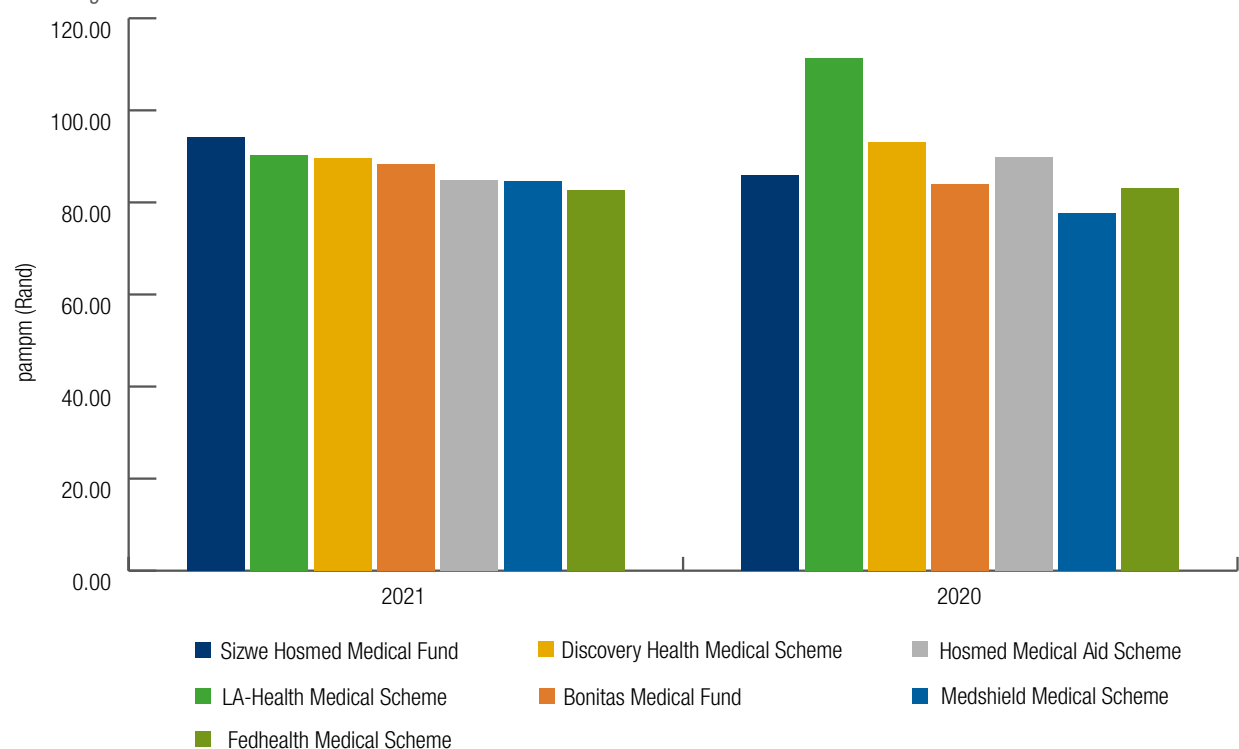


Figure 67: Schemes with broker fees above the industry average of R81.84 pampm (2020 and 2021)

pampm = per average member per month

Acquisition costs

Table 57 and Figure 68 indicate the ten schemes with the highest marketing, advertising, and broker costs, which represents the expenditure incurred by schemes when recruiting new members. The majority of these are open medical schemes.

The membership statistics show that the number of principal members in open schemes increased by 0.97% from 2020 to 2021 (2019 to 2020: 2.01%) in respect of those schemes that incurred broker fees, marketing and advertising expenditure. Member growth in this instance is not confined to new members who were not previously covered by a scheme as it includes members who moved from other schemes.

Table 57: Ten schemes with the highest marketing, advertising and broker costs (2021)

Ref no.	Name of medical scheme	Marketing, advertising and broker costs	Net new member growth*
		pampm R	%
	Industry average	81.54	1.12
1537	Hosmed Medical Aid Scheme	209.62	-100.00
1486	Sizwe Hosmed Medical Fund	201.18	35.80
1141	Health Squared Medical Scheme	171.27	-8.30
1202	Fedhealth Medical Scheme	149.20	-7.60
1167	Momentum Medical Scheme	146.31	2.80
1145	LA-Health Medical Scheme	137.73	3.50
1512	Bonitas Medical Fund	137.51	2.10
1597	Umvuzo Health Medical Scheme	122.12	17.70
1140	Medshield Medical Scheme	108.59	-1.40
1592	Thebemed	106.47	3.00

*Net new member growth is calculated as the number of members at year-end compared with that of the previous year

pampm = per average member per month

Hosmed Medical Aid Scheme amalgamated with Sizwe Medical Fund on 1 November 2021. The amalgamated entity's name changed to Sizwe Hosmed Medical Fund.

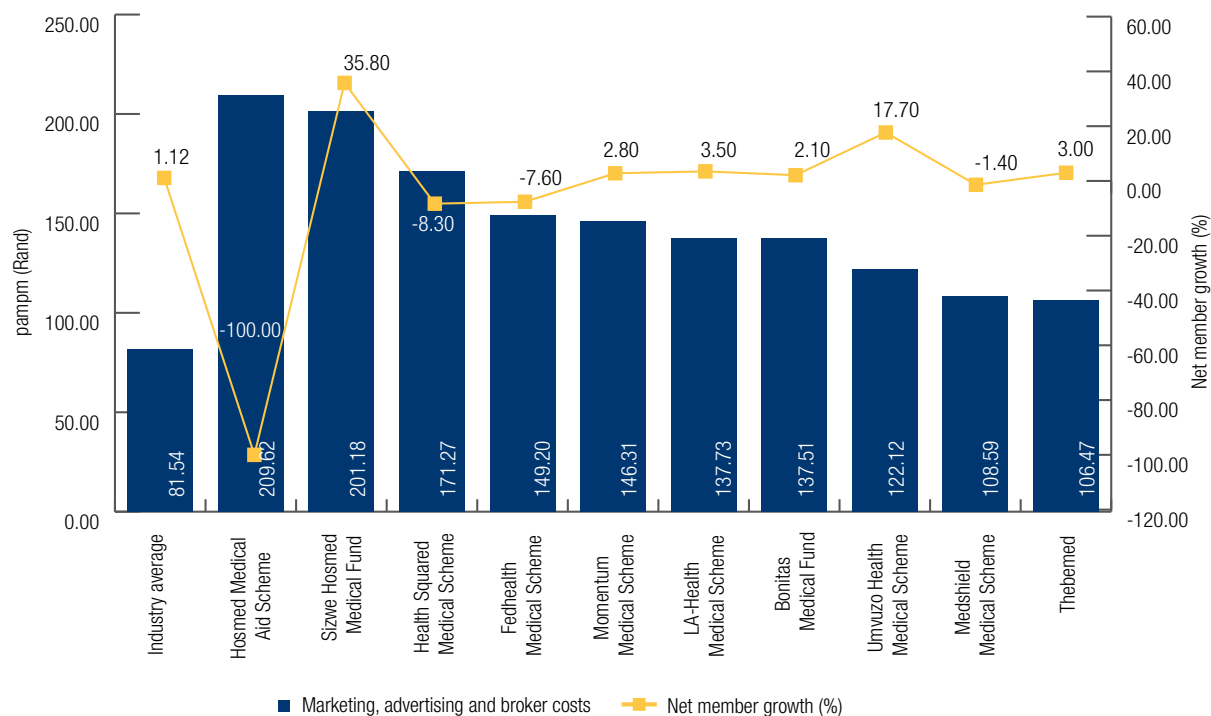


Figure 68: Ten schemes with the highest marketing, advertising and broker costs (2021)

pampm = per average member per month

Tables 58 and 59 show the open and restricted schemes with the highest marketing and advertising expenditure.

Table 58: Open schemes with the highest marketing and advertising expenditure* (2020 and 2021)

Ref. no.	Name of medical scheme	Marketing expenditure (including advertising)			Broker costs paid			Average members			Name of main advertising and marketing provider(s)	Expenditure per provider	%
		2020	2021	%	2020	2021	%			%			
		pampm R	pampm R	change	pampm R	pampm R	change	2020	2021	change		R'000	of total fees
1537	Hosmed Medical Aid Scheme	70.50	107.39	52.33	96.53	84.76	-12.19	21 444	20 456	-4.61	Ad-hoc expenditure	20 742	78.68%
											Moralo Business Enterprise	5 620	21.32%
1486	Sizwe Hosmed Medical Fund	85.30	107.11	25.57	85.06	94.07	10.59	47 321	49 899	5.45	Ad-hoc expenditure	26 498	41.32%
											3Sixty Marketing (Pty) Ltd	37 638	58.68%
1141	Health Squared Medical Scheme	93.02	116.94	25.71	47.35	54.33	14.74	21 272	17 643	-17.06	Ad-hoc expenditure	12 409	50.12%
											Agility Channel (Pty) Ltd	12 350	49.88%
1202	Fedhealth Medical Scheme	54.18	66.51	22.76	80.56	82.70	2.66	74 613	71 062	-4.76	Ad-hoc expenditure	-	0.00%
											The Cheese Has Moved (Pty) Ltd	56 712	100.00%
1167	Momentum Medical Scheme	71.22	77.86	9.32	66.94	68.45	2.26	156 841	153 261	-2.28	Ad-hoc expenditure	-	0.00%
											Momentum Health Solutions (Pty) Ltd	143 198	100.00%
1512	Bonitas Medical Fund	46.35	49.16	6.06	82.88	88.35	6.60	336 651	340 138	1.04	Ad-hoc expenditure	16 460	8.20%
											Afrocentric Distribution Services (Pty) Ltd	112 086	55.86%
											Meta Media (Pty) Ltd	30 544	15.22%
											Addick Africa (Pty) Ltd	17 185	8.56%
											Paed-IQ (Pty) Ltd	10 235	5.10%
											Joe Public	5 022	2.50%
											Medquote (Pty) Ltd	4 973	2.48%
											Hippo Comparative Services (Pty) Ltd	2 840	1.42%
											Du Maurier Communications	1 174	0.59%
											Sanlam Healthcare Distribution Services (Pty) Ltd	138	0.07%
1140	Medshield Medical Scheme	15.94	24.01	50.63	78.96	84.57	7.10	80 213	74 749	-6.81	Ad-hoc expenditure	2 017	9.37%
											WSE Stone Consulting	536	2.49%
											Coffee Creative Studio	10 780	50.05%
											Kaizer Chiefs	4 547	21.11%
											DSTV	1 438	6.67%
											Adesign Branding	643	2.98%
											Meltwater	565	2.62%
											EOH	536	2.49%
											Hi Performance Supplies	261	1.21%
											National Small Business Chamber	136	0.63%
											Neon Printers	56	0.26%
											Maverick Laboratories	25	0.12%
1592	Thebemed	18.78	34.62	84.35	65.82	71.85	9.16	13 854	11 375	-17.89	Ad-hoc expenditure	2 406	50.92%
											Momentum Thebe Ya Bophelo (Pty) Ltd	2 320	49.08%

Table 58: Open schemes with the highest marketing and advertising expenditure* (2020 and 2021)

Ref. no.	Name of medical scheme	Marketing expenditure (including advertising)				Broker costs paid			Average members			Name of main advertising and marketing provider(s)	Expenditure per provider	%
		2020	2021	%	2020	2021	%	2020	2021	%				
		pampm R	pampm R	change	pampm R	pampm R	change	2020	2021	change				
1125	Discovery Health Medical Scheme	15.63	16.15	3.33	92.46	89.50	-3.20	1 342 758	1 339 822	-0.22	Ad-hoc expenditure	-	0.00%	
1087	Keyhealth	56.54	62.22	10.05	53.85	37.52	-30.32	32 450	33 621	3.61	Discovery Health (Pty) Ltd	259 648	100.00%	
1252	Bestmed Medical Scheme										Ad-hoc expenditure	5 330	21.23%	
											Brand ET AL	15 101	60.16%	
											I Lead ET AL	3 865	15.40%	
											Vanabi Communications	285	1.13%	
											MIP Holdings	282	1.12%	
											My IT Manager	239	0.95%	
											Ad-hoc expenditure	1 856	6.65%	
											FCB Africa	12 608	45.21%	
											Omnicom Group	4 608	16.52%	
											University of Pretoria	2 536	9.10%	
									Kamagaba Holdings	1 195	4.29%			
										Promise Brand Specialists	968	3.47%		
										Exposure Marketing and Communication	937	3.36%		
										The Oaks Collective	900	3.23%		
										The Media Image	643	2.31%		
										Supersport International	575	2.06%		
										Consulta - SA Customer Service Index	247	0.89%		
										Brandman Business Development	225	0.81%		
										Colour Hub	177	0.63%		
										Jet Black London Media Collective	104	0.37%		
										Siyakha	93	0.33%		
										Novus Group	59	0.21%		
										Palesa Pads SA	50	0.18%		
										Silhouette	40	0.14%		
										Corporate Gift Shop	27	0.10%		
										Kingdom Drywall	20	0.07%		
										Arena Holdings	18	0.06%		
	Open scheme industry average*	29.18	31.85	9.15	85.37	84.41	-1.12	2 338 012	2 333 820	-0.18				

pampm = per average member per month

*The industry averages are based only in respect of those schemes which incurred the specific expenditure.

Table 59: Restricted schemes with highest marketing and advertising expenditure (2020 and 2021)

Ref. no.	Name of medical scheme	Marketing expenditure (including advertising)				Broker costs paid				Average members			Name of main advertising and marketing provider(s)	Expenditure per provider R'000	% of total fees
		2020 pampm R	2021 pampm R	% change		2020 pampm R	2021 pampm R	% change		2020	2021	% change			
1145	LA-Health Medical Scheme	39.42	47.41	20.27		100.87	90.33	-10.45		81 753	91 759	12.24	Ad-hoc expenditure	0	0.00%
1597	Umvuzo Health Medical Scheme	57.69	55.06	-4.56		65.57	67.06	2.27		39 422	44 398	12.62	Discovery Health (Pty) Ltd	52 199	100.00%
1194	Profmed	49.80	55.19	10.82		32.08	32.35	0.84		34 344	36 369	5.90	Ad-hoc expenditure	-	0.00%
1600	Motohealth Care	1.53	38.98	2 447.71		10.53	13.43	27.54		20 030	16 948	-15.39	Rain Catchers	29 335	100.00%
1568	Sisonke Health Medical Scheme	9.63	34.83	261.68		-	-	-		16 131	14 887	-7.71	Ad-hoc expenditure	4 714	19.57%
1590	Building & Construction Industry Medical Aid Fund	10.36	19.80	91.12		6.06	8.04	32.67		4 836	4 181	-13.54	Faith and Fear	18 144	75.32%
1038	SAMWU/med	19.80	12.72	-35.76		8.22	9.91	20.56		33 421	35 596	6.51	MSL	927	3.85%
1291	Witbank Coalfields Medical Aid Scheme	4.42	18.21	311.99		-	-	-		9 389	9 397	0.09	Ice Tags	215	0.89%
1598	Government Employees Medical Scheme (GEMS)	19.39	15.56	-19.75		-	-	-		713 646	761 171	6.66	Novus Group	76	0.32%
1547	Malcor Medical Scheme	-	-	-		11.20	14.88	32.86		4 768	4 457	-6.52	Baby Yum Yum	12	0.05%
	Restricted scheme industry average*	17.09	17.25	0.94		53.49	56.15	4.97		1 488 957	1 464 966	-1.61	Ad hoc expenditure	336	4.24%
													Momentum Health Solutions (Pty) Ltd	7 591	95.76%
													Ad-hoc expenditure	6 222	100.00%
													Ad-hoc expenditure	993	100.00%
													Ad-hoc expenditure	5 435	100.00%
													Ad-hoc expenditure	2 053	100.00%
													Ad-hoc expenditure	32 404	22.80%
													Healthi Choices (Pty) Ltd	109 734	77.20%
													Ad-hoc expenditure	-	0.00%

pampm = per average member per month

*The industry averages are based only in respect of those schemes which incurred the specific expenditure.

Commercial reinsurance

No schemes had reinsurance contracts in place in 2021. Thebemed scheme incurred a net income on commercial reinsurance of R460 000 in 2020.

Impaired receivables

Impaired receivables decreased by 3.16% to R242.85 million for the year under review from R250.77 million in 2020. This represents 1.37% of total non-healthcare expenditure (1.46% in 2020).

It took schemes an average of 10.00 days to collect debts (contributions from their members) in 2021, a deterioration of 8.11% from 9.25 days in 2020. This collection period falls well outside the legal provisions which require that members pay all contributions to their medical scheme not later than three days after the payment is due. The associated risks of not paying and collecting contributions timeously are the possible impairment of the debtor and paying claims when contributions have not been received.

Figure 69 shows the trend in impaired receivables over the past 5 years, also expressed as a percentage of total non-healthcare expenditure.

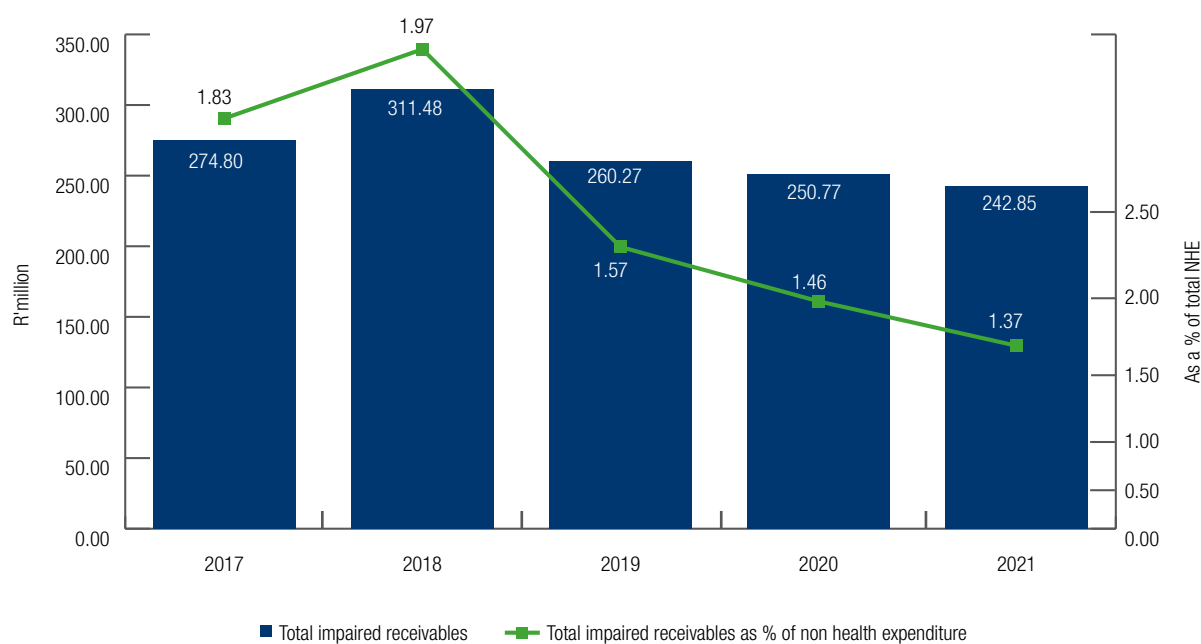


Figure 69: Impaired receivables (2017–2021)

Net healthcare results and net results

The net healthcare result of a medical scheme indicates its position after relevant healthcare expenditure and non-healthcare expenditure are deducted from contribution income.

The net healthcare result for all medical schemes combined reflected a surplus of R820.52 million in 2021 (2020: R19.93 billion surplus). Open schemes incurred a net healthcare deficit of R1.90 billion (2020: R11.99 billion surplus), and restricted schemes generated a combined net healthcare surplus of R2.72 billion (2020: R7.95 billion surplus). The decline in performance resulted from higher utilisation of benefits during 2021.

The financial market rebounded during 2021, resulting in an increased investment income compared to 2020. Net investment and other income, as well as expenditure, increased by 131.60% from R4.92 billion in 2020 to R11.36 billion in 2021.

The net surplus of all schemes combined, after investment income and consolidation adjustments, was R12.18 billion (2020: R24.85 billion). Open schemes realised a R4.06 billion surplus (2020: R14.45 billion) and restricted schemes realised a surplus of R8.12 billion (2020: R10.39 billion).

The net healthcare and net results of all schemes since 2017 are reflected in Figure 70.

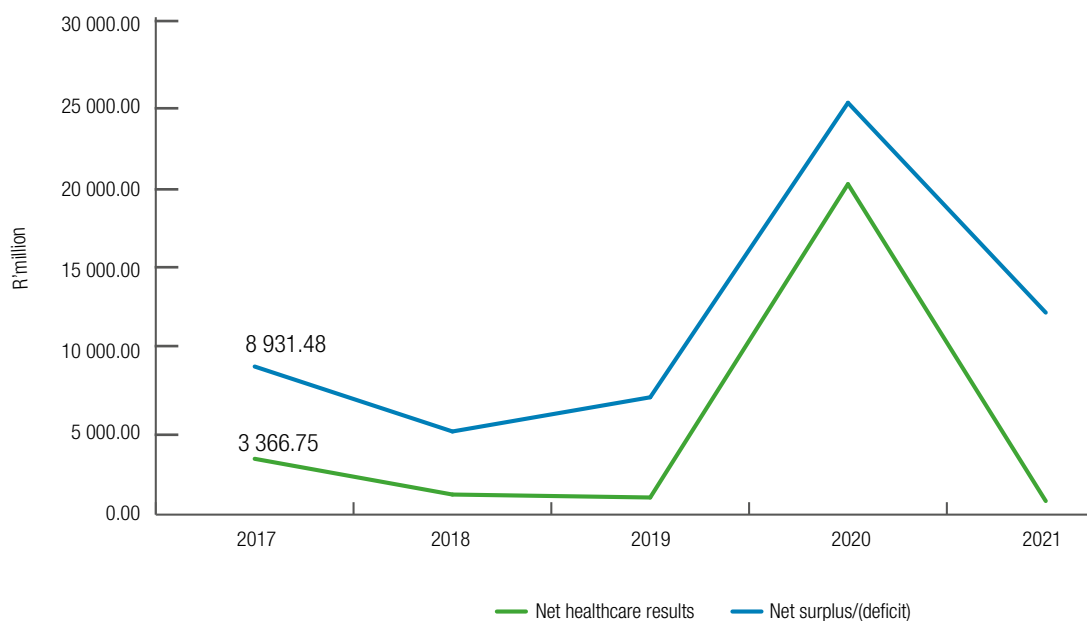


Figure 70: Net healthcare results (2017–2021)

Figure 71 depicts information on contributions, relevant healthcare expenditure, non-healthcare expenditure, and net results pabpm. There is a direct correlation between the net results pabpm and the relationship between contributions and claims. Non-healthcare expenditure pabpm remained stable, with a minimal impact on scheme results.

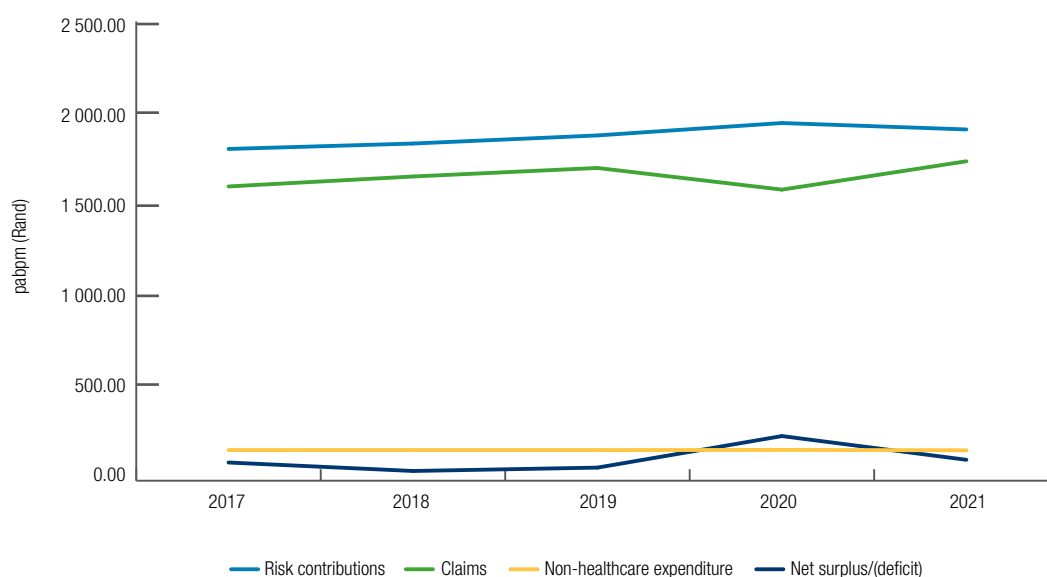


Figure 71: Risk contributions, claims, non-healthcare expenditure, and net surpluses in 2021 prices* (2017–2021)

pabpm = per average beneficiary per month

* Values for 2017–2021 were adjusted for CPI.

A total of 61.11% (11 of 18) of open schemes and 52.63% (30 of 57) of restricted schemes showed net healthcare deficits during the year.

Table 60 shows the 20 schemes which incurred the highest net healthcare deficits during 2021. These schemes represent 90.37% of all beneficiaries of schemes that suffered operating deficits. (Annexure Y has more details on this.) Investment income has generally boosted the performance of schemes.

Table 60: Twenty schemes incurring net healthcare deficits (2020 and 2021)

Ref. no.	Name of medical scheme	Type	Net healthcare result			Solvency ratio	
			2020	2021	%	2020	2021
			R'000	R'000	growth	%	%
1125	Discovery Health Medical Scheme	Open	7 450 736	(1 165 639)	-115.64	36.93	38.01
1202	Fedhealth Medical Scheme	Open	111 236	(318 854)	-386.65	44.66	42.76
1548	Medipos Medical Scheme	Restricted	(184 859)	(271 314)	-46.77	67.70	36.08
1486	Sizwe Hosmed Medical Fund	Open	74 935	(210 472)	-380.87	38.62	49.42
1234	Sasolmed	Restricted	131 780	(147 518)	-211.94	51.07	49.16
1141	Health Squared Medical Scheme	Open	(19 967)	(140 732)	-604.82	17.32	6.04
1194	Profmed	Restricted	121 888	(114 474)	-193.92	46.71	41.43
1167	Momentum Medical Scheme	Open	665 577	(110 962)	-116.67	39.65	38.23
1038	SAMWUMed	Restricted	9 065	(107 953)	-1 290.88	98.50	94.04
1537	Hosmed Medical Aid Scheme	Open	63 317	(99 579)	-257.27	38.74	-
1491	Compcare Wellness Medical Scheme	Open	40 492	(83 718)	-306.75	49.51	43.11
1012	Anglo Medical Scheme	Restricted	(10 837)	(75 748)	-598.98	450.02	467.40
1149	Medihelp	Open	595 406	(60 885)	-110.23	40.28	39.85
1582	Transmed Medical Fund	Restricted	74 752	(53 772)	-171.93	22.37	19.72
1583	Platinum Health	Restricted	112 370	(53 702)	-147.79	39.91	39.30
1469	Nedgroup Medical Aid Scheme	Restricted	111 085	(47 657)	-142.90	45.71	46.76
1068	De Beers Benefit Society	Restricted	(2 678)	(37 691)	-1 307.43	182.09	187.09
1253	Glencore Medical Scheme	Restricted	33 448	(28 807)	-186.12	64.82	63.11
1197	Libcare Medical Scheme	Restricted	40 184	(27 911)	-169.46	105.07	110.02
1043	Chartered Accountants (SA) Medical Aid Fund (CAMAF)	Restricted	212 110	(26 275)	-112.39	54.32	55.50

Figure 72 shows the schemes with the largest net healthcare deficits and whose solvency levels were below the 2021 industry average solvency ratio of 46.73% (Annexure Y provides more details).

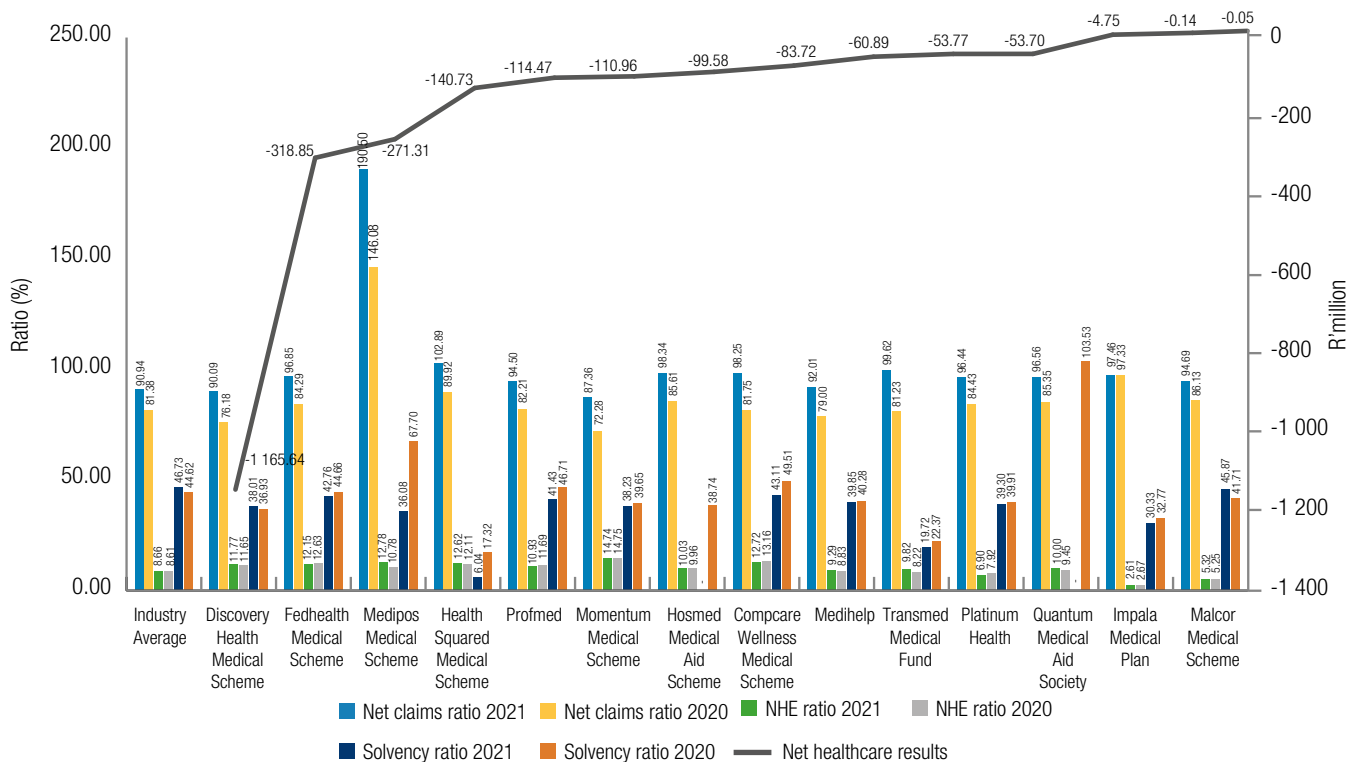


Figure 72: Schemes with the largest net healthcare deficits and solvency levels below the 2021 industry average of 43.73% (2020 and 2021)

Benefit options

During 2021 there were 255 registered benefit options (2020: 254) operating through 75 medical schemes (2020: 76).

Open schemes accounted for 46.27% or 118 of the registered benefit options during 2021 (2020: 46.46% or 118 options). On average, open schemes had 6.56 options per scheme (2020: 6.56) and an average of 19 932 members per option at year-end (2020: 19 741).

Restricted schemes had 137 registered benefit options during 2021, representing 53.73% of all options (2020: 136 options or 53.54%). Restricted schemes had an average of 2.40 options per scheme (2020: 2.34), with an average of 12 465 members per option as of 31 December 2021 (2020: 12 450).

Of the 255 benefit options available in 2021, 97 (38.04%) had fewer than 2 500 members per option (2020: 94 or 37.01%). Of these 97 options, 54 (55.67%) incurred net healthcare losses in 2021, compared with 29 (30.85%) in 2020. Broken down by scheme type:

- At the end of 2021, there were 43 options in open schemes with fewer than 2 500 members (2020: 41). They had an average of 1 192.44 members per option (2020: 1 190.63) and represented 36.44% (2020: 34.75%) of all open scheme options.
- Restricted schemes had 54 options with fewer than 2 500 members (2020: 53). The average number of members per option was 1 020.74 (2020: 1 045.92) and these options represented 39.42% (2020: 38.97%) of all restricted scheme options.

The remaining 158 options (2020: 160) had more than 2 500 members per option. Of these, 52.53% or 83 options incurred net healthcare losses (2020: 16.88% or 27 options).

Table 61: Results of benefit options (2021)

	Open schemes	% Representing	Restricted schemes	% Representing	Total
All options					
Number of options	118	46.27	137	53.73	255
Members represented	2 351 958	57.94	1 707 639	42.06	4 059 597
Number of schemes	18	24.00	57	76.00	75
Net healthcare result (R'000)	(1 898 525)		2 719 042		820 517
Gross non-healthcare as a % of GCI	9.73		5.37		7.86
Gross claims ratio (%)	91.15		91.27		91.20
Gross claims incurred pbpm	2 019.50		1 796.89		1 917.24
GCI pbpm	2 215.46		1 968.81		2 102.15
Options with members >= 2 500					
Number of options	75	47.47	83	52.53	158
Members represented	2 300 683	58.20	1 652 519	41.80	3 953 202
Net healthcare result (R'000)	(1 740 842)		2 808 517		1 067 675
Gross non-healthcare as a % of GCI	9.77		5.36		7.87
Gross claims ratio (%)	91.04		91.09		91.13
Gross claims incurred pbpm	1 979.95		1 779.56		1 902.91
GCI pbpm	2 174.73		1 953.62		2 088.02
Options with members < 2 500					
Number of options	43	44.33	54	55.67	97
Members represented	51 275	48.19	55 120	51.81	106 395
Net healthcare result (R'000)	(159 909)		(84 728)		(244 637)
Gross non-healthcare as a % of GCI	8.62		5.53		7.04
Gross claims ratio (%)	94.08		96.30		94.39
Gross claims incurred pbpm	4 034.60		2 370.43		2 655.45
GCI pbpm	4 288.70		2 461.49		2 813.26

GCI = Gross Contribution Income

pbpm = per beneficiary per month

Of the 255 benefit options registered and operating during 2021 (2020: 254), 137 (53.73%) incurred net healthcare losses. In 2020, 56 options (22.05%) incurred net healthcare losses.

In the year under review, 72 options (2020: 22), representing 52.55% of loss-making options (2020: 39.29%) were in open schemes and 65 options (2020: 34), representing 47.45% of loss-making options (2020: 60.71%), were in restricted schemes.

Net healthcare losses pbpm in options with fewer than 2 500 members were 2.56 times greater (2020: 2.94) than those for options with more than 2 500 members – an average of R-894.70 pbpm compared with R-348.84 pbpm (2020: R-687.20 pbpm and R-234.00 pbpm respectively).

Table 62: Results of loss-making benefit options (2021)

	Open schemes	% Representing	Restricted schemes	% Representing	Total
Total loss-making options					
% of total options	61.02		47.45		53.73
Number of options	72	52.55	65	47.45	137
Members represented	1 134 967	71.81	445 565	28.19	1 580 532
Net healthcare result (R'000)	(4 411 775)		(2 573 075)		(6 984 850)
Gross non-healthcare as a % of GCI	9.32		5.76		8.37
Gross claims ratio (%)	97.05		105.10		99.18
Gross claims incurred pbpm	2 276.25		2 090.89		2 220.92
GCI pbpm	2 345.48		1 989.37		2 239.18
Loss-making options with members > = 2 500					
Number of options	43	51.81	40	48.19	83
Members represented	1 103 575	72.40	420 682	27.60	1 524 257
Net healthcare result (R'000)	(4 089 250)		(2 291 410)		(6 380 660)
Gross non-healthcare as a % of GCI	9.30		5.77		8.38
Gross claims ratio (%)	96.88		104.69		98.90
Gross claims incurred pbpm	2 223.56		2 024.80		2 165.21
GCI pbpm	2 295.21		1 934.13		2 189.21
Loss-making options with members < 2 500					
Number of options	29	53.70	25	46.30	54
Members represented	31 392	55.78	24 883	44.22	56 275
Net healthcare result (R'000)	(322 525)		(281 665)		(604 190)
Gross non-healthcare as a % of GCI	9.74		5.58		8.22
Gross claims ratio (%)	100.46		110.17		104.01
Gross claims incurred pbpm	4 205.80		3 363.94		3 834.22
GCI pbpm	4 186.66		3 053.34		3 686.44

GCI = Gross Contribution Income

pbpm = per beneficiary per month

Table 63 shows option results by demographics. In open schemes, there were 72 benefit options where the average age exceeded the average of 35.51 years for all open schemes, and 46 benefit options with beneficiaries younger than the average.

In the restricted schemes market, 76 benefit options had beneficiaries with an average age higher than the average of 31.58 years for all options in restricted schemes. A total of 61 options had younger beneficiaries.

As expected, options covering older and sicker lives are more likely to incur poorer net healthcare results than the rest of the industry.

Table 63: Demographics of registered options at year-end (2021)

	Open	Restricted	Total
Average age per beneficiary	35.51	31.58	
Net healthcare result per beneficiary	-32.72	55.14	
Number of options with average age greater than or equal to the industry average	72	76	148
Number of options incurring net healthcare results better or equal to the industry average	32	22	54
Number of options incurring net healthcare results worse than the industry average	40	54	94
Number of options with average age below the industry average	46	61	107
Number of options incurring net healthcare results better or equal to the industry average	26	30	56
Number of options incurring net healthcare results worse than the industry average	20	31	51

Accumulated funds and solvency

Reserves of medical schemes

The reserves of medical schemes serve to protect members' interests and to guarantee the continued operation of schemes. They also serve as a buffer against unforeseen, large-scale health events such as the COVID-19 pandemic.

Schemes provided various financial relief measures to members during the COVID-19 pandemic, such as utilising personal medical savings accounts to offset contributions; the relaxation of credit policies; contribution holidays; and lower future contribution increases.

Regulation 29 reserves

Figure 73 shows that all medical schemes incurred a surplus of R12.18 billion compared with R24.84 billion in 2020, representing a decrease of 50.95%.

The net assets in terms of Regulation 29 of the Medical Schemes Act, increased by 7.91% from R97.91 billion in 2020 to a reported R105.66 billion in 2021.

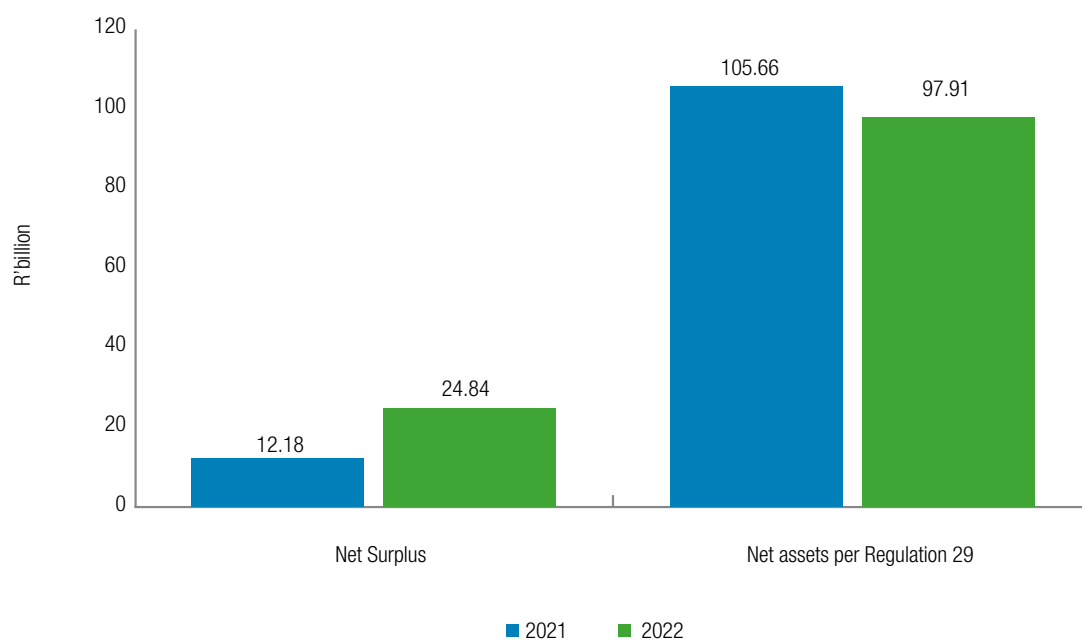


Figure 73: Net surplus and net assets per Regulation 29 (2020 and 2021)

Solvency

The 2021 industry solvency ratio of 46.73% exceeded the minimum required Regulation 29 ratio of 25.00% (2020: 44.55%).

The solvency ratio of open schemes increased by 2.30% to 39.61% in 2021 (2020: 38.72%). Restricted schemes experienced an increase of 6.99% in their solvency ratio, up from 52.48% in 2020 to 56.15% in 2021.

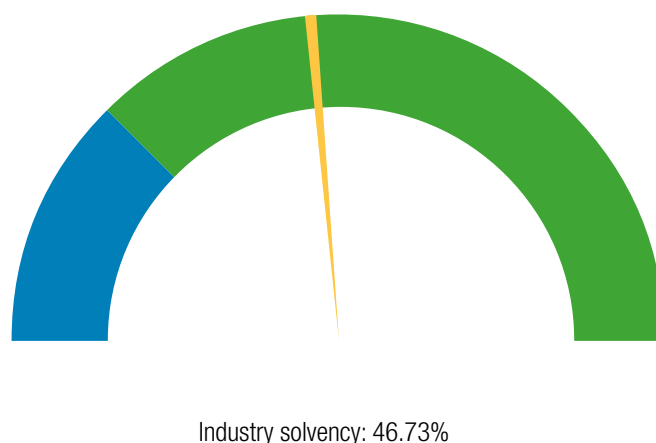


Figure 74: Industry solvency of 46.73% (2021)

Figure 75 illustrates that solvency levels increased significantly in 2020 in both industries due to the higher net surpluses incurred as result of the decreased utilisation of benefits brought on by the various lock-downs. Although the industry saw a significant decline in net healthcare results in 2021, from R19.9 billion to R820.5 million, overall solvency levels increased due to significant increases in investment income (refer to the section titled net healthcare results and net results in this report).

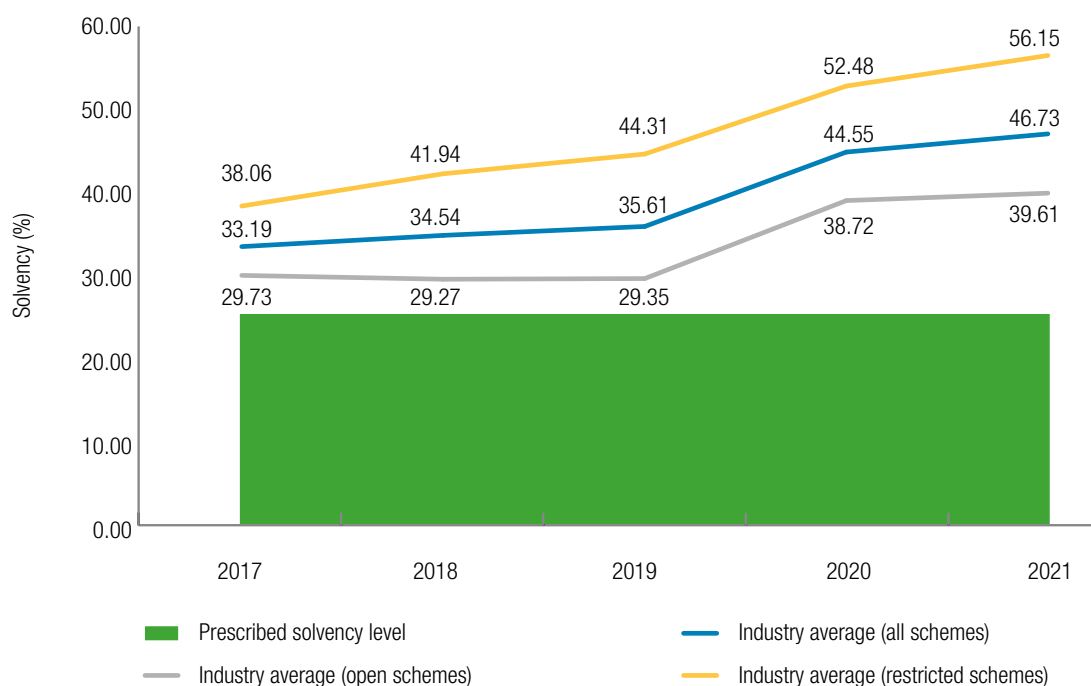


Figure 75: Industry solvency levels for all schemes (2017–2021)

Reserve building

Table 64 illustrates the relationship between risk claims, non-healthcare expenditure and reserve building. Risk claims have a greater impact on reserve building than non-healthcare expenditure. During periods of high claims the industry experiences a reduction in reserves while in periods with lower claims the reserves increase.

Kindly refer to the section titled Relationship between contributions and relevant healthcare expenditure in this report for a more detailed analysis of the trend experienced.

Table 64: Risk claims, non-healthcare expenditure and reserve building as a percentage of contributions (2017–2021)

	Risk claims	Non-healthcare expenditure	Reserve building
	% of RCI	% of RCI	% of RCI
2017	88.70	9.23	2.07
2018	90.23	9.08	0.70
2019	90.58	8.87	0.55
2020	81.38	8.61	10.01
2021	90.94	8.66	0.40

RCI = Risk Contribution Income

Figure 76 illustrates that the solvency of both industries (open schemes and restricted schemes) positively correlates with the movement in the solvencies of the biggest medical scheme in the relevant industry, namely Discovery Health Medical Scheme (open scheme) and the Government Employees Medical Scheme (GEMS) (restricted scheme).

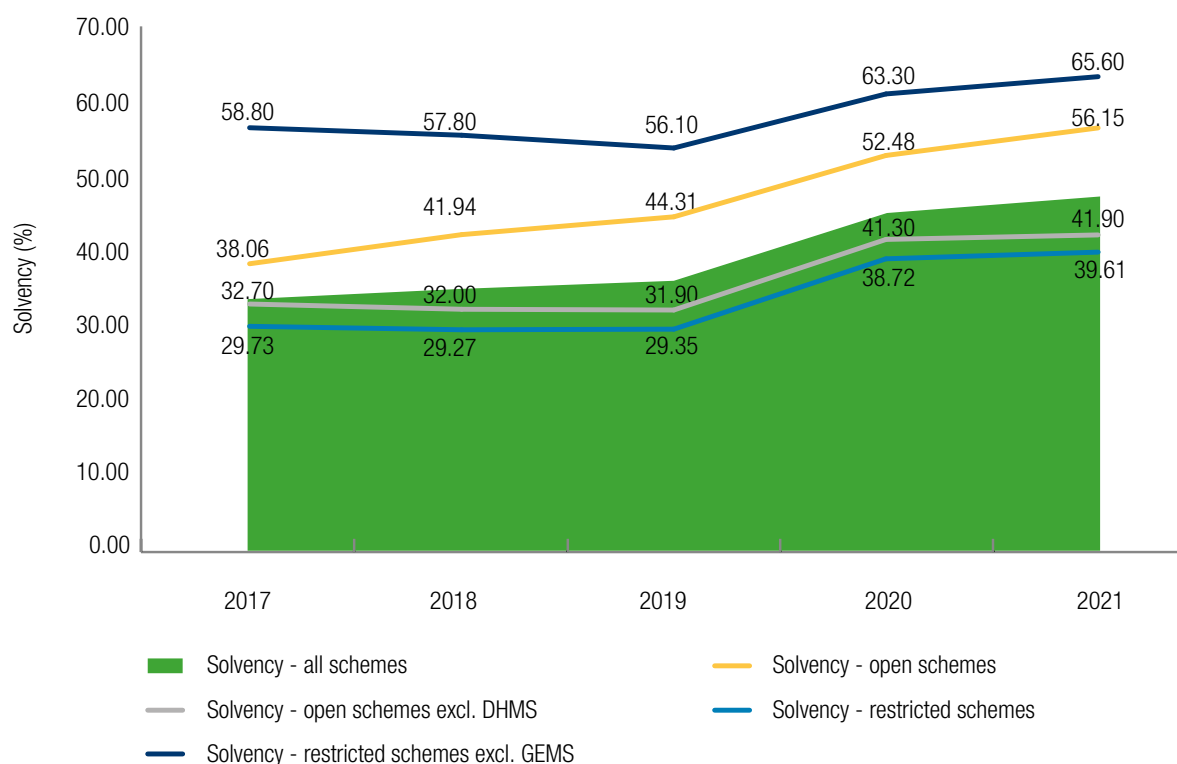


Figure 76: Industry solvency ratios excluding GEMS and DHMS (2017–2021)

Beneficiaries of schemes which failed to reach 25.00% solvency

Table 65 and Figure 77 show both the number of medical schemes that have yet to attain the prescribed solvency ratio of 25% and the number of beneficiaries in those schemes.

Table 65: Prescribed solvency level and number of beneficiaries (2017–2021)

Year	Number of open schemes		Number of restricted schemes	
	Below prescribed level	Above prescribed level	Below prescribed level	Above prescribed level
2017	3	18	3	56
2018	4	17	3	55
2019	3	15	1	57
2020	2	16	1	56
2021	1	16	1	55

Year	Number of beneficiaries in open schemes			Number of beneficiaries in restricted schemes		
	Below prescribed level		Above prescribed level	Below prescribed level		Above prescribed level
	At end	%	At end	At end	%	At end
2017	779 925	15.72	4 180 530	1 876 641	47.98	2 034 940
2018	365 535	7.36	4 604 086	1 900 775	48.16	2 046 299
2019	786 919	15.94	4 149 977	34 703	0.86	3 981 477
2020	52 056	1.08	4 779 065	30 211	0.74	4 034 834
2021	28 255	0.58	4 807 394	25 905	0.63	4 083 499

*Community Medical Aid Scheme (COMMED) was excluded from this table for the 2017 year

Open schemes

The increased number of beneficiaries in schemes with solvency levels below the prescribed minimum solvency level in 2017 and 2019 is because Bonitas Medical Fund fell below 25% during those years.

A total of 0.58% of beneficiaries in open schemes (2020: 1.08%) was covered by one open scheme (2020: two) which failed to meet the prescribed solvency level in 2021. The remaining beneficiaries belonged to the other 16 open schemes (2020:16) which attained the prescribed solvency level of 25%.

Restricted schemes

Government Employees Medical Scheme (GEMS) was registered in 2006 and was able to meet the prescribed solvency level of 25% during 2019. This resulted in a significant decrease in the number of beneficiaries in schemes below the prescribed minimum solvency level: from 48.16% of the restricted scheme membership in 2018, to only 0.86% in 2019.

Of the 56 restricted schemes at the end of 2021, only one had a solvency ratio below 25%. This scheme accounted for only 0.63% of all beneficiaries in restricted schemes.

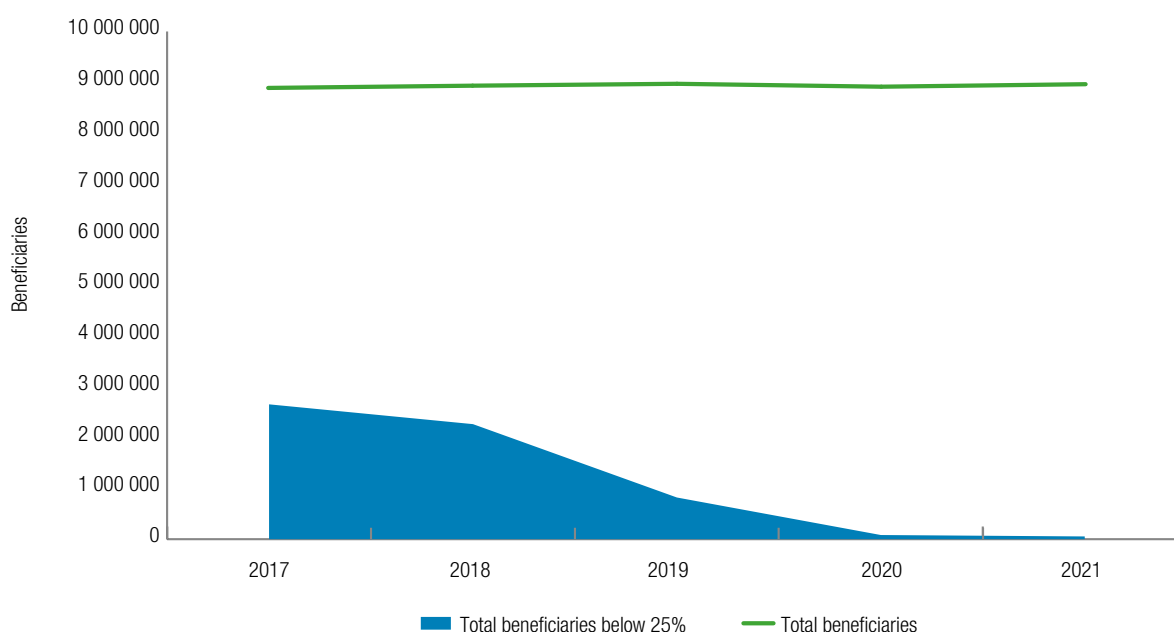


Figure 77: Beneficiaries in schemes with solvency levels below 25.00% (2017–2021)

Table 66 provides a summary of performance of schemes that were below the required statutory minimum solvency ratio of 25% as at 31 December 2021.

The CMS closely monitors schemes below the 25% solvency ratio by having regular meetings with them to assess their performance against their business plans.

Table 66: Summary of performance of schemes below the 25% solvency ratio (2020 and 2021)

Ref. no.	Name of medical scheme	Average beneficiaries	Average age pb	Pensioner ratio	Net claims ratio		Net healthcare result		Solvency ratio	
		2021	2021	2021	2020	2021	2020	2021	2020	2021
			years	%	%	%	R'000	R'000	%	%
1141	Health Squared Medical Scheme	29 549	47.09	25.93	89.92	102.89	(19 967)	(140 732)	17.32	6.04
1582	Transmed Medical Fund	27 967	56.61	48.47	81.23	99.62	74 752	(53 772)	22.37	19.72

pb = per beneficiary

Both Health Squared Medical Scheme and Transmed Medical Fund have poorer demographic profiles than the industry averages (Open scheme industry average age of 35.51 and pensioner ratio of 10.98%) (Restricted schemes industry average age of 31.58 years and pensioner ratio of 6.80%).

Schemes with higher demographic profiles are at particular risk of the so-called “death spiral”, where adjustments in order to price appropriately for the profile of their members might result in the unaffordability of contributions and the subsequent loss of their younger members, thereby exacerbating the effect.

Further information pertaining to the results of these individual schemes is available in Annexure S.

Liquidity ratios

Figure 78 compares the matching of assets and liabilities in open and restricted schemes.



Figure 78: Matching of assets and liabilities (2020 and 2021)

The total-asset-to-total-liability ratios for open and restricted schemes in 2021 were 4.0:1 (2020: 3.9:1) and 6.3:1 (2020: 5.6:1) respectively.

The current-assets-to-current-liabilities ratio in open schemes was 1.8:1 in 2021 (2.2:1 in 2020). In restricted schemes in 2021, it was 3.4:1 (2020: 3.2:1).

The principle of matching assets with liabilities is particularly important in the context of ensuring sufficient liquidity to cover liabilities as and when they arise. A scheme's outstanding claims liability is a provision based intrinsically on the provision of Regulation 6(1) of the Medical Schemes Act, No. 131 of 1998, in which all accounts must be submitted within four months. Section 59(2) requires that all claims be settled within 30 days of being received. Medical scheme liabilities are accordingly short-term in nature.

The liquidity of medical schemes is further assured by the minimum requirement imposed by Explanatory Note 2 of Annexure B read in conjunction with Regulation 30 to the MSA – where 20% of a scheme's Regulation 30 reserves need to be invested in cash and cash equivalents.

Claims-paying ability of schemes

The financial soundness of a medical scheme is also measured by its ability to pay claims from cash and cash equivalents.

Figure 79 depicts the claims-paying ability of schemes measured in months of cover, which is the number of months for which the scheme can pay claims from its existing cash and cash equivalents.

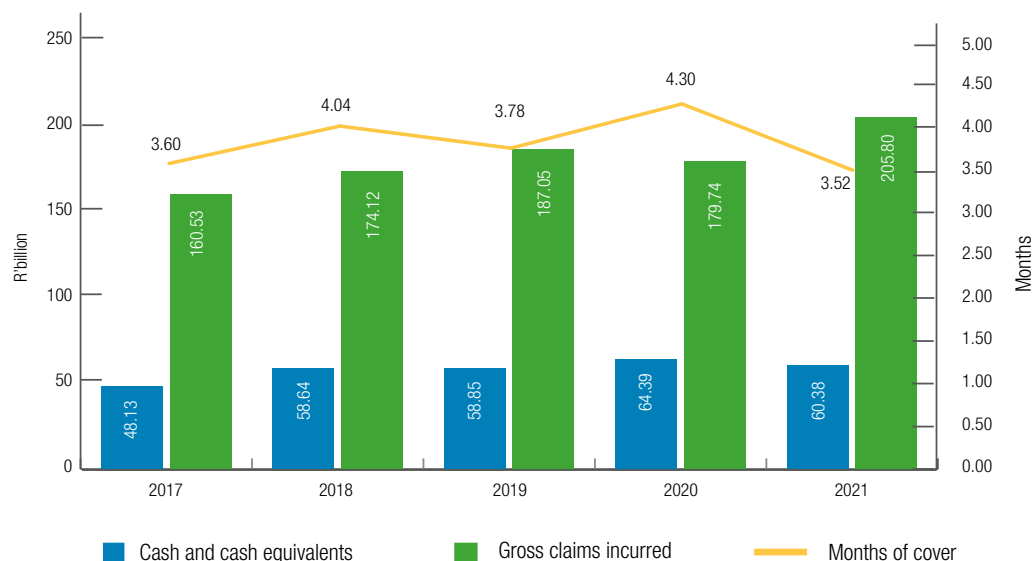


Figure 79: Average gross claims covered by cash and cash equivalents (2017–2021)

The length of cash coverage decreased from 4.30 months in December 2020 to 3.52 months in December 2021.

Payment cycles of medical schemes in 2021 were on average 11.88 days compared with 13.41 days in 2020.

Investments

Figures 80 and 81 provide information on the detailed breakdown of the investments of medical schemes as at the end of the 2021 (investments in policies of insurance were broken down into their underlying assets).

Only 6.72% of open scheme investments were in policies of insurance (2020: 5.70%). Of the restricted scheme industry assets, 10.09% were invested in policies of insurance (2020: 9.65%).

Medical schemes had investable assets* to the value of R134.62 billion. Of these assets, 96.20% were invested in local assets, whilst 3.80% were invested in foreign assets (2020: 96.66% in local assets; 3.35% in foreign assets).

**Investable assets comprise total assets excluding trade and other receivables, personal medical savings account trust investments, International Framework of Reporting Standards (IFRS) 16 right of use assets, intangible assets and encumbered assets.*

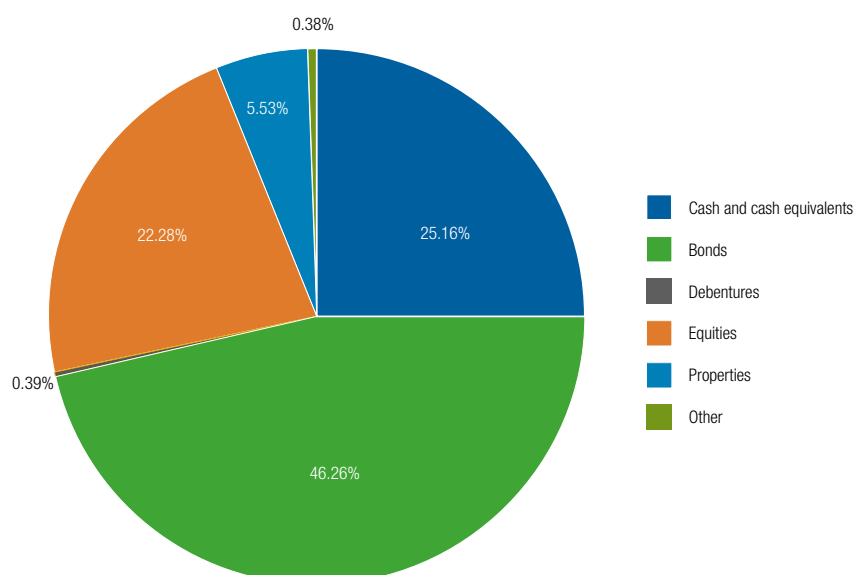


Figure 80: Open scheme industry – investment breakdown (2021)

Open schemes invested assets to the value of R68.10 billion (2020: R62.07 billion). Of these assets, 95.70% were invested in local assets, whilst 4.32% were invested in foreign assets (2020: 95.91% in local assets; 4.10% in foreign assets).

The majority of the investments in open schemes were in Category 2 assets (bonds), namely 46.26% (2020: 44.13%), followed by Category 1 assets (cash and cash equivalents), namely 25.16% (2020: 32.96%) and Category 4 assets (equities), namely 22.28% (2020: 16.44%). Most of the balance (5.53%) was invested in Category 3 assets (property) (2020: 5.70%).

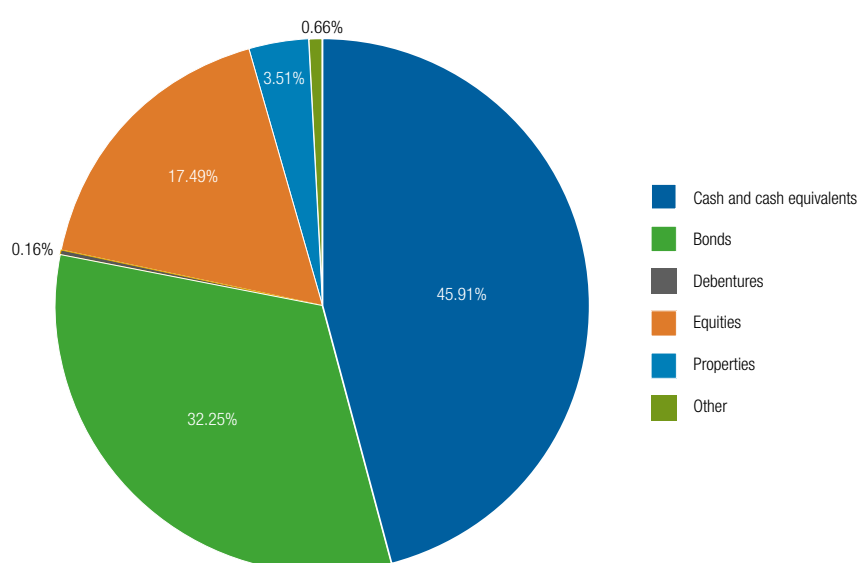


Figure 81: Restricted scheme industry – investment breakdown (2021)

Restricted schemes invested assets to the value of R66.52 billion (2020: R58.52 billion). The majority of these assets (96.72%) were invested in local assets, whilst 3.28% were invested in foreign assets (2020: 97.44% in local assets; 2.56% in foreign assets).

Restricted schemes held a large proportion of their investments (45.91%) in cash or cash equivalents (2020: 51.58%). Their bonds accounted for 32.25% (2020: 30.10%) and equities accounted for 17.49% (2020: 14.60%). Most of the balance of assets (3.51%) was invested in Category 3 (property) (2020: 2.89%).

The following tables list the asset distribution of the ten largest schemes by asset base per asset category listed under Annexure B of the Regulations, as well split by local, foreign, and investment income:

Table 67: Asset distribution of the ten largest schemes by asset base (2021)

Ref. no.	Name of medical scheme	Average beneficiaries	Total investable assets R'million	Category*						
				1	2	3	4	5	6**	7
				%	%	%	%	%	%	%
1125	Discovery Health Medical Scheme	2 765 100	38 536.89	20.63	53.40	6.33	19.06	0.58	3.39	0.01
1598	Government Employees Medical Scheme (GEMS)	1 995 992	26 706.75	51.57	32.62	4.86	10.16	0.00	0.00	0.79
1512	Bonitas Medical Fund	712 759	9 091.70	23.11	39.81	7.70	29.05	0.28	4.48	0.06
1580	South African Police Service Medical Scheme (POLMED)	496 411	6 978.81	32.91	48.24	3.36	14.91	0.46	0.00	0.13
1279	Bankmed	217 301	4 441.61	34.19	32.56	1.88	28.28	0.67	8.79	2.43
1252	Bestmed Medical Scheme	208 559	3 573.40	28.32	40.14	4.34	24.19	0.00	25.33	3.02
1012	Anglo Medical Scheme	17 645	3 496.65	21.46	38.23	0.90	38.81	0.00	0.00	0.61
1167	Momentum Medical Scheme	293 939	3 009.30	12.26	56.78	3.97	25.80	0.00	0.00	1.18
1149	Medihelp Medical Scheme	192 499	2 894.17	68.93	11.48	0.13	17.98	0.00	10.25	1.48
1140	Medshield Medical Scheme	150 087	2 873.55	30.19	34.48	2.57	32.50	0.00	21.82	0.26

*Categories are referred to in Annexure B of the Act, read in conjunction with Regulation 30

**Category 6 investments' underlying assets were also included in the relevant categories

Table 68: Local and foreign asset distribution of the ten largest schemes by asset base (2021)

Ref. no.	Name of medical scheme	Average beneficiaries	Total investable assets	Local*	Foreign*
			R'million	%	%
1125	Discovery Health Medical Scheme	2 765 100	38 536.89	94.09	5.91
1598	Government Employees Medical Scheme (GEMS)	1 995 992	26 706.75	96.31	3.69
1512	Bonitas Medical Fund	712 759	9 091.70	99.90	0.10
1580	South African Police Service Medical Scheme (POLMED)	496 411	6 978.81	99.96	0.04
1279	Bankmed	217 301	4 441.61	96.40	3.60
1252	Bestmed Medical Scheme	208 559	3 573.40	96.84	3.16
1012	Anglo Medical Scheme	17 645	3 496.65	88.44	11.56
1167	Momentum Medical Scheme	293 939	3 009.30	89.90	10.10
1149	Medihelp Medical Scheme	192 499	2 894.17	100.00	0.00
1140	Medshield Medical Scheme	150 087	2 873.55	93.74	6.26

*The definitions of local and foreign assets refer to investments made within the Republic and outside the Republic as referred to in Annexure B of the Act, read in conjunction with Regulation 30.

The following table illustrates the total net investment income of the industry split between open and restricted schemes.

Table 69: Asset base and investment income (2020 and 2021)

Name of medical scheme	Total investable assets*			Net investment income**			Net investment income as % of total investable assets		
	2020	2021	% growth	2020	2021	% growth	2020	2021	% growth
	R'millions	R'millions		R'millions	R'millions		%	%	
Open schemes	62 071.87	68 104.08	9.72	2 817.63	6 312.35	124.03	4.54	9.27	104.19
Restricted schemes	58 523.41	66 515.51	13.66	2 239.32	5 227.64	133.45	3.83	7.86	105.22
All schemes	120 595.28	134 619.59	11.63	5 056.95	11 539.99	128.20	4.19	8.57	104.53

*Total investable assets represents the total amount available for investment, including encumbered assets

**Net investment income represents investment income after considering asset management fees

As mentioned in the section net healthcare results and net results in this report, the financial markets rebounded in 2021. The JSE All-Share Index grew by 24.07% during the 2021 year (compared to 4.07% growth in 2020).

Administrator market

Figure 82 shows the market share of medical scheme administrators and self-administered medical schemes, based on the average number of beneficiaries administered at the end of 2021.

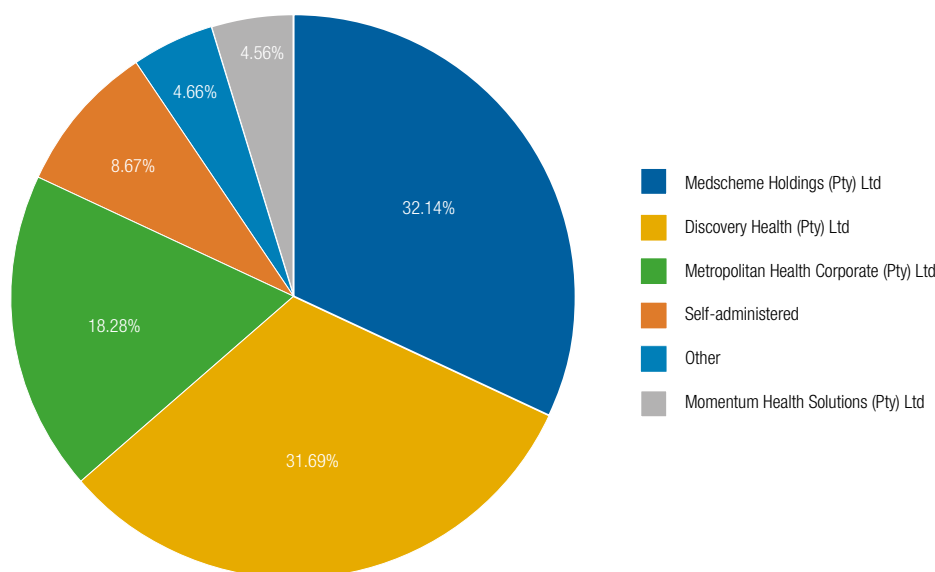


Figure 82: Administrator market share as at 31 December (2021)

Four third-party administrators continued to dominate the market in 2021, namely (in order of market share):

- Medscheme Holdings (Pty) Ltd;
- Discovery Health (Pty) Ltd;
- Metropolitan Health Corporate (Pty) Ltd; and
- Momentum Health Solutions (Pty) Ltd.

Collectively these companies administered 86.67% of the market (excluding self-administered medical schemes).

The Government Employees Medical Scheme (GEMS) has had a joint administration contract in place since 2012. Medscheme Holdings (Pty) Ltd has been responsible for its contribution and debt management as well as correspondence services, and Metropolitan Health Corporate (Pty) Ltd has been responsible for member and claims management services as well as the provision of financial and operational information. The membership was included for both administrators.

The data that is presented here differs from Annexure AF which is based on the average membership administered during the year.

Figure 83 depicts the changes in market share of all medical schemes over the last five years, based on the average number of beneficiaries administered by the various parties at the end of each year.

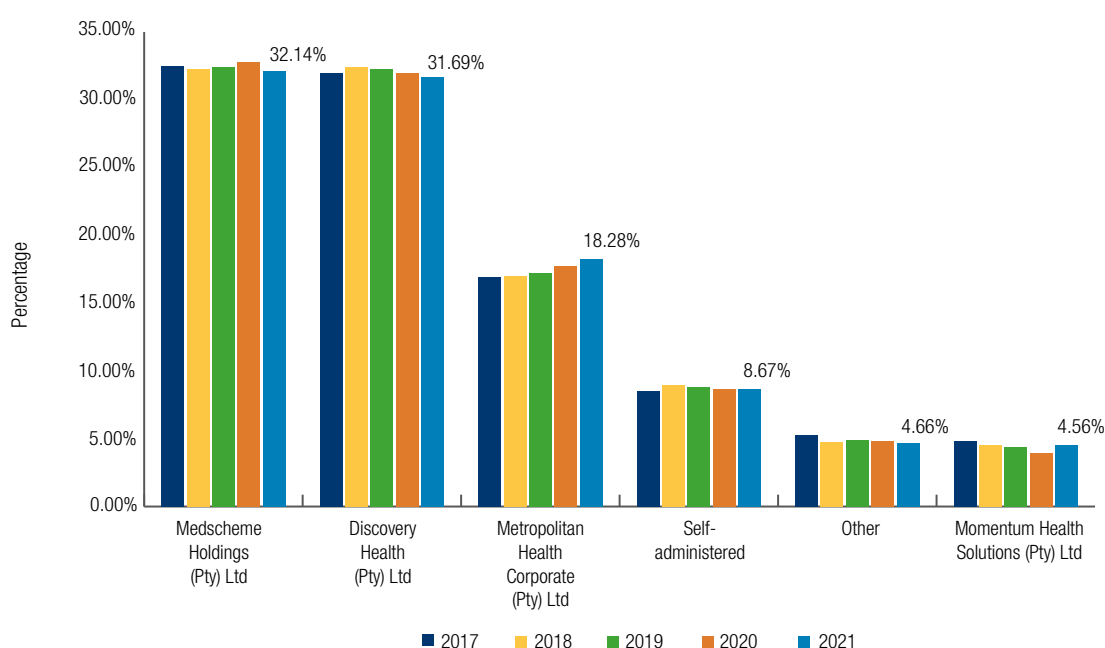


Figure 83: Market share of largest administrators based on average number of beneficiaries – trend* (2017–2021)

*The membership is based on the medical schemes administered at the end of the period and was not adjusted to reflect changes in administrators during the year (as per Annexure AF).

Figure 84 shows the change in market share for the administrators with the largest share of the market for all schemes, between 2017 and 2021.

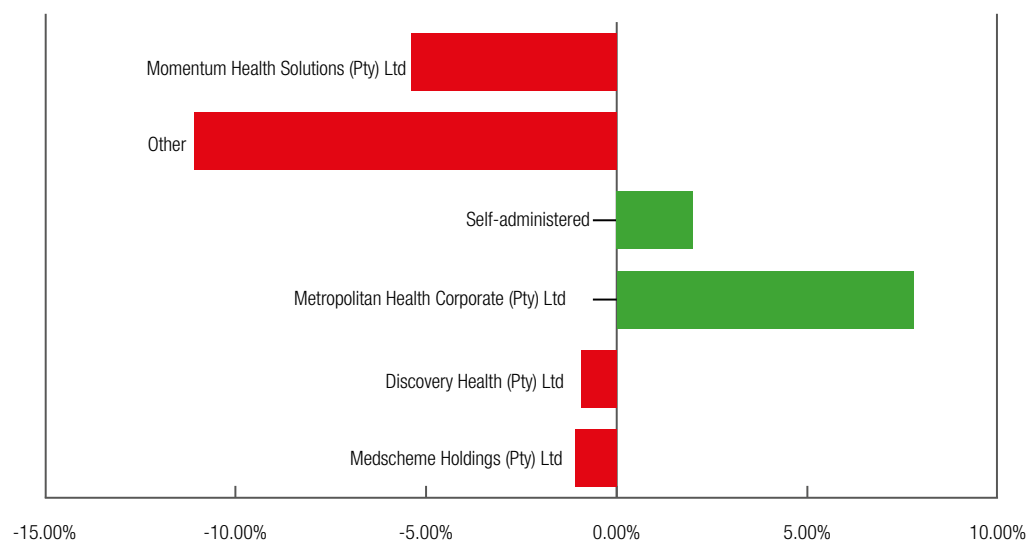


Figure 84: Percentage change in administrators with largest market share for all schemes (2017–2021)

The administrator with the highest growth in market share was Metropolitan Health Corporate (Pty) Ltd which grew by 7.78% over the period, with a market share of 18.28% at the end of 2021. The administrator's market share is linked to the growth obtained in GEMS.

Figure 85 indicates the changes in administrator market share over the last five years for open medical schemes.

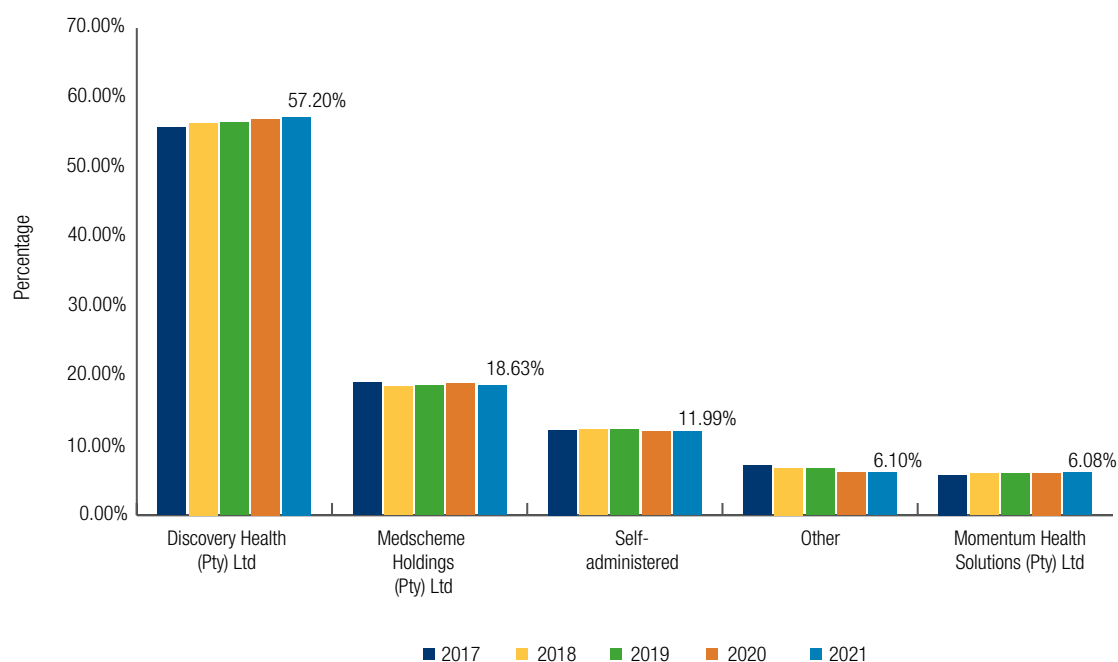


Figure 85: Market share of largest open scheme administrators based on average number of beneficiaries – trend* (2017–2021)

* The membership is based on the medical schemes administered at the end of the period and was not adjusted to reflect changes in administrators during the year (as per Annexure AF).

Discovery Health (Pty) Ltd had the largest market share in the open schemes environment; its market share increased by 2.64%, from 55.73% in 2017 to 57.20% at the end of 2021.

Medscheme Holdings (Pty) Ltd had the second-largest share in the open schemes administration market at 18.63% (2017: 19.08%); its market share declined by 2.36% over the period.

Figure 86 indicates the changes in administrator market share over the last five years for restricted medical schemes.

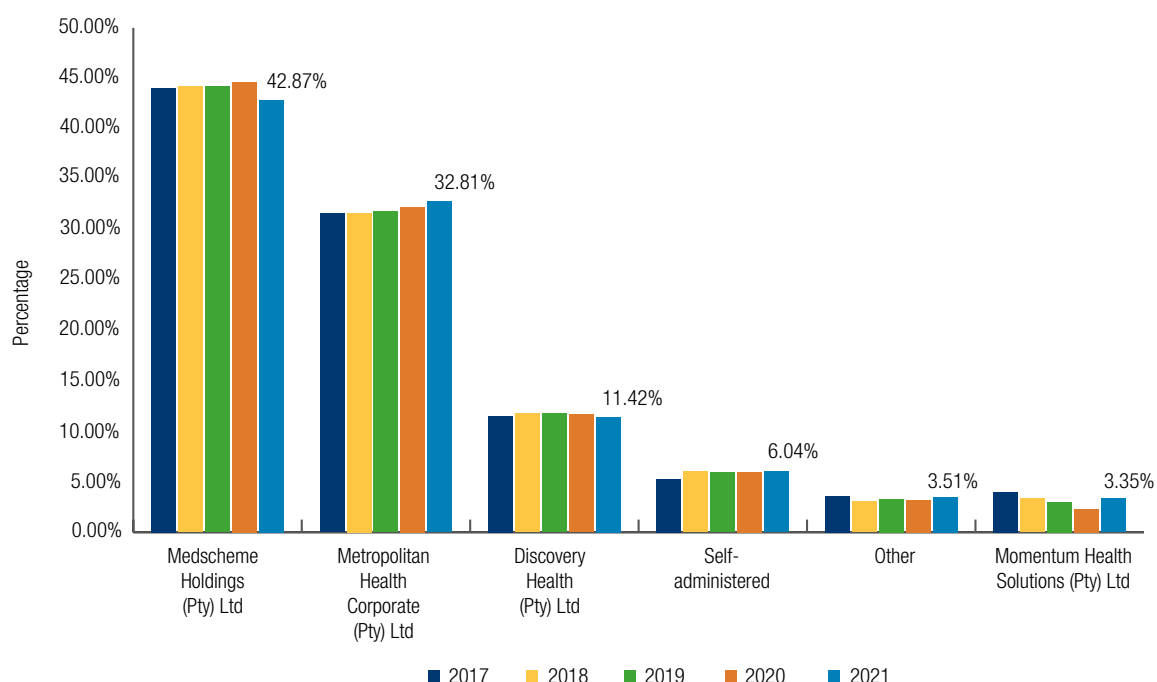


Figure 86: Market share of largest restricted scheme administrators based on average number of beneficiaries – trend* (2017–2021)

* The membership is based on the medical schemes administered at the end of the period and was not adjusted to reflect changes in administrators during the year (as per Annexure AF).

Medscheme Holdings (Pty) Ltd had the largest share in the restricted schemes administration market at 42.87% (2017: 44.06%), and has been responsible for GEMS's contribution and debt management, as well as correspondence services, since 1 January 2012. Medscheme Holdings (Pty) Ltd's market share decreased by 2.70% over the period.

Metropolitan Health Corporate (Pty) Ltd had the second largest share of the restricted schemes market at 32.81% (2017: 31.59%) this administrator had seen a significant increase in market share with the registration of GEMS, which has subsequently been shared with Medscheme Holdings (Pty) Ltd as a co-administrator.

Circular 77 of 2019 (with effective date 1 January 2021) was issued to standardise the contracting and reporting of accredited administration services and other administration services, thereby ensuring transparency to allow for more efficient monitoring and comparability of the individual services contracted across the industry.

Administrators often provide other services such as forensic investigations and recoveries, governance and compliance services, internal audit services and marketing expenditure. These expenditures have been included in the "fees paid to administrators" figures in Tables 70 and 71.

Table 70 shows the four administrators that had higher administration costs and total composite administration fees in respect of accredited administration and other administration services than the open scheme industry average of R134.32 pabpm.

Table 70: Percentage deviation from industry average in open schemes (2021)

	Market share	Gross administration costs	Total composite administration fees received (incl. co-administration fees) in respect of accredited administration and other administration services
Name of medical scheme	%	%	%
Momentum Health Solutions (Pty) Ltd	6.08	7.00	32.42
Discovery Health (Pty) Ltd	57.20	1.06	24.64
Universal Healthcare Administrators (Pty) Ltd	0.80	22.07	18.82
Agility Health (Pty) Ltd	0.61	67.30	15.17

Table 71 shows the seven administrators of restricted schemes that had higher administration costs and total composite administration fees in respect of accredited administration and other administration services than the restricted scheme industry average of R38.84 pabpm.

Table 71: Percentage deviation from industry average in restricted schemes (2021)

	Market share	Gross administration costs	Total composite administration fees received (incl. co-administration fees) in respect of accredited administration and other administration services
Name of medical scheme	%	%	%
Professional Provident Society Healthcare Administrators (Pty) Ltd	1.24	251.24	263.21
Discovery Health (Pty) Ltd	11.42	75.90	166.48
Discovery Administration Services (Pty) Ltd	0.20	93.91	156.23
Universal Healthcare Administrators (Pty) Ltd	1.14	58.22	115.06
Momentum Health Solutions (Pty) Ltd	3.35	67.18	102.99
Medscheme Holdings (Pty) Ltd*	42.87	-63.41	38.70
Metropolitan Health Corporate (Pty) Ltd	32.81	22.92	5.10

*The GEMS co-administration fee was included in the cash flows under administration; the GEMS average beneficiaries were included.

Table 72 lists the administrators whose total composite administration fees received (incl. co-administration fees) in respect of administration and other services exceeded the industry average of R247.56 pampm. It is important to note that the composite administration fee includes such other services such as forensic investigations and recoveries, governance and compliance services, internal audit services and marketing expenditure (where applicable). It is therefore not directly comparable with administrators who do not provide these services. For the breakdown of the various services provided by each administrator, reference can be made to Annexure AF.

Table 72: Administrators with total composite administration fees received (incl. co-administration fees) in respect of accredited administration and other administration services higher than the average for all administrators of R247.56 pampm* (2021)

Name of administrator	No. of medical schemes	Average members	Average beneficiaries	Market share	Total composite administration fees received (incl. co-administration fees) in respect of accredited administration and other administration services
Discovery Health (Pty) Ltd	19	1 655 464	3 459 593	31.69	323.04
Momentum Health Solutions (Pty) Ltd	11	248 156	497 541	4.56	275.36
Professional Provident Society Healthcare Administrators (Pty) Ltd	2	69 990	145 460	1.33	266.30
Agility Health (Pty) Ltd	1	17 643	29 549	0.27	259.09

*pampm = per average member per month

Tables 73 and 74 show administrator market share based on the average number of beneficiaries to whom services were being delivered by third-party administrators and medical schemes under self-administration. The tables also show the average cost of administration. Gross administration costs are costs charged to both risk pools and savings accounts. (Details per individual administrator are outlined in Annexure AF).

Table 73: Administrator market share for open schemes (2021)

Name of administrator	No. of schemes	Beneficiaries	Gross administration costs		Total composite administration fees received (incl. co-administration fees) in respect of accredited administration and other administration services		Gross contributions	Risk claims ratio
		Market share %	pabpm R	As % of GCI	pabpm R	As % of GCI	pabpm R	%
3Sixty Health (Pty) Ltd	1	2.46	210.55	10.50	91.41	4.56	2 004.35	95.28
Agility Health (Pty) Ltd	1	0.61	288.34	10.67	154.70	5.72	2 702.48	102.89
Discovery Health (Pty) Ltd	1	57.20	174.18	7.62	167.41	7.33	2 284.92	90.09
Medscheme Holdings (Pty) Ltd	3	18.63	160.49	7.31	112.71	5.14	2 194.29	91.34
Momentum Health Solutions (Pty) Ltd	1	6.08	184.42	11.73	177.86	11.32	1 571.76	87.36
Momentum Thebe Ya Bophelo (Pty) Ltd	3	0.79	119.79	8.82	78.97	5.82	1 357.68	86.23
Professional Provident Society Healthcare Administrators (Pty) Ltd	1	1.45	232.28	8.48	114.24	4.17	2 738.69	89.47
Self-Administered	5	11.99	155.86	6.86	-	-	2 270.81	90.63
Universal Healthcare Administrators (Pty) Ltd	2	0.80	210.39	10.23	159.60	7.76	2 055.65	97.22
Average	18	100.00	172.35	7.78	134.32	6.06	2 216.07	90.55

pabpm = per average beneficiary per month

GCI = Gross Contribution Income

Table 74: Administrator market share for restricted schemes (2021)

Name of administrator	No. of schemes	Beneficiaries	Gross administration costs		Total composite administration fees received (incl. co-administration fees) in respect of accredited administration and other administration services		Gross contributions	Risk claims ratio
		Market share %	pabpm R	As % of GCI	pabpm R	As % of GCI	pabpm R	%
Discovery Health (Pty) Ltd	18	11.42	119.56	5.84	103.50	5.06	2 045.82	90.43
Discovery Administration Services (Pty) Ltd	1	0.20	131.80	5.31	99.52	4.01	2 481.87	102.71
Medscheme Holdings (Pty) Ltd*	10	42.87	24.87	1.24	53.87	0.63	2 004.97	90.62
Metropolitan Health Corporate (Pty) Ltd**	1	32.81	83.55	4.17	40.82	2.04	2 003.59	89.93
Momentum Health Solutions (Pty) Ltd	10	3.35	113.63	5.81	78.84	4.03	1 956.00	98.81
Momentum Thebe Ya Bophelo (Pty) Ltd	3	0.93	67.79	5.26	36.45	2.83	1 289.89	88.58
Professional Provident Society Healthcare Administrators (Pty) Ltd	1	1.24	238.74	10.25	141.07	6.05	2 330.11	94.50
Self-Administered	10	6.04	121.90	7.07	-	-	1 725.42	93.88
Universal Healthcare Administrators (Pty) Ltd	4	1.14	107.54	5.78	83.53	4.49	1 861.91	94.56
Average	58	100.00	67.97	5.11	38.84	2.74	1 329.96	91.42

pabpm = per average beneficiary per month

GCI = Gross Contribution Income

*The GEMS co-administration fee was included in the cash flows under administration; the GEMS average beneficiaries were included

**The GEMS administration fee was included in the cash flows under administration; the GEMS GCI was included

Table 75 indicates the total fees paid to the top four administrators in terms of market share for all schemes, as well as the schemes falling under their administration).

Table 75: Total fees paid to the four largest administrators (excluding accredited managed healthcare services) – deviation from average per administrator (2021)

Ref. no.	Name of medical scheme	Name of administrator	Average members	Fee paid in respect of accredited administration services		Fee paid to accredited administrator in respect of other administration services		Average per administrator	Deviation from average per administrator
				pampm R	As % of GAE	pampm R	As % of GAE		
1125	Discovery Health Medical Scheme	Discovery Health (Pty) Ltd	1 339 822	310.93	86.50	34.56	9.61	323.04	6.95
1571	Anglovaal Group Medical Scheme		2 426	259.86	81.88	19.96	6.29		-13.38
1145	LA-Health Medical Scheme		91 759	258.75	74.12	71.00	20.34		2.08
1520	University of Kwa-Zulu Natal Medical Scheme		3 408	247.31	82.13	22.86	7.59		-16.37
1578	TFG Medical Aid Scheme		3 169	236.64	79.09	18.17	6.07		-21.12
1572	Engen Medical Benefit Fund		3 295	236.42	78.88	18.16	6.06		-21.19
1241	Multichoice Medical Aid Scheme		3 534	234.18	78.02	22.97	7.65		-20.40
1516	Quantum Medical Aid Society		2 943	228.29	66.09	13.74	3.98		-25.08
1579	Tsogo Sun Group Medical Scheme		4 198	221.26	73.72	16.99	5.66		-26.25
1430	Remedi Medical Aid Scheme		20 177	213.96	84.98	18.33	7.28		-28.09
1176	Retail Medical Scheme		12 951	212.35	88.44	16.31	6.79		-29.22
1547	Malcor Medical Aid Scheme		4 457	192.60	68.89	21.48	7.68		-33.73
1526	BMW Employees Medical Aid Society		3 013	191.97	82.61	15.68	6.75		-35.72
1209	South African Breweries Medical Aid Scheme (SABMAS)		11 056	189.68	72.14	11.54	4.39		-37.71
1012	Anglo Medical Scheme		8 678	185.04	57.07	15.84	4.89		-37.82
1253	Glencore Medical Scheme		7 380	163.93	83.14	17.74	9.00		-43.76
1584	Netcare Medical Scheme		16 580	158.47	83.14	16.95	8.89		-45.70
1279	Bankmed		105 208	149.57	68.65	19.39	8.90		-47.70
1599	Lonmin Medical Scheme		11 410	66.35	78.41	6.54	7.73		-77.44
1202	Fedhealth Medical Scheme	Medscheme Holdings (Pty) Ltd	71 062	271.68	64.63	48.46	11.53	104.13	207.44
1441	Parmed Medical Aid Scheme		2 424	236.25	65.96	27.12	7.57		152.92
1507	Barloworld Medical Scheme		4 126	227.26	76.89	-	-		118.25
1424	SABC Medical Scheme		3 934	209.03	67.64	-	-		100.74
1512	Bonitas Medical Fund		340 138	200.41	64.06	22.57	7.21		114.14
1039	MBMed Medical Aid Fund		4 470	193.49	72.83	27.20	10.24		111.94
1005	AECI Medical Aid Society		5 594	192.24	68.81	34.35	12.30		117.60
1566	Horizon Medical Scheme		1 402	179.80	56.96	19.50	6.18		91.40
1537	Hosmed Medical Aid Scheme		20 456	155.04	35.25	-	-		48.89
1548	Medipos Medical Scheme		11 717	152.86	66.23	-	-		46.80
1469	Nedgroup Medical Aid Scheme		25 937	152.71	72.41	13.89	6.59		59.99

Ref. no.	Name of medical scheme	Name of administrator	Average members	Fee paid in respect of accredited administration services		Fee paid to accredited administrator in respect of other administration services		Average per administrator	Deviation from average per administrator
				pampm R	As % of GAE	pampm R	As % of GAE		
1580	South African Police Service Medical Scheme (POLMED)		174 002	104.35	50.27	21.68	10.44		21.03
1598	Government Employees Medical Scheme (GEMS)*		761 171	18.48	7.78	-	-		-82.25
1598	Government Employees Medical Scheme (GEMS)	Metropolitan Health Corporate (Pty) Ltd	761 171	107.04	45.06	-	-	107.04	-
1186	PG Group Medical Scheme	Momentum Health Solutions (Pty) Ltd	1 320	198.55	60.53	36.62	11.16	275.36	-14.60
1167	Momentum Medical Scheme		153 261	197.16	55.74	143.95	40.70		23.88
1563	Pick n Pay Medical Scheme		7 008	184.41	61.95	47.08	15.81		-15.93
1293	Wooltru Healthcare Fund		9 579	182.23	66.96	34.69	12.74		-21.22
1582	Transmed Medical Fund		18 429	153.14	60.78	17.71	7.03		-37.95
1559	Imperial and Motus Medical Aid		6 975	153.13	50.46	-	-		-44.39
1270	Golden Arrow Employees' Medical Benefit Fund		2 444	151.77	75.62	23.29	11.60		-36.43
1237	BP Medical Aid Society		1 509	151.20	44.57	22.92	6.76		-36.77
1600	Motohealth Care		16 948	148.36	53.91	68.36	24.84		-21.30
1234	Sasolmed		28 859	113.94	62.04	-	-		-58.62
1271	Fishing Industry Medical Scheme (Fishmed)		1 824	80.46	52.12	14.89	9.65		-65.37

GAE = Gross Administration Expenditure

pampm = per average member per month

*The GEMS co-administration fee was included. Medscheme Holdings (Pty) Ltd was responsible for contribution and debt management as well as correspondence services, whilst Metropolitan Health Corporate (Pty) Ltd was responsible for member and claims management services as well as the provision of financial and operational information.

Table 76 shows the market share of administrators including accredited managed healthcare services.

Table 76: Market share of administrators including accredited managed healthcare services (2021)

Name of administrator	No. of schemes	Beneficiaries	Total composite administration fees received (incl. co-administration fees) in respect of administration and other services	Net relevant healthcare expenditure incurred	Accredited managed healthcare services (no transfer of risk) received	Accredited managed healthcare services (risk transfer arrangement): capitation fee received	Total fees received
		Market share %	pabpm R	pabpm R	pabpm R	pabpm R	pabpm R
3Sixty Health (Pty) Ltd	1	1.09	91.41	1 904.85	97.21	-	188.62
Agility Health (Pty) Ltd	1	0.27	154.70	2 633.88	-	-	154.70
Discovery Health (Pty) Ltd	19	31.69	154.58	1 677.19	55.60	24.40	213.66
Discovery Administration Services (Pty) Ltd	1	0.11	110.48	2 143.62	48.97	-	159.45
Medscheme Holdings (Pty) Ltd*	13	32.14	42.33	1 896.04	35.61	-	77.94
Metropolitan Health Corporate (Pty) Ltd	1	18.28	40.82	1 747.06	-	-	40.82
Momentum Health Solutions (Pty) Ltd	11	4.56	137.34	1 524.97	40.88	127.33	271.62
Momentum Thebe Ya Bophelo (Pty) Ltd	6	0.87	53.71	1 106.31	-	-	53.71
Professional Provident Society Healthcare Administrators (Pty) Ltd	2	1.33	128.14	2 246.22	52.14	-	180.28
Self-Administered	15	8.67	-	1 745.74	30.51	-	14.70
Universal Healthcare Administrators (Pty) Ltd	6	0.99	110.84	1 674.42	46.94	-	153.71
Average	76	100.00	111.22	1 738.73	45.31	68.23	120.91

pabpm = per average beneficiary per month


The above table reflects market share based on the number of beneficiaries administered during the year (i.e. includes mid-year administrator changes)

*Only the GEMS co-administration fee was included in the cash flows under administration; the GEMS average beneficiaries were included

Table 77 shows the six administrators that had the highest deviation from the 2021 industry average of R120.91 pabpm in respect of total fees received by administrators.

Table 77: Total fees paid to administrators (including accredited managed healthcare services) – deviation from industry average (2021)

Name of administrator	Total composite administration fees received (incl. co-administration fees) in respect of administration and other services	Accredited managed healthcare services (no transfer of risk) received	Accredited managed healthcare services (risk transfer arrangement):	Total fees received
	%	%	%	%
Momentum Health Solutions (Pty) Ltd	23.48	-9.78	86.62	124.65
Discovery Health (Pty) Ltd	38.99	22.71	-64.24	76.71
Professional Provident Society Healthcare Administrators (Pty) Ltd	15.21	15.07	-100.00	49.10
Discovery Administration Services (Pty) Ltd	-0.67	8.08	-100.00	31.87
Agility Health (Pty) Ltd	39.09	-100.00	-100.00	27.95
Universal Healthcare Administrators (Pty) Ltd	-0.34	3.60	-100.00	27.13

An abstract graphic resembling a circuit board or network diagram is positioned in the lower half of the page. It consists of various white and gold lines, some straight and some zig-zagging, with small circular nodes at various points. A grid of white dots is also visible in the upper right portion of this graphic area.

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