

# COUNCIL FOR MEDICAL SCHEMES ANNUAL REPORT 2015/16



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LAUNCH  
September 2016

# Overview of financial performance of medical schemes

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# Outline of presentation

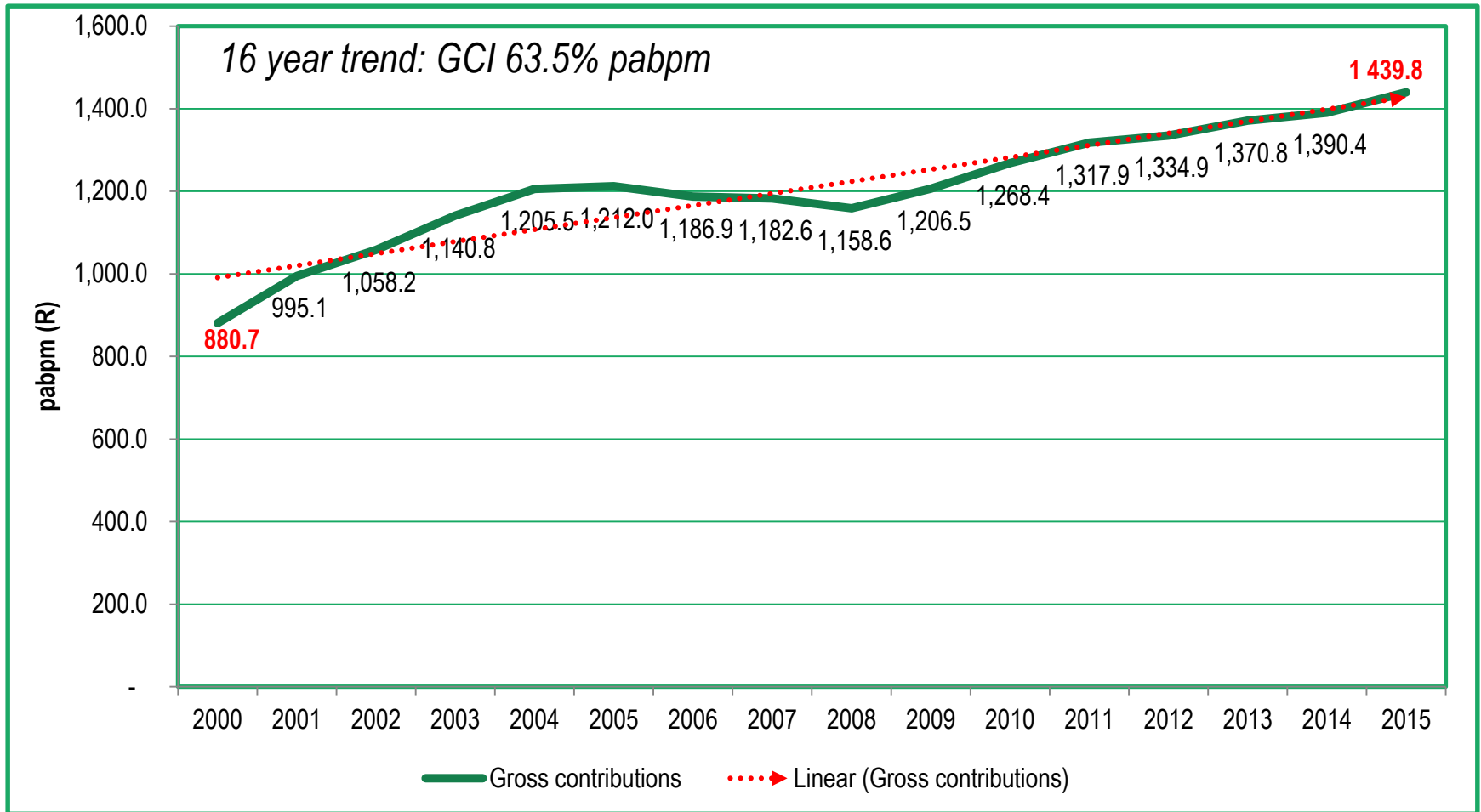
- Contribution and claims
- Claims seasonality
- Non healthcare expenditure
- Scheme results
- Solvency and financial supervision
- Investments
- Administrator market share

# Contribution and claims

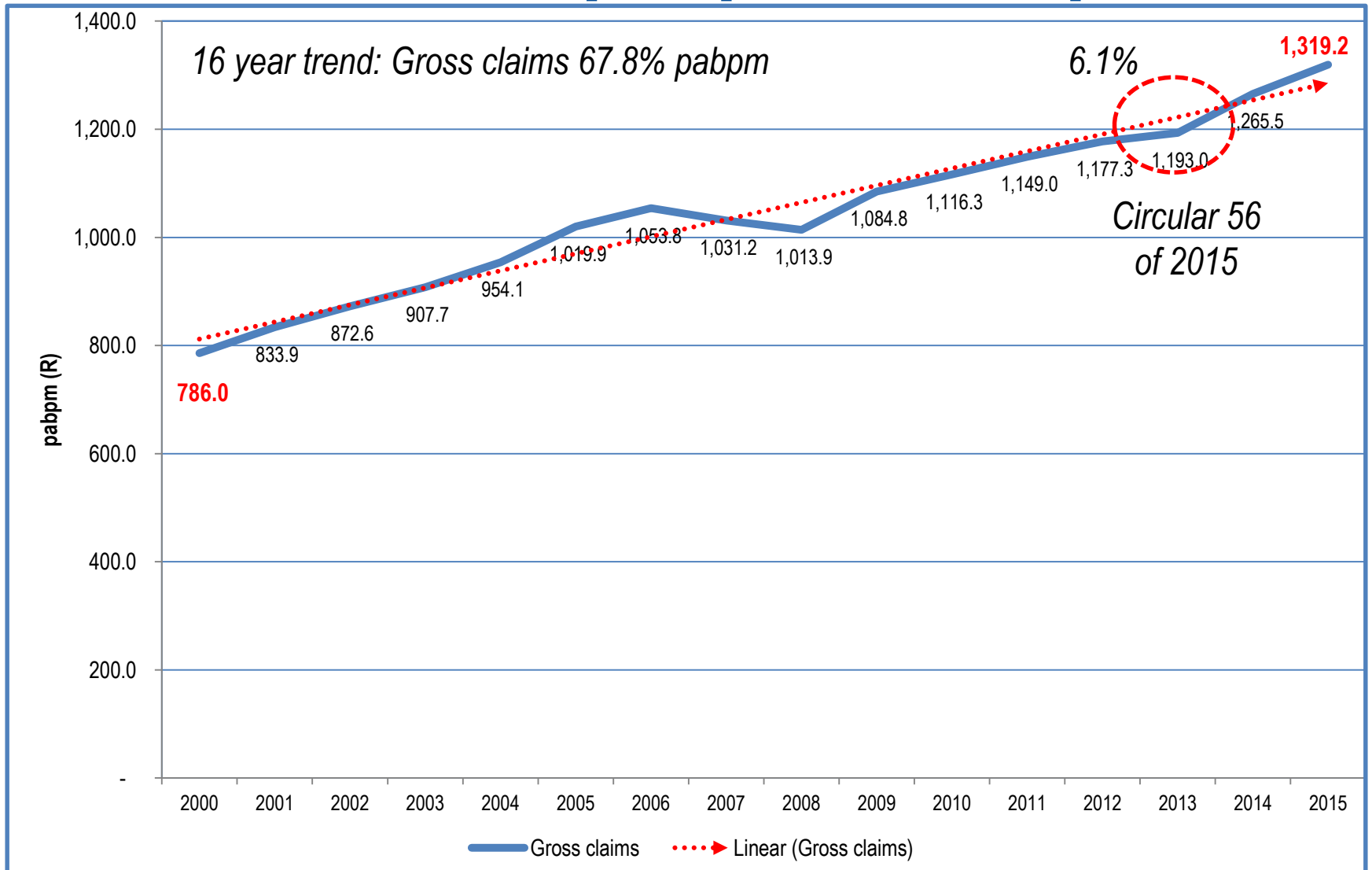
- Gross contributions R151.6 billion 8.1% (2014: R140.2 bn)
- Risk contributions R136.7 billion 7.7% (2014: R126.9 bn)
- Gross claims\*\* R138.9 billion 8.9% (2014: R127.6 bn)
- Risk claims\*\* R124.6 billion 8.4% (2014: R115.3 bn)

\*\* Circular 56 of 2015: 2014 and 2015 claims restated

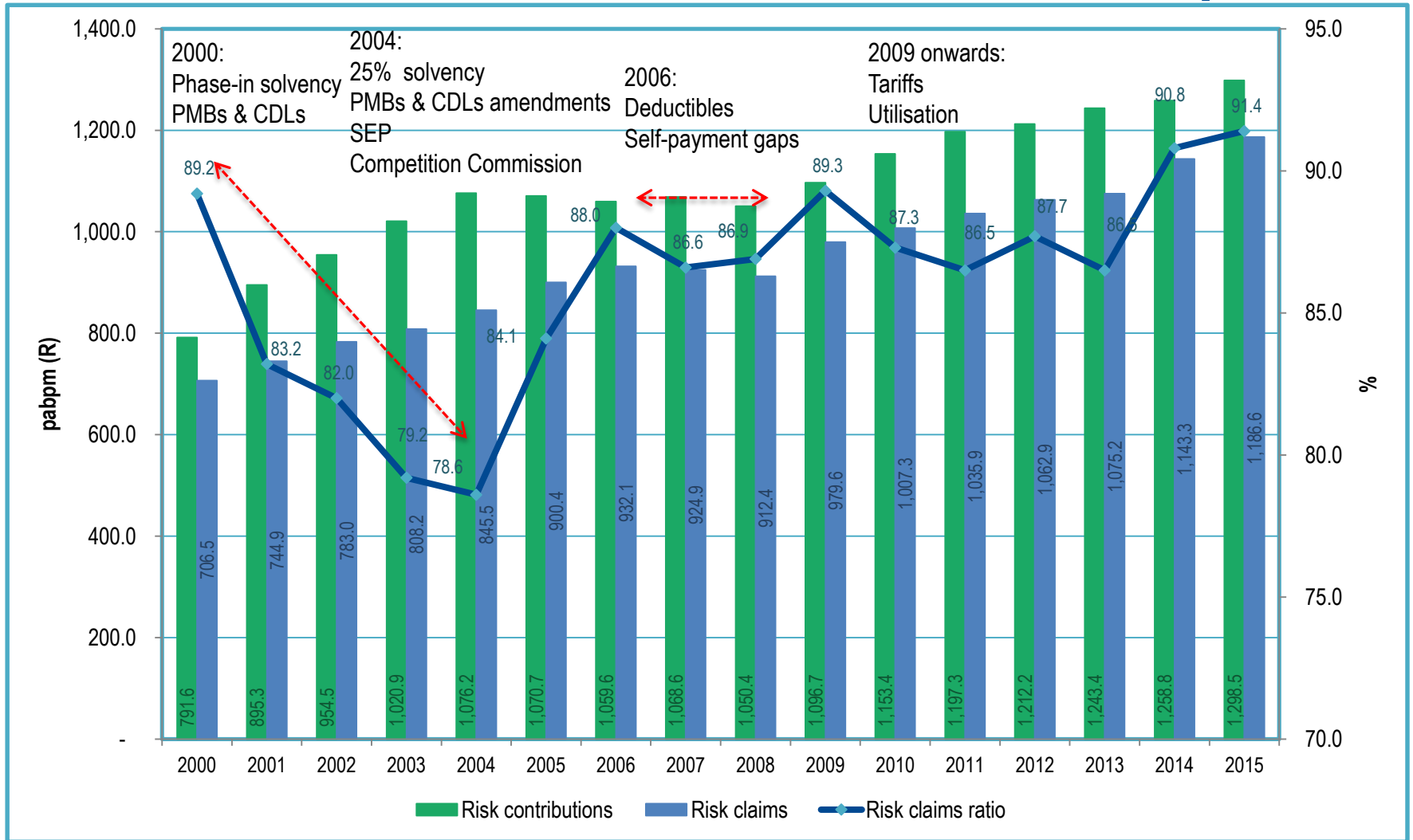
# Gross Contributions pabpm: 2015 prices



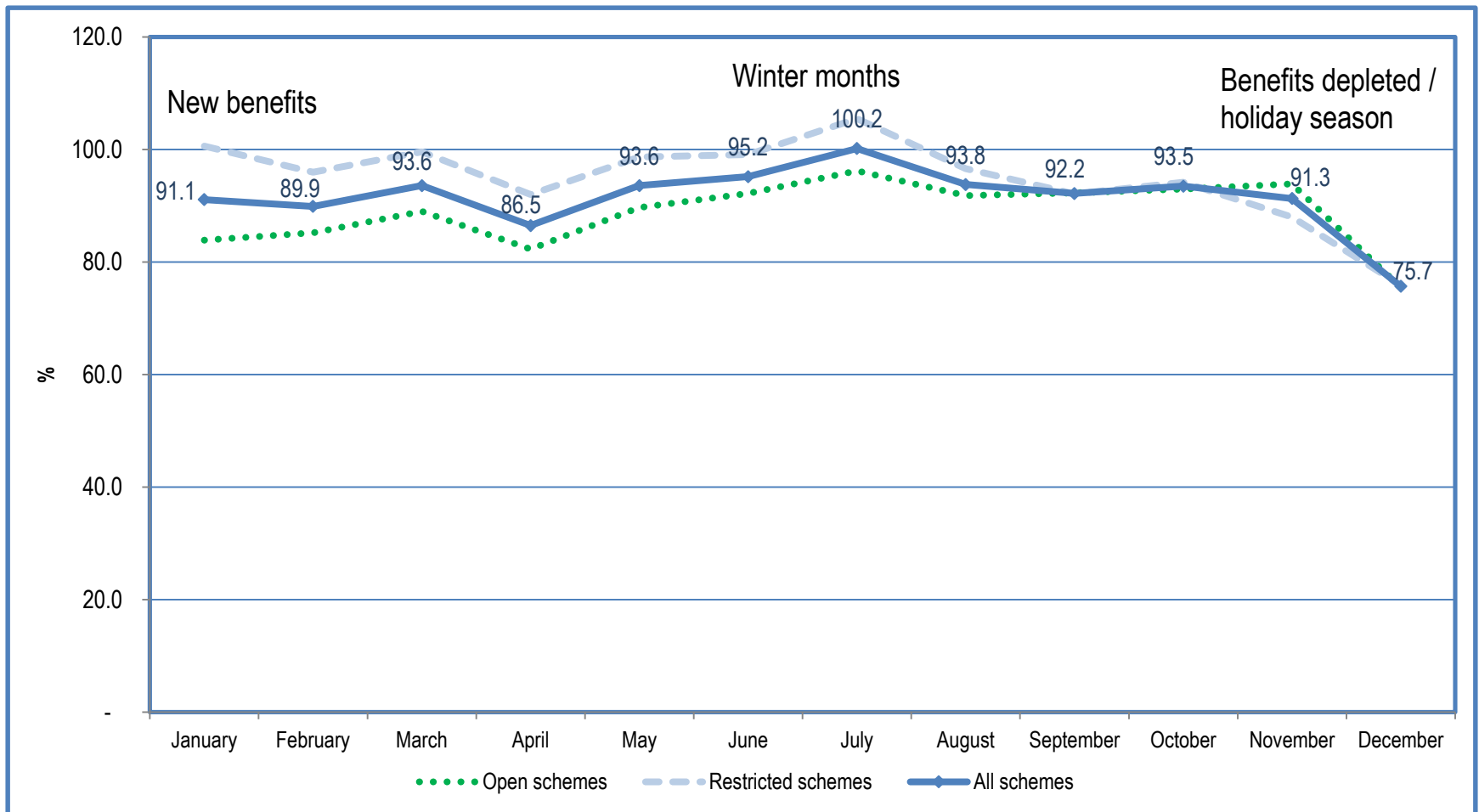
# Gross claims pabpm: 2015 prices



# Risk claims ratio for all schemes: 2015 prices

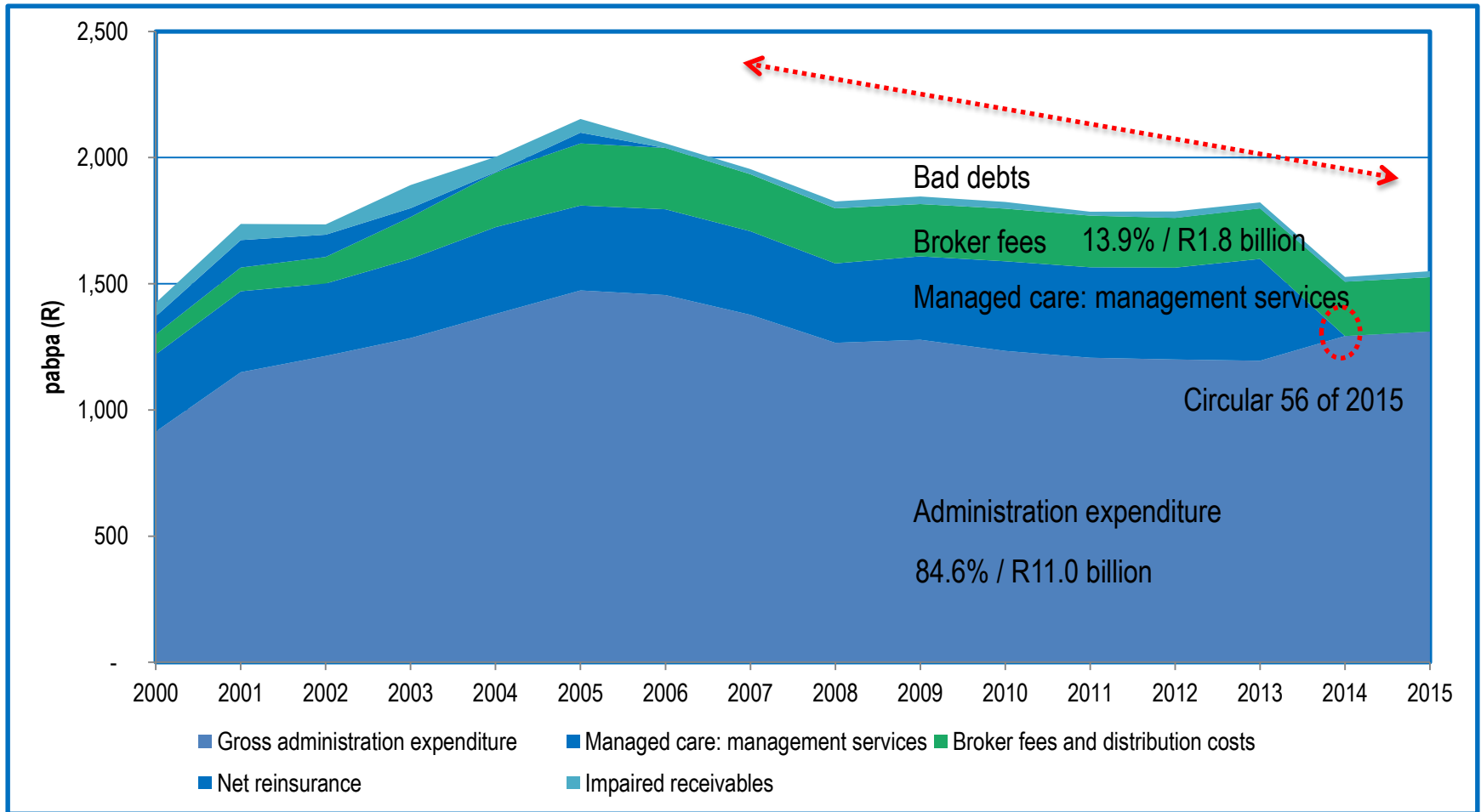


# Claims seasonality

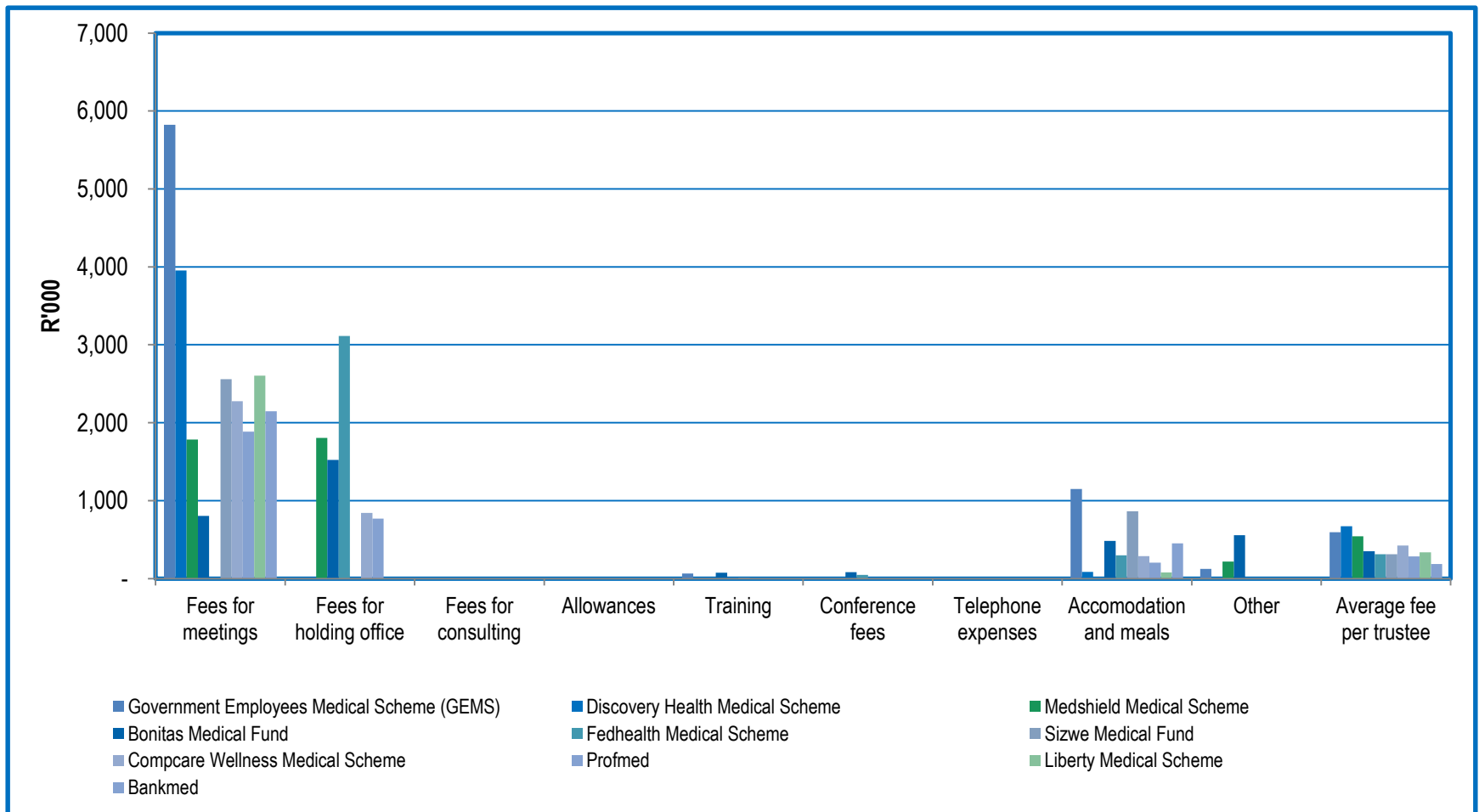




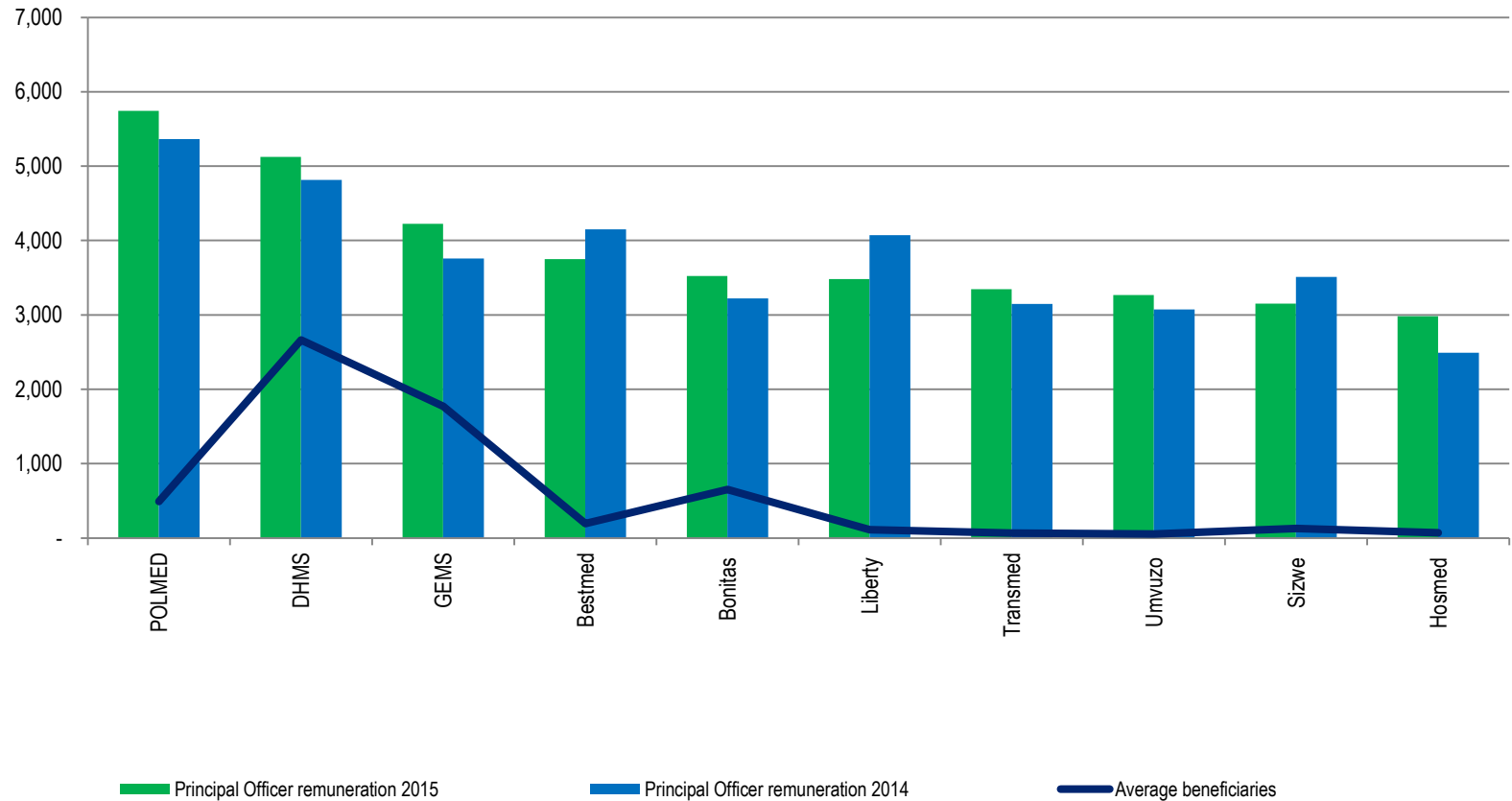
# Non healthcare expenditure pabpa: 2015 prices



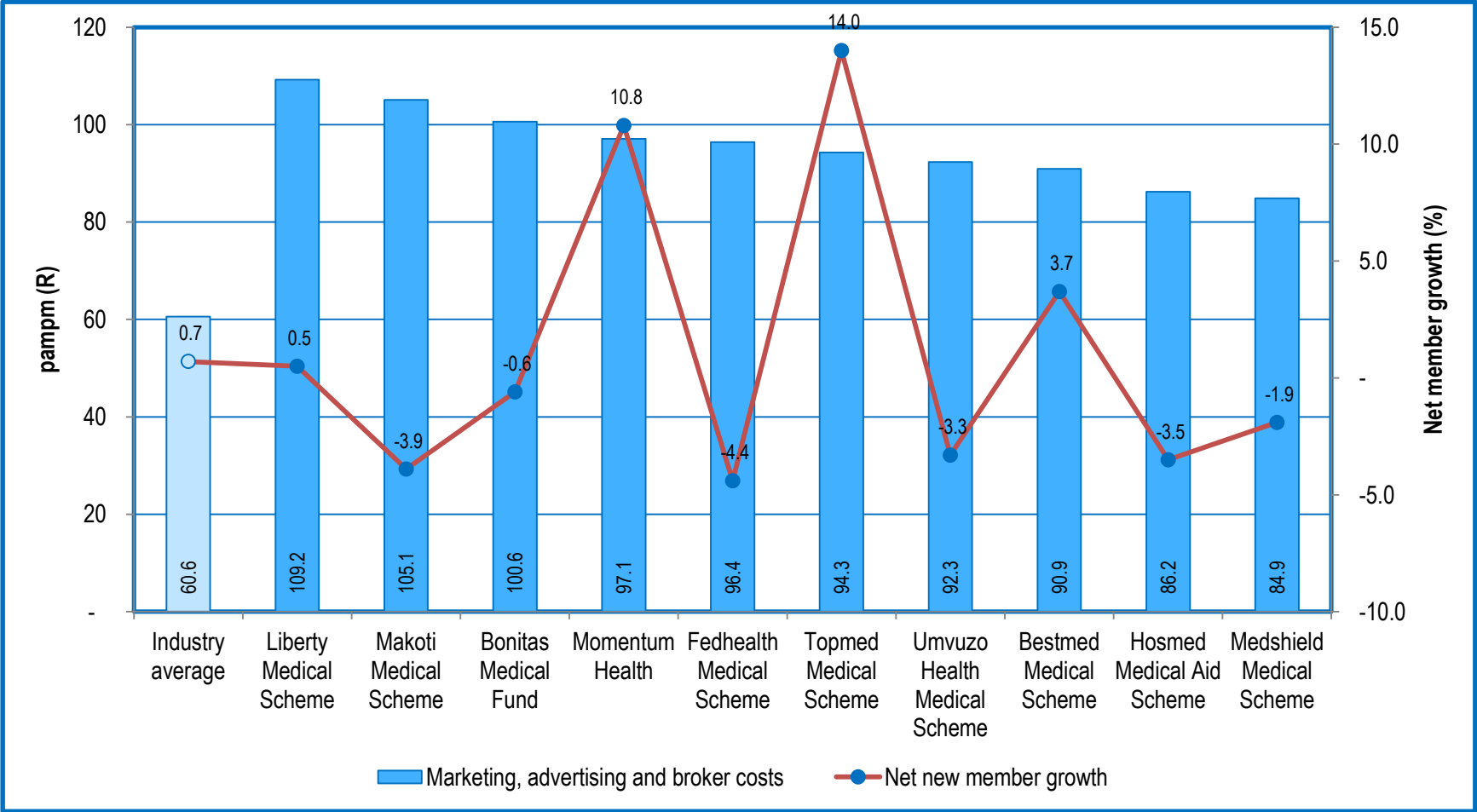
# Composition of trustee remuneration: 10 highest schemes



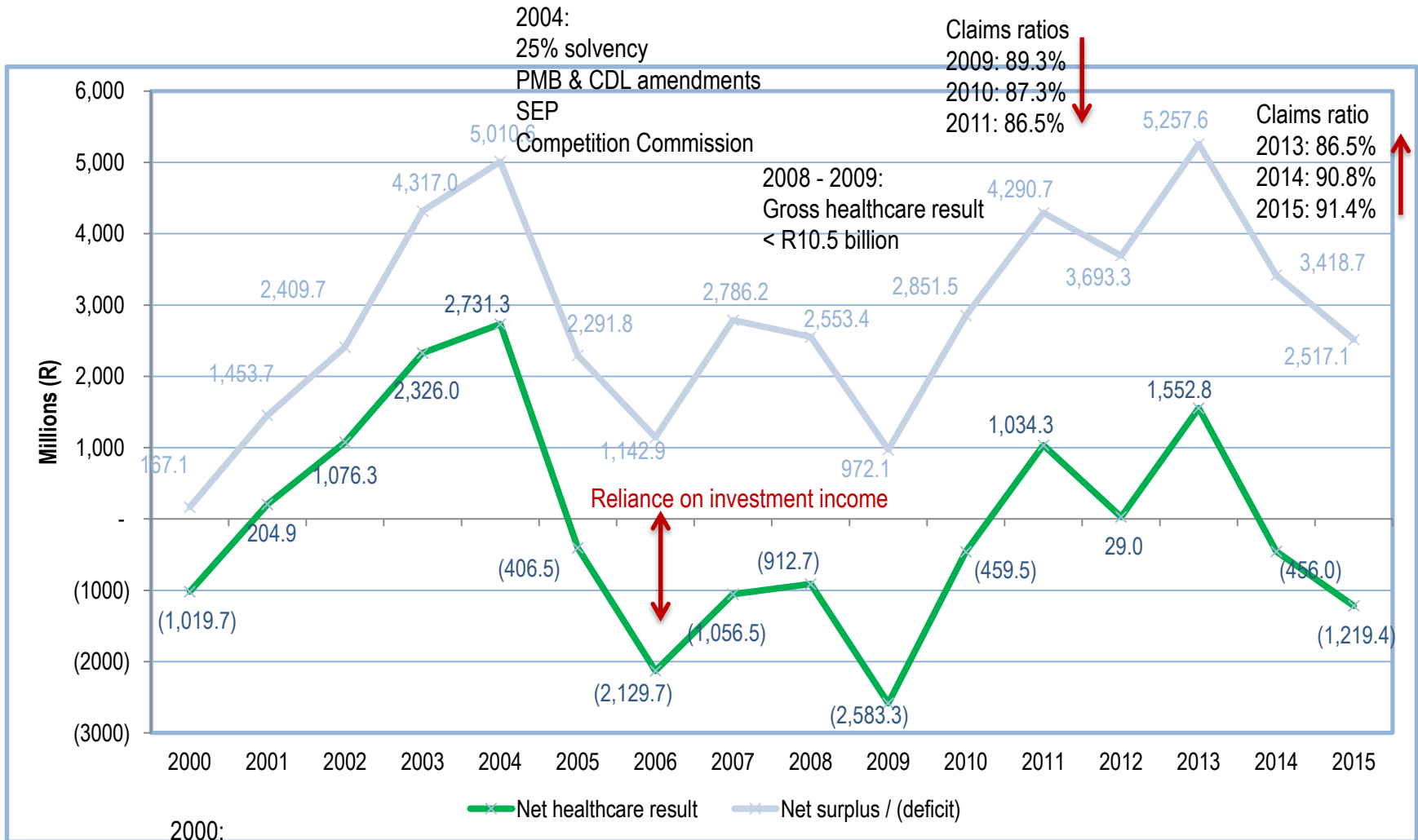
# Principal Officer remuneration



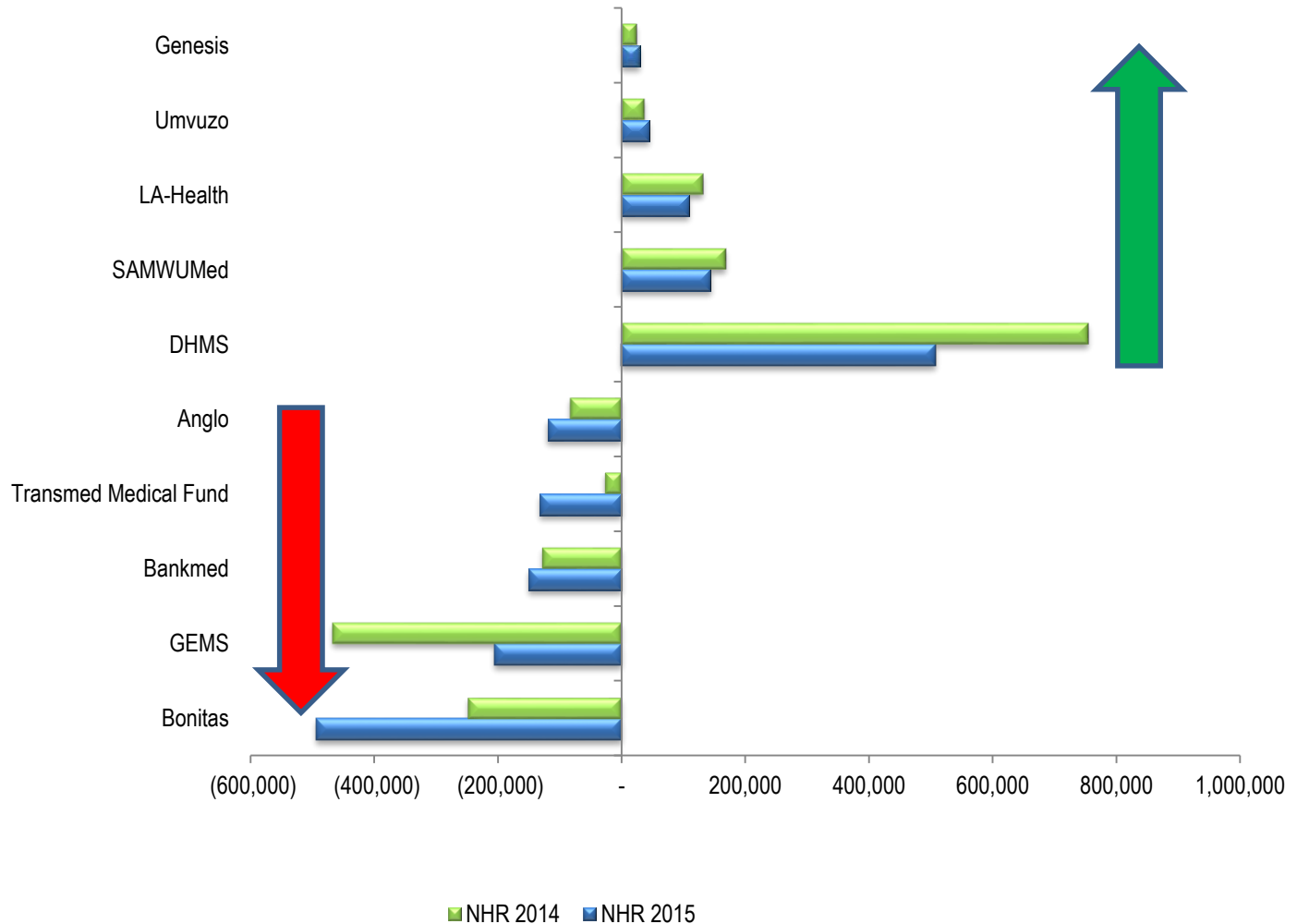
# Marketing, advertising and broker costs



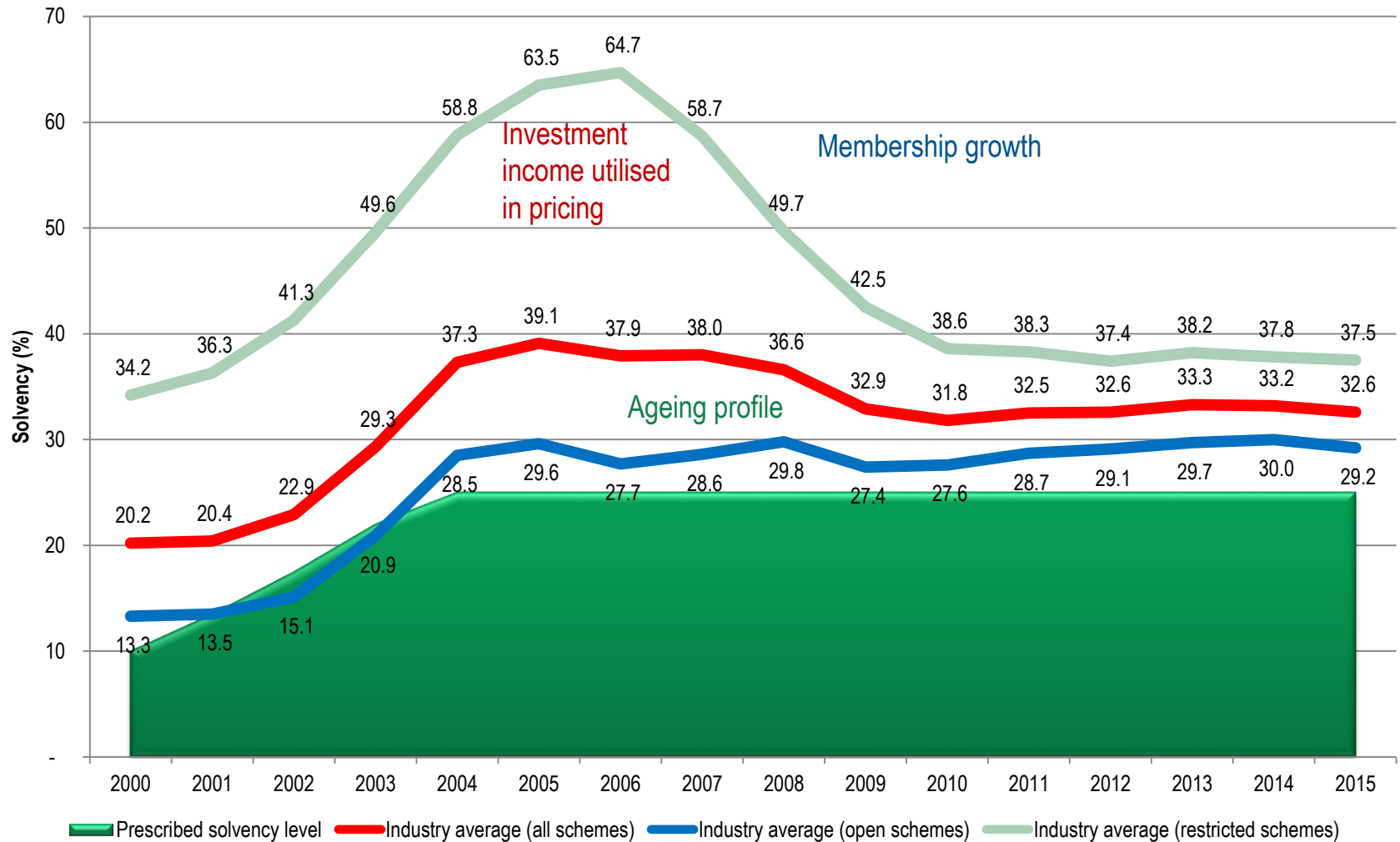
# Net results



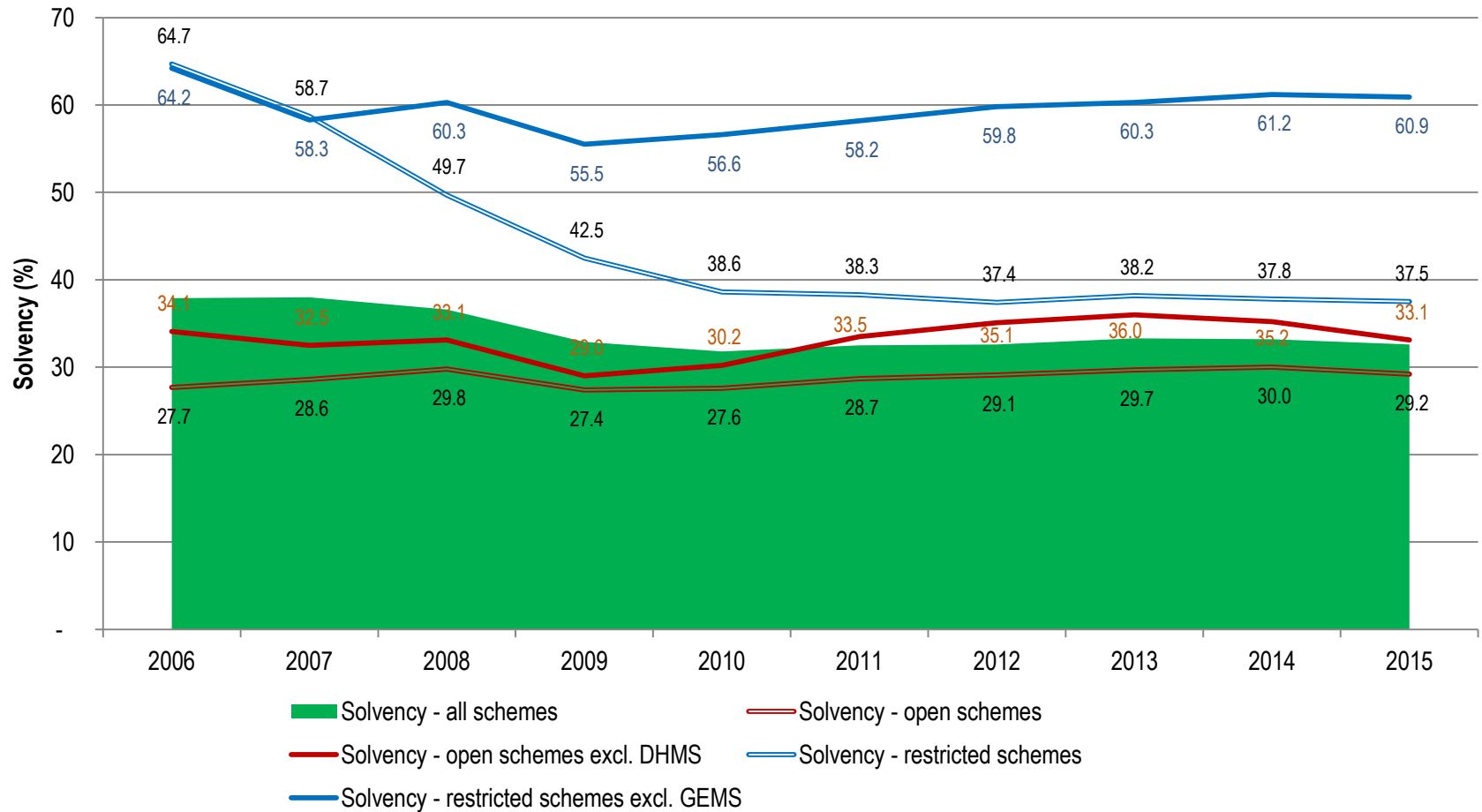
# Largest net healthcare deficits and surpluses



# Industry solvency



# Industry solvency excl GEMS and DHMS





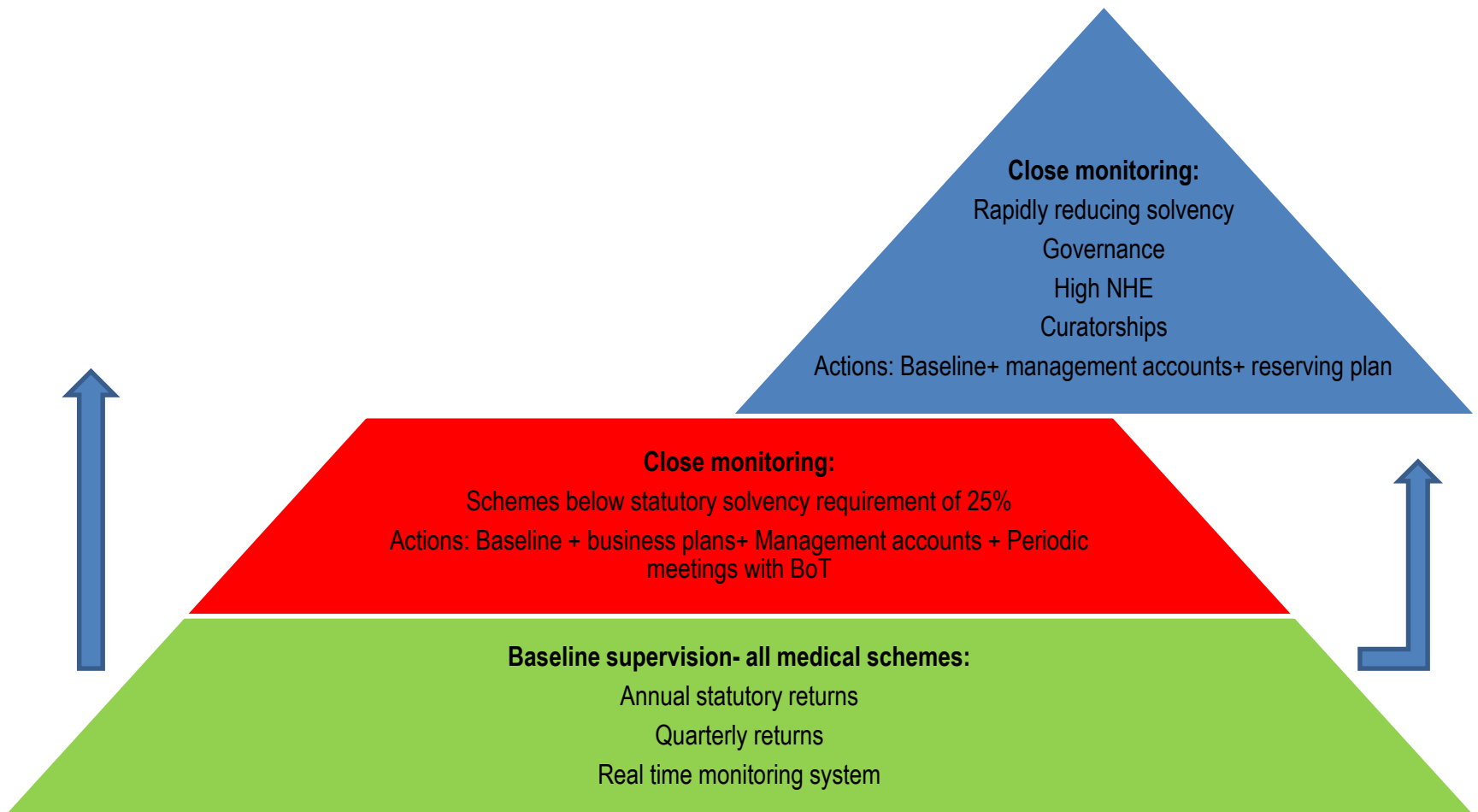
# Financial supervision

- Section 35(1) - Financially sound position
- Regulation 29 - Minimum accumulated funds
- Regulation 29 (3) - Phase in solvency levels
- Regulation 29(4) – Solvency
  - < 25%
  - > 90 days
    - Nature and causes of failure
    - Course of action being adopted

# Financial supervision

- The Registrar of Medical Schemes:
  - Authorise the medical scheme concerned to adopt the specified course of action
  - Direct a modification of the proposal and/or
  - Implement any other actions in terms of any other provision of the Act.

# Supervision pyramid

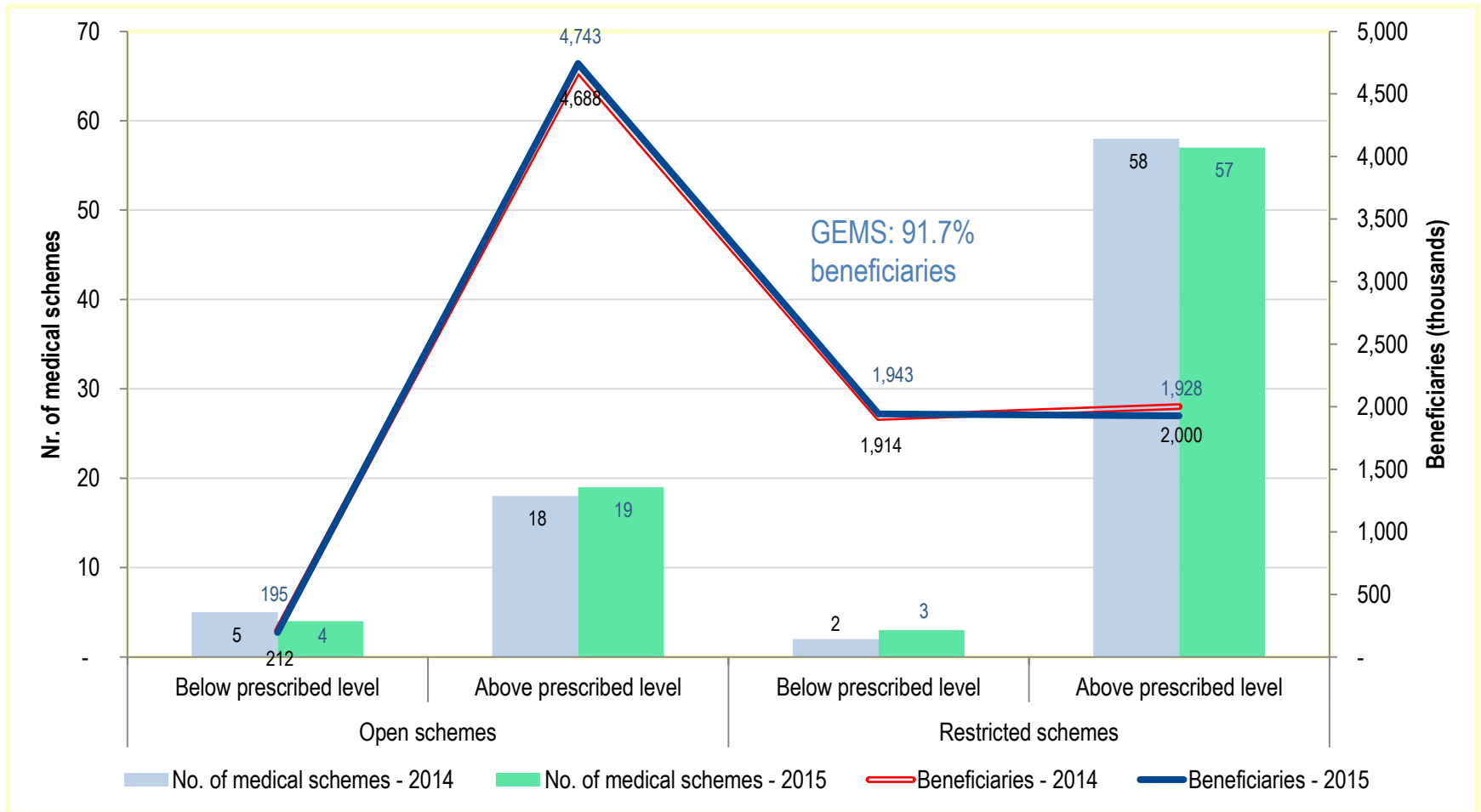


# Key considerations

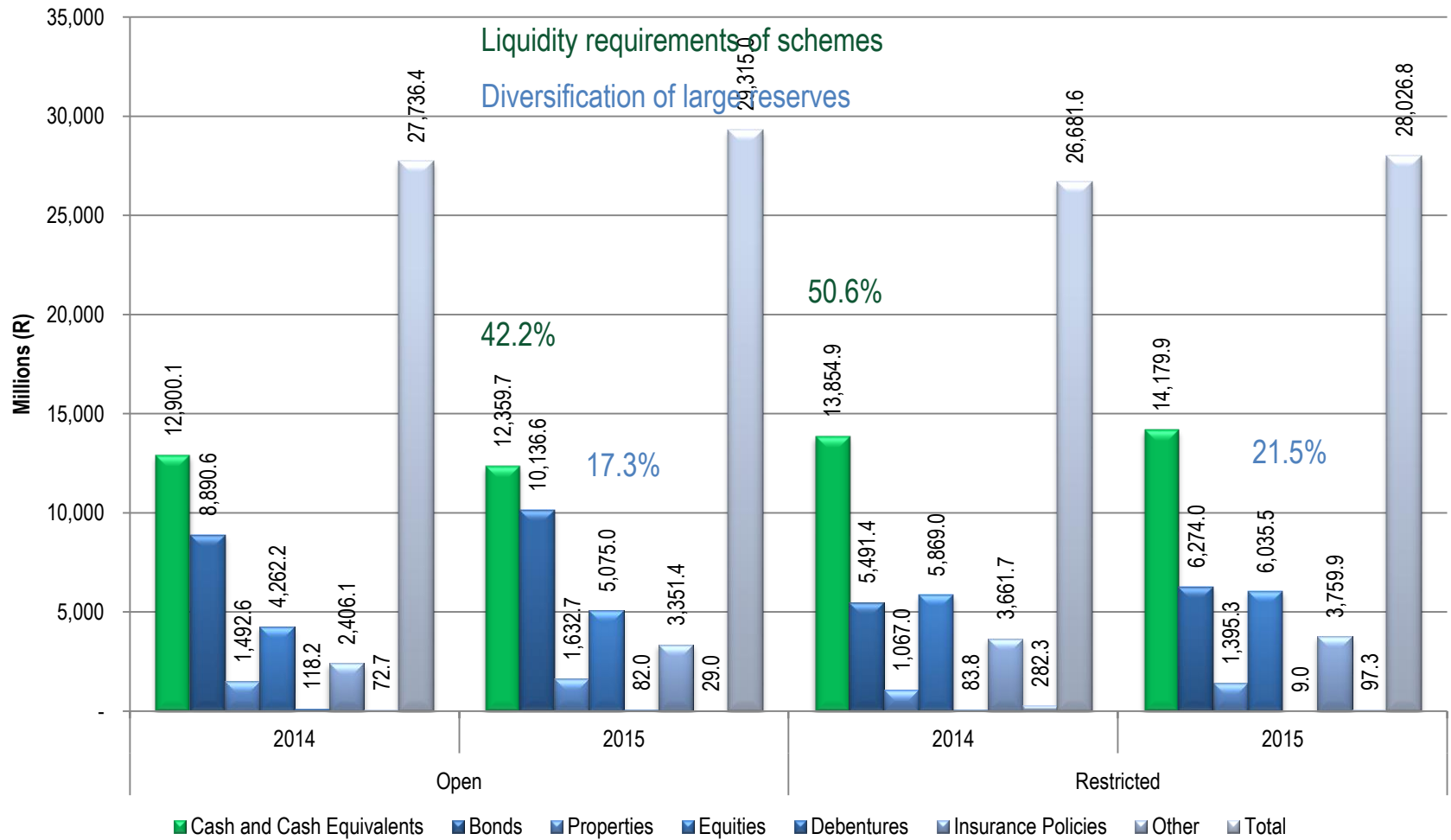
- Promoting access
- Balancing growth
- Viable risk pools
- Affordability
- Sustainability



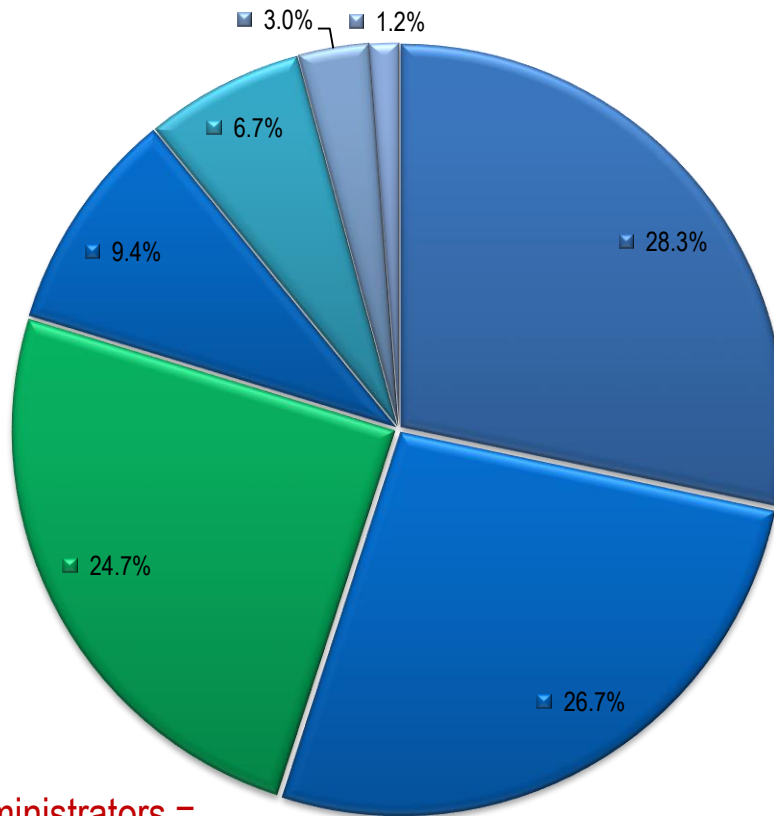
# Prescribed solvency and beneficiaries



# Scheme investments



# Administrator market share



GEMS joint administration contract:

- Metropolitan Health Corporate (Pty) Ltd
- Medscheme Holdings (Pty) Ltd

- Discovery Health (Pty) Ltd
- Medscheme Holdings (Pty) Ltd
- Metropolitan Health Corporate (Pty) Ltd
- Other
- Self-administered
- Momentum Medical Scheme Administrators (Pty) Ltd
- V Med Administrators (Pty) Ltd

5 biggest administrators =  
83.9% third party  
administered market share

