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**Beyond Healthcare Benefits:  
Building a Culture of  
Comprehensive Care**  
03 October 2025

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**State of the Nation of  
Medical Schemes**

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# Overview of Discussion Themes

- ▶ Context & sector pressures
- ▶ Cost escalation & affordability
- ▶ Scheme resilience, failure & consolidation
- ▶ Regulation & oversight
- ▶ Future pathways & employer strategies

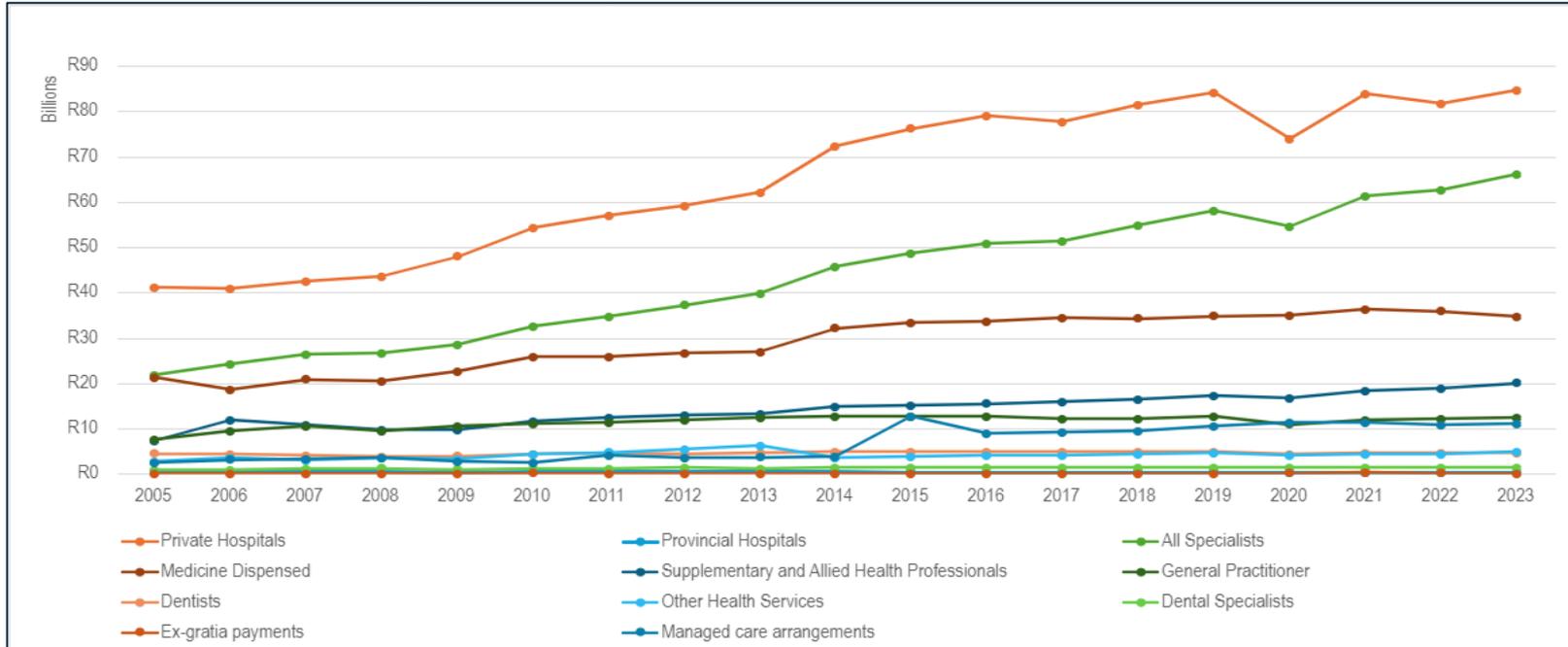
# Theme 1: Context and Sector Pressures

- ▶ South Africa's medical scheme sector operates under rising demand, demographic shifts, and constrained economic conditions.
- ▶ The membership base ages slowly while growth in new enrollees is limited.
- ▶ In 2023, the total benefits paid rose to R239 billion, up 9.44 % year on year.

| Gender          | Average age(years) and Pensioner ratio(%) | 2016        | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------|---|-------------|------|------|------|------|------|------|------|
|                 | Female                                    | Average age | 33.4 | 33.5 | 33.8 | 34.1 | 34.5 | 34.7 | 35.1 |
| Pensioner ratio |   | 8.8         | 9.3  | 9.9  | 9.5  | 9.8  | 10.0 | 10.3 | 10.5 |
| Male            | Average age                               | 31.5        | 31.4 | 31.7 | 31.9 | 32.2 | 32.3 | 32.6 | 32.6 |
|                 | Pensioner ratio                           | 7.0         | 7.4  | 7.9  | 7.6  | 7.8  | 7.8  | 8.1  | 8.2  |
| Total           | Average age                               | 32.5        | 32.6 | 32.8 | 33   | 33.4 | 33.6 | 33.8 | 34.0 |
|                 | Pensioner ratio                           | 7.9         | 8.4  | 9.0  | 8.6  | 8.9  | 9.0  | 9.2  | 9.4  |

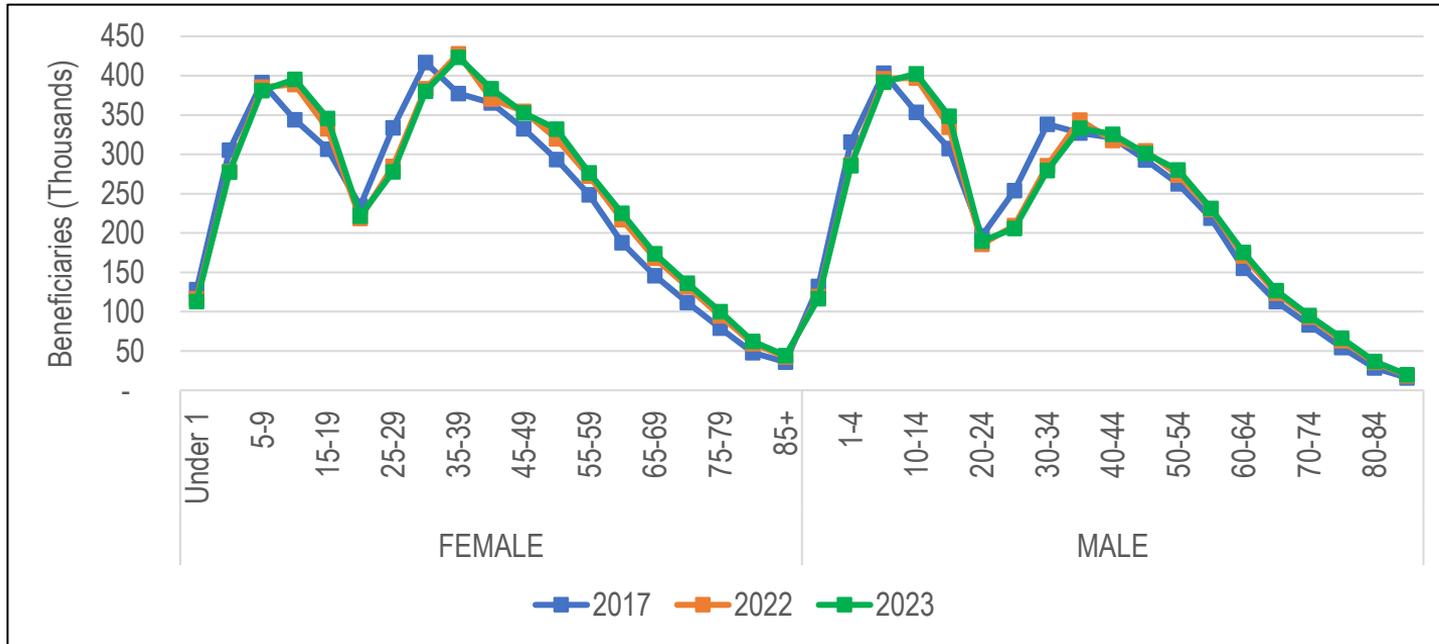
# Theme 1: Context and Sector Pressures

## ► Benefits paid trend (2005-2023)\*



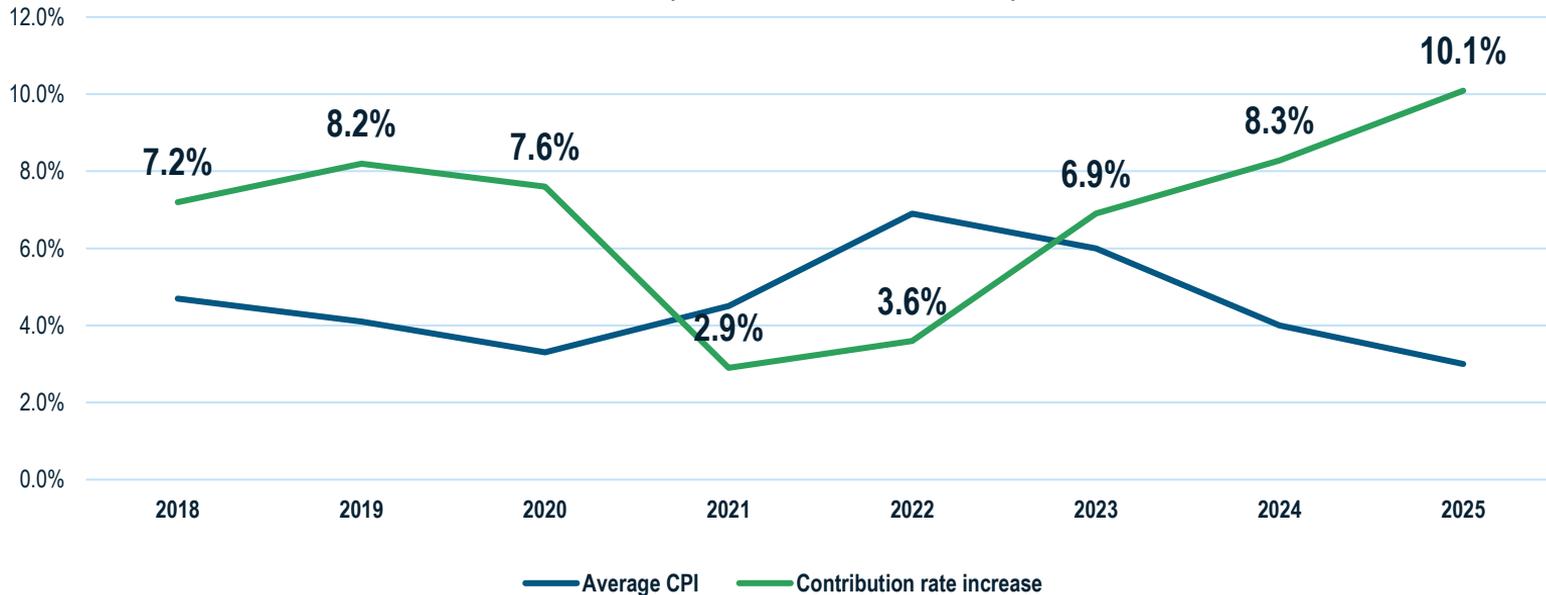
# Theme 1: Context and Sector Pressures

- ▶ A bimodal distribution is evident for both male and female beneficiaries.



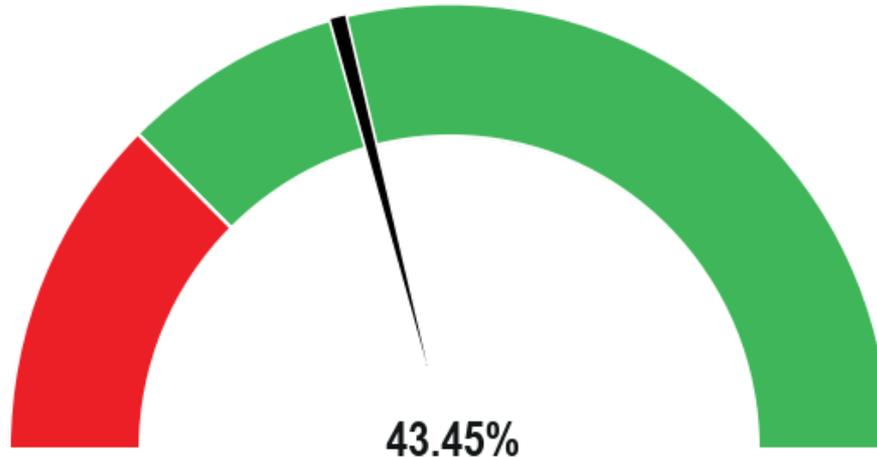
# Theme 2: Cost Escalation and Affordability

- ▶ In 2023, relevant healthcare expenditure per beneficiary rose by 8.70%
- ▶ The CMS advised that contribution increases for 2025 be capped at 3.3% plus reasonable utilisation assumptions (Circular 24 of 2025).



# Theme 3: Scheme Resilience, Failure, and Consolidation

- ▶ The industry's average solvency in 2023 was 43.45 %, well above the regulatory minimum of 25 %.
- ▶ Some schemes, including Sizwe Hosmed, Medihelp, and Transmed, fell below solvency thresholds and required intervention.
- ▶ Pressure on smaller or poorly capitalised schemes may drive consolidation or exits.



# Theme 4: Regulation and Oversight

- ▶ The CMS issues guidance to constrain contribution increases and benefit changes (Circular 24 of 2025).
- ▶ Implementation of IFRS 17 is reshaping disclosure and consistency in reporting (Circular 20 of 2024).
- ▶ The National Health Insurance (NHI) Act of 2023 sets the stage for structural overhaul of health funding and scheme roles.



# Theme 5: Future Pathways and Employer Strategies

- ▶ Employers will need to adopt proactive strategies to manage health benefit costs while preserving value for employees.
- ▶ You should consider wellness and preventive programmes.
- ▶ Schemes will need to accelerate operational efficiency, negotiate tariffs, and explore pooling or shared services models.



# Conclusion

- ▶ We have reviewed pressures, cost drivers, scheme resilience, regulation, and future options.
- ▶ As HR and Benefits leaders, you can influence scheme design, engage actively with your schemes, and demand transparency.
  
- ▶ Call to action:
  - Review your current scheme's claims and contribution trajectory
  - Engage with scheme trustees/management on cost control and benefit design
  - Monitor regulatory shifts (CMS, NHI) and prepare scenario models

# Thank you!



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