

**MINUTES OF THE ANNUAL GENERAL MEETING (AGM) VIRTUALLY HELD ON FRIDAY, 20
SEPTEMBER 2024 AT 10:00, & COORDINATED AT SAMWUMED HEAD OFFICE, MAIN
EXECUTIVE BOARDROOM, TREMATON ROAD, ATHLONE, CAPE TOWN**

BOARD MEMBERS:	Mr. L Sibiya Ms. S Dube Ms. N Bhozo Ms. M Marule Mr. M Nzuzo Ms. M R Letsoalo Mr. I Solomon Mr. S Dladla Mr. M Langa Mr. J Mcanjana	Chairperson Trustee Board Member Trustee Board Member Trustee Board Member Trustee Board Member Trustee Board Member Trustee Board Member Trustee Board Member Trustee Board Member Trustee Board Member Trustee	LS SD NB MM MN MRL IS SD ML JM
EXECUTIVE MEMBERS:	Ms. F Mosoeu Ms. A Le Roux Ms. P Escreet Mr. Z Samsam Mr. J Kugel Dr. A Good Ms. P Silinda	Principal Officer Compliance Officer Chief Operations Officer Chief Financial Officer Chief Information Officer Clinical Risk Executive Executive Personal Assistant in the Office of the Principal Officer	FM ALR PE ZS JK AG PS
Alberton Venue:	List of participants are filed at the SAMWUMED Head Office		
Boksburg Venue:	List of participants are filed at the SAMWUMED Head Office		
Nigel Venue:	List of participants are filed at the SAMWUMED Head Office		
Cape Town Venue:	List of participants are filed at the SAMWUMED Head Office		

Virtual attendees:	List of participants kept at the Head Office		
	ADMINISTRATION		<u>ACTION</u>
1.	<u>Opening and singing of the South African National Anthem</u> • The Chairperson thanked the moderators and welcomed all attendees to the South African Municipal Workers Union Medical Scheme (SAMWUMED) Annual General Meeting (AGM) which he officially opened at 09:30. • Various board members, executive members, and invited guests were present. The meeting was held virtually and at multiple physical venues. The Chairperson indicated that the main venue for the AGM was in Johannesburg. Other venues were in Cape Town, Nigel, Boksburg, and Alberton. Other attendees were connected virtually. • All attendees were invited to stand and sing the National Anthem of South Africa. • The Chairperson of the Board of Trustees (BoT) gave his opening remarks. He emphasized the importance of safeguarding members, setting policy directions, maintaining financial stability, and ensuring compliance with regulatory requirements. • He reminded attendees of SAMWUMED’s rich heritage. Including the fact that it has been providing medical aid to South African local government employees since 1952. • The Chairperson acknowledged members who were sick and those who died during the year. • He also welcomed and acknowledged the members gathered at the following locations: Selby, Marlborough, Alberton, Nigel, Germiston, Athlone, Khayelitsha, Queenstown, Tzaneen, and in Polokwane. • The Chairperson introduced members of the BoT who are listed as per the schedule above. He also recognized the presence of the Principal Officer who was physically present at the Athlone Boardroom in Cape Town, as well as the Executive team, and representatives of the Council for Medical Schemes(CMS) who were connected virtually.		
2.	<u>Confirmation of the meeting credentials and the reading of the notice to convene the AGM</u>		

	• The Notice calling for the 2024 AGM was read into the record by the Principal Officer. • The Principal Officer reported that the notice calling for the AGM was circulated to the members. It set out that the date of the AGM was set for the 20th of September 2024 at 09:30 am, and that the AGM would be held virtually and at physical venues. • Members confirmed that they received the notice by way of sms' that were sent to them by the Scheme. They also confirmed having seen the details on the SAMWUMED website. • At the start of the meeting 474 members were in attendance. This exceeded the required quorum.	
3.	<u>Adoption of the agenda</u> • The Principal Officer read the agenda into the record. It stated as follows: 1. Opening and singing of the South African National Anthem 2. Confirmation of the meeting credentials and the reading of the notice to convene the AGM 3. Agenda 4. Minutes 4.1. Adoption and correction of the minutes 4.2. Matters arising 5. Chairperson's Message 6. Principal Officer's Review 7. Operations report 8. Financial Report of the year ended 31 December 2023 9. Appointment of External Auditors for the 2024 Financial Year 10. Discuss and approve the following special resolutions: a. Proposed annual increase for the BoT (Board of Trustees) 11. Notices of motion 12. Closure • The Principal Officer confirmed that no notices of motions were received by the deadline of 30 August 2024. • There were no amendments made to the agenda. • The agenda was therefore adopted without any changes.	
4.	<u>MINUTES</u>	
4.1.	<u>Adoption and correction of the minutes</u> • The Chairperson indicated that the minutes were circulated before the AGM.	

	• Members were invited to make corrections or amendments to the minutes. • No changes were made to the minutes. • The minutes were confirmed as correct by members in Marlborough, Selby, Germiston, Nigel, Tzaneen, Polokwane, and virtually. • The minutes of the 2023 AGM were therefore adopted without amendment.	
4.2.	<u>Matters arising</u> • There were no matters arising from the previous AGM that were raised and tabled at the 2024 AGM.	
5.	<u>Chairperson's Message</u> • The Chairperson emphasized that the BoT had a responsibility in overseeing the Scheme's strategic direction, setting goals, making key decisions, ensuring compliance with regulatory requirements, and maintaining proper financial management. • He noted that the BoT worked to protect member interests by ensuring access to affordable benefits and also by overseeing the efforts that were implemented to ensure the financial soundness of the Scheme. • In addition to this, the Chairperson highlighted the importance of the Scheme's financial health as it enabled the Scheme to provide quality healthcare services. The Scheme's financial health was underpinned by it maintaining sufficient reserves. • The BoT also focused on identifying, assessing, mitigating, and monitoring potential risks while setting the risk appetite and making strategic decisions about acceptable levels of risk for the Scheme. They also oversaw the development and implementation of key strategies and guidelines governing the Scheme's operations. • The Chairperson addressed the need for the Scheme to comply with provisions set out in the Medical Schemes Act. Furthermore the Scheme needed to keep abreast with changes in the legislative landscape particularly with regard to developments surrounding the National Health Insurance (NHI). • In conclusion, the Chairperson thanked the Board of Trustees, Board Committees, Scheme Executive, management, and staff for their hard work and dedication.	
6.	<u>Principal Officer's Review</u>	

	• The Principal Officer highlighted the Scheme's success in the past year in the healthcare industry, emphasizing the Scheme's efforts to assist members with access to quality and affordable healthcare while promoting overall wellbeing. • In terms of the Scheme's performance, the Principal Officer reported that membership slightly dropped from 35,277 in 2022 to 34,136 in 2023, but remained stable with over 30,000 members. The majority of members were on Option B, which had over 20,000 members. • Financially, the Scheme achieved its objectives despite high claims. It was also able to maintain a solvency ratio of 73.5%. • In terms of the 2023/2024 highlights, the Principal Officer noted that improvements were made in customer service, including an upgraded call-centre and new self-service options. • The Scheme expanded its provider networks and introduced new service providers for dental, optical, emergency, and maternity services. • Service enhancements included a new mobile app, WhatsApp for business, and a web-based member portal. • Regarding the challenges faced, the Scheme faced high claims ratios, fraud, waste, and abuse (FWA), late payment of contributions by some employer groups, and a high disease burden among members. • The Principal Officer noted that the Scheme continued to experience high incidents of FWA. Sadly, there were proven instances of collusion by service providers and some members. These cases were being investigated. • For the period under review there were 1 551 reported cases that were identified via the fraud hotline amounting to R7 560 224.42. • Most of the cases were with respect to General Practitioners (GP), Social Workers, Psychologists, Counsellors and Pharmacies, particularly in Gauteng, followed by KwaZulu Natal and then the Western Cape. • The Principal Officer outlined future initiatives, including exploring new benefit options, expanding wellness programs, and introducing new technology for more effective member engagement.	
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	- Proposed benefit changes for 2025 included a sports injury benefit, a weight loss program, a new oncology program, and additional funding for diabetic nurse educators. These were however subject to CMS approval. - The Principal Officer concluded by emphasising the Scheme's commitment to financial sustainability, operational excellence, effective governance, and stakeholder management. - The Chairperson thanked the Principal Officer for the comprehensive review and opened the floor for questions and comments from the attendees. - Members raised concerns about co-payments and delays in claim settlements, which in one instance led to a member being handed over to attorneys. - Regarding the update provided on walk-in centres, a member requested the Scheme to consider opening a walk-in centre in Emfuleni or a closer location. This request was noted by Management.	
7.	<u>Operations Report</u> - The Chief Operations Officer (COO), addressed several key points contained in the Operations Report. She emphasized the introduction of a network of GPs to eliminate the need for members to pay money at consultations. Members were also encouraged to reach out for assistance in finding network GPs. - The COO also responded to various questions from members. For instance, she addressed a question from Selby regarding hospital networks, explaining that the Scheme had contracts with hospitals that provided the best discounts for members. She also clarified the issue of unpaid claims from 2019-2020, stating that the Scheme was investigating these claims. - Regarding referral letters, the COO explained the importance of having a GP being able to access a member's full medical history for better care and to avoid unnecessary tests. She also mentioned that the Scheme was looking into shortening the time for assistant devices and investigating service issues at Netcare. - The COO highlighted that the Scheme was considering changing the rule to allow referrals from optometrists to eye specialists. She concluded by encouraging members to continue asking questions online and providing their contact details for follow-up.	

	• A question from Selby regarding hospital networks was addressed. It was explained that the Scheme had contracts with hospitals that provided the best discounts for members. • The issue of unpaid claims from 2019-2020 was clarified, in that members were informed that the Scheme was investigating these claims. • Members were assured that the inclusion of Kunjani Clinic onto the network was being investigated.	
8.	<u>Financial Report for the year ended 31 December 2023</u> • The Scheme's Chief Financial Officer (CFO) presented the SAMWUMED Financial Report for the year ended 31 December 2023. • He explained that the preparation of the Annual Financial Statement (AFS) was governed by section 37 of the Medical Schemes Act, 131 of 1998 which stated that the AFS needed to be prepared annually and they should include as a minimum, the Statement of Financial Position, the Statement of Surplus and Deficits, the Statement of Changes in Funds and Reserves, the Statement of Cashflows, and the relevant notes. • The CFO confirmed that the Scheme complied with the provisions of section 37 in that the AFS were presented to the body of the AGM for review and consideration. • He also noted that the Medical Schemes Act also required that the AFS should be audited by an independent auditor registered with the Board of Auditors. • The CFO confirmed that the SAMWUMED AFS were audited by PricewaterhouseCoopers (PwC) one of the top auditors in the country. He added that PwC also expressed an Unqualified Audit Opinion. • During his presentation, the CFO acknowledged the presence of Ms. Jacobs from PwC who was attending the AGM virtually. • In terms of the Statement of Financial Position. It showed that the Scheme's assets totalled R1,6 billion and Total liabilities amounted to R230 million. The assets therefore exceeded the liabilities. • In respect of the Statement of Surplus or Deficit, the Scheme had a contribution income of R1 727 346 576 compared to R1 618 369 168 in 2021. • The CFO highlighted that the Scheme experienced a 10% increase in claims expenditure. In 2022 the Scheme's healthcare expenditure was R1 786 369 063 compared to R1 622 621 006 in 2021.	

	• However the Scheme had an investment income return of R98 749 517 compared to R155 470 084 in 2021. The reduction was due to market conditions. • In terms of the Statement of Changes in Funds and Reserves, total member funds remained positive at R1,451 million. The 5% reduction indicated in the statement was linked to the reduction in liquidity due to higher claims. • In terms of the Statement of Cashflows, there were higher cash inflows from contribution income. The higher cash outflows were linked to healthcare expenditure. • Overall the Scheme remained liquid. • In terms of the key financial ratio's over a 5 year period (2018-2022). In 2022 claims were at 104% compared to 100,26% in 2021. Nonhealthcare Expenditure was at 6.92% in 2022 compared to 6,13% in 2021. • The CFO reported that the Scheme had Reserves of R1 422 667 631 in 2022 and R1 521 862 797 in 2021. It had a Solvency of 82,36% in 2022 and 94.04% in 2021. This was well above the regulated solvency minimum of 25%. • He concluded by assuring members that the Scheme would continue to work to reduce the high claims by addressing FWA and launching new networks to protect the risk pool. • The Chairperson then requested the AGM to approve the Scheme's AFS as contained in the Financial Report. Members verbalised their acceptance at all the venues. It was also confirmed on the virtual platform. No objections were raised. • The AGM therefore approved the Financial Report for the year ended 31 December 2022.	
9.	<u>Appointment of External Auditors for the 2024 Financial Year</u> • The Chairperson explained that in terms of section 36 of the Medical Schemes Act the appointment of an auditor could only take effect once approved by the Registrar. • The Chairperson proposed the re-appointment of PwC as the Scheme's independent external auditor for the year ended 31 December 2023. • Members confirmed their approval by raising their hands in all the venues. Online members showed their approval by using the raised hand icon on the virtual platform. No objections were raised. • The AGM therefore resolved to reappoint PwC as the Schemes' independent external auditor for the 2024 financial year. • The Chairperson also indicated that the resolution to reappoint PwC would be submitted to CMS.	
10.	<u>Discuss and approve the following special resolution:</u>	

	a. <u>Proposed annual increase for the Board of Trustees</u> • At 12:36 confirmed that Mr. Qwabe the Independent Chair of the Remunerations, Social and Ethics Committee (REMSEC) Chairperson was online. • Mr. Qwabe tabled the proposal in respect of an annual increase for the BoT. • Mr. Qwabe highlighted that the proposal was discussed and considered by REMSEC. It was developed with due consideration to benchmarking conducted by an independent provider, the roles and responsibilities of Trustees, and the Scheme's financial position. • Based on the above, four scenarios were tabled for the member's consideration: ○ Scenario 1: Based on a 50th percentile increase for all Board Members, resulting in a 28.80% increase for the Board Chair, 47.20% for the Deputy Chair, and 95.96% for the Trustees. This scenario was deemed unaffordable. ○ Scenario 2: Positioning board members within the 80%-120% tolerance band, with a financial impact of R428,018, also considered unaffordable¹. • Scenario 3: Combining scenarios 1 and 2, resulting in a financial impact of R921,906, which was considered unaffordable. • Scenario 4: Recommended by REMSEC, entailed a 6% increase for the Board Chair, 6% for the Deputy Chair, and 40.5% for the Trustees, with a financial impact of R311,416, which was considered affordable. • The members considered the scenarios that were tabled. • The AGM resolved to approve scenario 4: a 6% increase for the Board Chair, 6% for the Deputy Chair, and 40.5% for the Trustees, with a financial impact of R311,416.	
11.	<u>Notices of motion</u> • No notices of motion were submitted to the Scheme.	
12.	<u>Closure</u> • The Chairperson asked Ms. Isaacs in Cape Town to confirm the final number of vetted attendees. • She confirmed that there were 394 registered members in physical attendance. The 394 included attendees at all the physical venues. The moderator also confirmed that there were 43 members on the virtual platform. • The Chairperson submitted that the final number indicated that there were 437 confirmed members in attendance at the AGM. • The Chairperson thanked all members for their attendance and participation. • The Chairperson closed the meeting at 13:33.	

SIGNED AS A TRUE RECORD OF THE PROCEEDINGS:

CHAIR:

DATE:

DRAFT