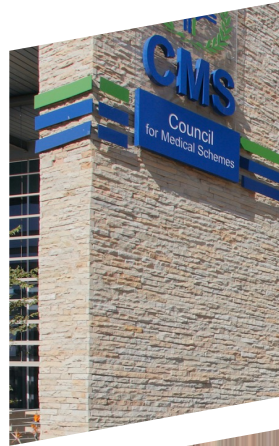

PRINCIPAL OFFICER &
BOARD OF TRUSTEE FORUM
27 March 2024

AGM

expenditure

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Executive: Policy, Research and
Monitoring



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Background

- ▶ AGMs are a cornerstone of medical scheme governance and sustainability, fostering transparency, accountability, and member engagement.
- ▶ Despite the inherent significance of AGMs, the prevailing issue of limited member participation challenges their effectiveness.
- ▶ This challenge, while common among many medical schemes, necessitates a closer examination of the factors contributing to this shortfall and the implementation of strategic measures to address them.
 - ▶ Circular 21 of 2023
- ▶ Medical schemes encouraged to host hybrid AGMs and SGMs
- ▶ Amid guidance, CMS has noted an increase in the hosting of AGM expenditure > prior COVID-19 era

Legislative requirements



Under the Medical Schemes Act, medical schemes must hold a general meeting of members every year, called an Annual General Meeting (AGM), where members may voice their views and vote on motions.



Section 29(1)(m) of the MSA determines that no medical scheme shall carry on any business unless provision is made in its rules regarding the manner of calling the AGM and Special General Meetings (SGM) of members, the quorum necessary for the transaction of business at such meetings and the.



Section 57 (4) (d) of MSA binds the Board of Trustees of Medical Schemes to 'ensure that adequate and appropriate information is communicated to the members regarding their rights, benefits, contributions in terms of the rules of the medical schemes.

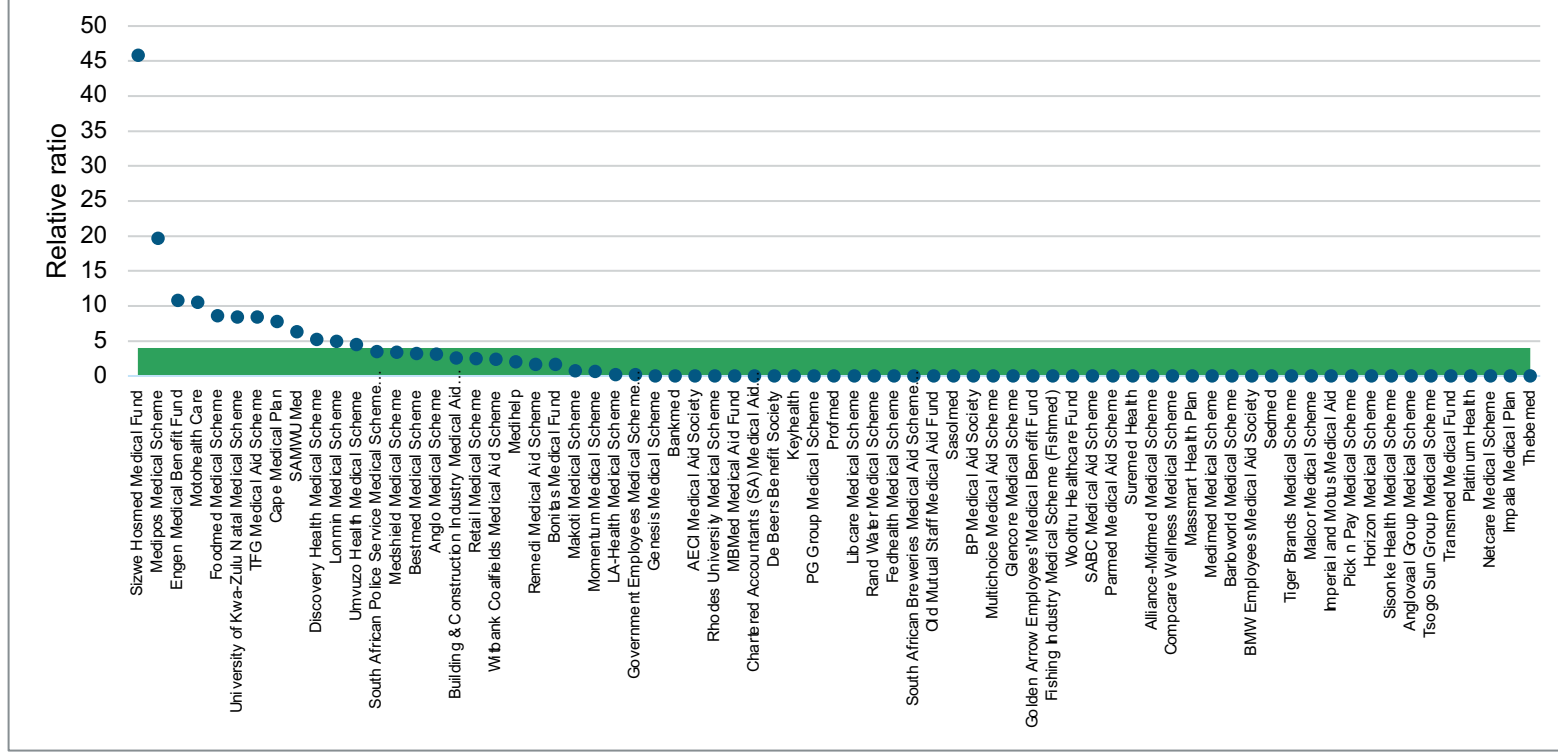
Purpose

- ▶ Highlight the important role of AGMs in Medical Scheme governance
- ▶ Emphasise significance and transparent communication platforms to foster accountability and member engagement.
- ▶ Investigating AGM expenditures and identifying potential outliers
- ▶ Outline practical recommendations and provide a framework informed by lessons from the COVID-19 era to strengthen medical scheme governance structures.

Marketing expenditure trend

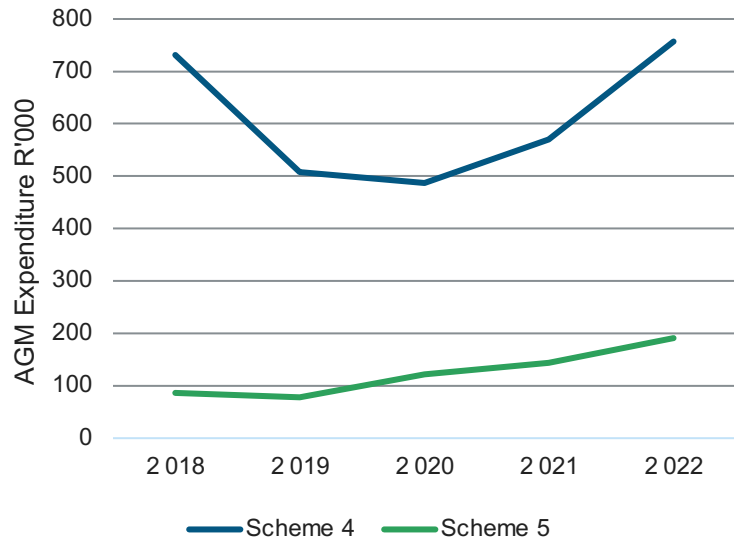


AGM expenditure/ Membership-2022

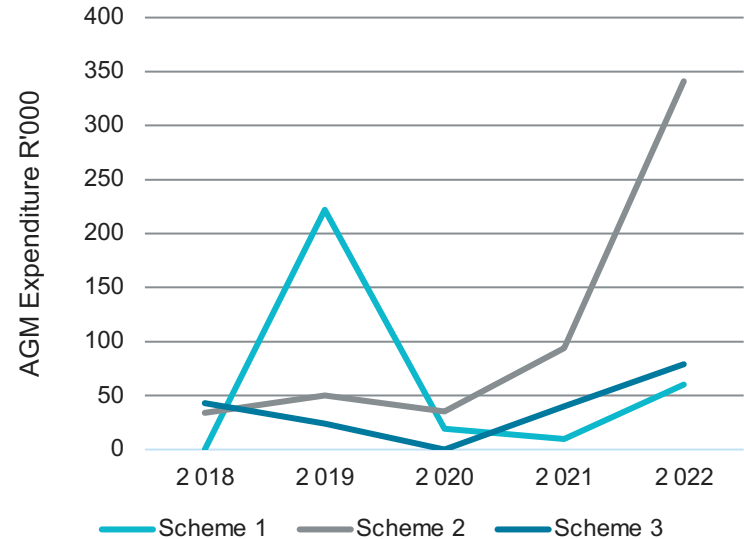


AGM expenditure increases 21-22

Scheme 4: 230-250 000 Lives
Scheme 5: 290-300 000 Lives
Relative ratio < 3



Schemes: 20-46 000 Lives
Scheme 2: Relative ratio = 10
Scheme 1, 3 Relative ratios < 3



Capping of AGM expenditure



Need for a like-to-like comparison

Adjustment: Participating members/
Scheme Members/Beneficiaries

Proposal = Marketing/ Beneficiaries < 10

Possible approaches (I)

ASPECT	IMPORTANCE	CHALLENGES	OPTIMISATION STRATEGIES
MEMBER PARTICIPATION	Informed Decision Making	Limited Awareness and Engagement	Implement user-friendly online platforms and mobile apps for registration and participation.
	Democratic Process	Lack of Interest or Understanding	Conduct awareness campaigns to educate members about the importance of AGMs and their role in decision-making.
	Accountability of Leadership	Busy Schedules and Time Constraints	Consider alternative timings for AGMs to accommodate members' schedules.

Possible approaches (cont...)

ASPECT	IMPORTANCE	CHALLENGES	OPTIMISATION STRATEGIES
ENHANCING MEMBER ENGAGEMENT	Active Participation	Lack of Interactive Features in AGMs	Incorporate interactive features such as live polls and Q&A sessions to engage members actively.
ENSURING TRANSPARENCY	Building a Sense of Community	Language Barriers	Provide multilingual support to cater to members who may have language barriers.
	Trust Building	Complex Financial Reports	Present financial information clearly and understandably to enhance transparency.
	Compliance with Regulations	Limited Visibility into Decision-Making	Share detailed meeting minutes to inform members about discussions and decisions.

Conclusion

- ▶ Emphasising improved communication to establish precise and targeted strategies to convey the importance of AGMs, the topics to be discussed, and the impact of member participation on the decision-making process.
- ▶ Utilising diverse communication channels, such as emails, newsletters, and social media platforms, to enhance outreach and to ensure that members are well-informed.
- ▶ Offer virtual participation options through video conferencing or live streaming to make AGMs more accessible, especially for members facing geographic or logistical challenges.
- ▶ Introduce incentives for participation and wellness programme perks.

Conclusion (cont...)

- ▶ Invest in education and advocacy through campaigns highlighting the tangible benefits of active participation.
- ▶ Transform AGMs into interactive forums through Q&A sessions, polls, or surveys.
- ▶ Foster a sense of community through pre-AGM events.
- ▶ Establish feedback mechanisms, such as post-meeting surveys or suggestion boxes.
- ▶ Recognize the diversity of the member base and tailor communication to resonate with different demographics, enabling schemes to craft messages appealing to a broader audience, ensuring inclusivity and active participation.

Thank you!

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