



NOTICE OF THE PG GROUP MEDICAL SCHEME 2023 ANNUAL GENERAL MEETING TO BE HELD AT THE PG GROUP HEAD OFFICE, GROUND FLOOR, 18 SKEEN BOULEVARD, BEDFORDVIEW, JOHANNESBURG 2007 AND VIA ZOOM VIDEO CONFERENCE ON THURSDAY, 13 JULY 2023 AT 10:00 AM

AGENDA

1. Notice convening the meeting
2. Apologies
3. Attendance
4. Confirmation of the Minutes of the 2022 AGM held on Friday, 10 June 2022
5. Address by the Chairperson and comments on the Annual Report and Financial Statements
6. Appointment of External Auditors
7. Motions

The audited Annual Financial Statements and copies of the External Auditors' Report and the Report of the Board of Trustees shall be presented at the meeting.

NOTE: Copies of the Annual Financial Statements will be available for viewing by Scheme members on the Scheme's website at www.pggmeds.co.za or on the PG Group Intranet.

1. A Board consisting of a maximum of 12 and minimum of six persons who are fit and proper to be Trustees must manage the affairs of the Scheme according to its Rules, of whom not more than half shall:
 - be nominated and elected by the members of the Scheme
 - represent the Employer
 - represent members.
2. The following Trustees will continue in office for a further year:

EMPLOYER REPRESENTATIVE

Mr Philip Edge (Chairperson)
Mr Welcome Ntshangase
Mr Dave Koster

ALTERNATE EMPLOYER REPRESENTATIVE

Ms Natasha Myburg

MEMBER REPRESENTATIVE

Ms Andrea Patterson
Mr Barry Page
Ms Cathy Olivier

ALTERNATE MEMBER REPRESENTATIVE

Mr Henk Cloete

PRINCIPAL OFFICER

Ms Chontal Dunstan

PENSIONER REPRESENTATIVE

Ms Marlene McAdam

The current Employer-appointed and Employee-elected Trustees will remain in office for 2023.

A handwritten signature in black ink, appearing to read 'Chontal Dunstan'.

**CHONTAL DUNSTAN
PRINCIPAL OFFICER**

June 2023



**MINUTES OF THE ANNUAL GENERAL MEETING OF THE PG GROUP MEDICAL SCHEME ('THE SCHEME')
HELD ON FRIDAY, 10 JUNE 2022 AT 10:00 VIA ZOOM VIDEO CONFERENCE**

PRESENT

PRINCIPAL OFFICER:	Lyn Longley	(LL)	(Chairperson)
ADMINISTRATOR:	Eugene Eakduth	(EE)	(Scheme Executive)
	Gita Maniram	(GM)	(Fund Consultant)
	Ayanda Nxumalo	(AN)	(Fund Secretary)
	Fatima Sallie	(FS)	(Account Executive - Gauteng)
	Sympathia Hanganana	(SH)	(Account Executive – Port Elizabeth)
	Pauline Barnack	(PB)	(Account Executive – Western Cape)
	Simon Sibeko	(SS)	(Regional Manager)
MEMBERS:	As per attendance register		

APOLOGIES

Phillip Edge
Welcome Ntshangase
Charles Bromley

1. NOTICE CONVENING THE MEETING

On behalf of the Chairperson and Trustees, Lyn Longley welcomed everyone present at the 2022 Annual General Meeting (AGM) and informed everyone that she would chair the meeting. She noted that this was the Scheme's third AGM being held via Zoom video conference which gave more members an opportunity to participate, get clarity on Scheme-related matters and ask important questions. The members were provided with some house rules for the virtual meeting.

The Chairperson noted that the Council for Medical Schemes (CMS) as a regulator, encouraged members to play an active role in the AGM as a form of exercising governance. The CMS would receive an electronic copy of the proceedings. The Chairperson welcomed Mr Kwema Mokoatedi, Senior Investigator: Compliance & Investigations from the CMS, who was attending as an observer.

With a quorum of at least 15 members being present, the Chairperson declared the meeting duly constituted.

2. APOLOGIES

The Chairperson noted the apologies.

3. ATTENDANCE

42 members logged into the webinar.

4. CONFIRMATION OF MINUTES

Having circulated the Minutes of the AGM held on 12 June 2021 to all parties, it was taken as read and would be signed by the Chairperson as a true record of the proceedings.

5. ADDRESS BY THE CHAIRPERSON AND COMMENT ON THE ANNUAL REPORT AND ANNUAL FINANCIAL STATEMENTS (AFS)

The Chairperson referred to the Annual Financial Statements (AFS), the Report of the Board of Trustees (BOT) and the Auditors' Report for the year ended 31 December 2021. The Chairperson noted that a short summary had been prepared by Zayneb Adam, the Scheme's financial manager and would be presented by Eugene Eakduth, the Scheme Executive.

The following points were highlighted:

- The Scheme's claim experience for 2021 was higher than in the previous year, with the claims ratio increasing from 89% in 2020 to 91% in 2021. This meant that 89% of contributions received were paid out in claims.
- The Scheme produced a net healthcare surplus of R2.4 million in 2021 compared to the 2020 figures.
- The investment returns performed 12% better than expected for the financial year and were derived from funds invested with STANLIB Cash Management, Allan Gray Asset Managers and funds held on overnight call at First National Bank.
- The solvency had increased from 95.5% in the prior financial year to 99.5% in 2021 and was at 108% as at April 2022, which was a good level. The CMS required medical schemes to hold a minimum solvency level of 25%.
- Given these positive financial results, the Scheme afforded its members a contribution holiday for the month of March 2022. This was due to the claims ratio, good management of the Scheme and positive investment returns.
- The Scheme ended the year on a net surplus of R5.8 million and a healthy solvency ratio.
- The Trustees met on a quarterly basis and monitored the performance of the Scheme and the Administrator.
- The Trustees addressed a range of key issues and ensured that discussions of items of policy, strategy and performance were critical, informed and constructive.
- The Scheme once again received a clean audit report from its external auditors in 2021.
- The auditors believed that the AFS fairly represented, in all material respects, the financial position of the Scheme as at 31 December 2021.

The Chairperson proposed that the AFS, the Report of the Board of Trustees and the Auditors' Report be approved and adopted.

The members present agreed by a show of hands.

6. CMS CIRCULAR 18 OF 2012: SCHEME'S NOTIFICATION OF DATES FOR THE HOLDING OF SCHEME MEETING AND ELECTIONS

The Chairperson noted that one of the functions of the CMS was to protect the interests of medical scheme beneficiaries at all times. She further noted that the Scheme had notified and provided the CMS with details of the notification, as well as a copy of the AGM meeting pack that had been circulated to all members.

7. JOINT ADDRESS BY THE CHAIRPERSON FROM AN OVERSIGHT PERSPECTIVE AND THE PRINCIPAL OFFICER FROM AN OPERATIONAL PERSPECTIVE

The Chairperson advised that the Scheme was managed by a Board of Trustees, whose primary objective was to look after the interests of its members. She added that the Scheme, administered by Momentum Health Solutions (MHS), continued to be well managed and that it was pleasing to note that the Scheme continued to meet the stringent criteria needed to achieve the solvency levels set by the Registrar of Medical Schemes.

The Chairperson noted that the Scheme enjoyed another year of sound financial performance, ending the year with a substantial solvency ratio of 99.8%. She noted that during the 2021 financial year, the Scheme and the Administrator had invested significant time and resources in ensuring that members experienced a simpler, more streamlined private healthcare experience. The Chairperson stated that there were many members that benefited from the Scheme's benefit design, as well as the Administrator's ability to work closely with health professionals to co-ordinate the care members received. As a result, there were fewer consultations, tests and procedures, which ensured that the best possible clinical outcomes were attained.

The Chairperson noted that ongoing market analysis had shown that the PG Group Medical Scheme remained an affordable medical scheme that compared favourably with other schemes in the open medical scheme market.

The Chairperson advised that the Trustees were entrusted to take action to reduce costs for the Scheme and to ensure that the Scheme's solvency remained above 60%. If the solvency decreased below this benchmark, the Trustees would have to explore other avenues to increase the solvency. The Trustees continued to promote health improvements and wellness benefits to help manage rising healthcare costs and improve productivity. The Chairperson added that the Scheme was looking into instilling a health-conscious culture among members, culminating in positive health behaviour, ranging from becoming more active and eating more healthily, seeking preventative care and improving the management of acute and chronic conditions and taking care of mental health. This has become more important due to the COVID-19 pandemic, and the Hello Doctor initiative ensures that members can receive advice at any time.

(a) Momentum Health Solutions (MHS)

The Chairperson advised that MHS has been the Scheme's Administrator since January 2000 and their continued focus on product and service innovation ensured that the Scheme was able to meet operational and other challenges in an efficient and relevant manner. In addition, MHS's focus on risk management and negotiated provider fees enabled the Scheme to manage care and costs effectively, thereby minimising abuse and providing the best quality healthcare for members. The Chairperson noted that one of MHS's important functions was to negotiate the best hospital rates with the various hospital groups to ensure Scheme cost for hospital stays were kept at a minimum.

The Chairperson reminded members to obtain authorisation before being admitted into hospital, and in an emergency situation to ask someone to call on their behalf so they could get assisted through the process. It was noted that following the process would avoid members getting their claims rejected if they do not have a Scheme-generated authorisation number.

7. JOINT ADDRESS BY THE CHAIRPERSON FROM AN OVERSIGHT PERSPECTIVE AND THE PRINCIPAL OFFICER FROM AN OPERATIONAL PERSPECTIVE (CONTINUED)

(b) PG Group Medical Scheme

The Chairperson advised that the Scheme was a closed medical scheme, which meant that only employees of the PG Group were eligible to join as principal members. The Scheme believed that their valued members utilised their benefits in an honest and responsible manner and were conscious of the importance of good health. She noted that new members were not risk-rated, however, if they did not join the Scheme in the month they started working and elected to join the Scheme at a later stage, there would be a waiting period. The Chairperson advised that the Scheme currently had 1 310 principal members and 1 447 dependants, making the Scheme's total beneficiaries 2 757. There were currently 266 retired members (which is 9.8% of total beneficiaries). Retiring members had the option of remaining direct paying members of the Scheme, or they could choose to join any other open medical scheme.

The Chairperson advised that Scheme costs were carefully managed and that the Scheme had delivered both savings and efficiencies. She added further that the Scheme continued to assign substantial efforts in providing superior customer service to its members.

The Chairperson noted that members spending in a controlled and wise manner was vital to the sustainability of the Scheme and thanked the members for adopting that approach.

(c) Tax Information Certificates

The Chairperson advised that the summary information of healthcare expenditure as at 28 February 2022 was emailed to members on 9 June 2022 and they will need to use their identify numbers to open the password-protected document. The tax season starts at 1 July 2022.

(d) 2022 Contributions

The Chairperson advised that the Scheme's healthy reserves had enabled the BOT, with the support of the benefit design team and actuaries, to maintain contribution increases for 2022 at competitive levels, while simultaneously enhancing benefits. She added that the continued financial discipline of the members of the Scheme had enabled the Trustees to increase contributions by 4.2% from 1 April 2022, which will carry through to 31 March 2023. As a matter of interest, it was 3% in 2021, 6.7% in 2020 and 8.2% in 2019.

The Chairperson advised that in order to assist members even further, knowing that December is always a 'long' month, the Scheme applied to the CMS for a January 2022 contribution holiday. In anticipation of the Council's approval, the Scheme cancelled the January 2022 contribution collection debit orders for its pensioner members. However, there was a delay by the CMS in reviewing this request for the concession, which forced the Scheme to find an alternative method of collection to ensure that January 2022 contributions were paid.

The Chairperson advised that employees' contributions were not affected, but pensioners and individual members were requested to do an EFT, as the system had not raised a debit order for their contributions. The CMS approved the requested contribution holiday in late February and the Scheme was able to pass on the good news to members of a contribution holiday in March 2022. The Chairperson reminded members that a contribution holiday was also approved in June 2020, likely making the Scheme the only one in South Africa that granted members two contribution holidays.

7. **JOINT ADDRESS BY THE CHAIRPERSON FROM AN OVERSIGHT PERSPECTIVE AND THE PRINCIPAL OFFICER FROM AN OPERATIONAL PERSPECTIVE (CONTINUED)**

(e) Savings

The Chairperson advised that savings levels had increased by 4.2%, that was deducted from member contributions and placed into their medical savings accounts to cover acute medication, consultations etc. The Scheme 'auto-pays' member shortfalls at Scheme rates, but if members wanted a full refund, over and above Scheme rates, the member has to request it. The Chairperson discouraged members from sending a separate email, as the person processing the claim only had the claim form available and due to the thousands of claims submitted, would not be able to tie the separate documents together.

(f) 2022 benefits

The Chairperson stated that the overall annual limit remained at R400 000 per beneficiary and all category sub-limits had been increased in line with inflation.

(g) The COVID-19 pandemic

The Chairperson advised that the signs were positive that South Africa had passed the worst of the COVID-19 pandemic as the Omicron sub-variants that had recently emerged and driven an increase in COVID-19 cases, appeared to be mild. This was reflected in relatively low hospitalisation and lower mortality but unfortunately the effect of long COVID-19 had emerged. This refers to a wide range of physical and mental health symptoms that subsequently present in patients who have previously contracted COVID-19.

(h) COVID-19 testing

The Chairperson advised that of the 2 757 members on the Scheme, 2 026 people were tested with 596 testing positive. Of these, 70 were hospitalised and 17 had passed away.

The Chairperson went through a list of what is covered:

Real-time polymerase chain reaction (RT-PCR) test:

- This is the standard diagnostic test done at a pathology lab.
- Members need a referral from a healthcare provider (e.g. doctor or nurse) for screening purposes to check if they meet the National Institute for Communicable Diseases (NICD) criteria.
- The Scheme will pay for members with a positive test result, and for referred high-risk members i.e., who meet the NICD criteria, whether the result was positive or negative.

Antigen tests:

- This is a rapid COVID-19 test, usually done in triage (emergency rooms) settings, old age homes, non-elective maternity admissions and prior to transfers to other hospitals.
- Payment is subject to clinical criteria to determine prescribed minimum benefit (PMB) level of care.

Laboratory-based serological tests:

- Only applicable to members admitted to hospital and who had a negative PCR result, especially in young children, with suspected multi-system inflammatory syndrome.
- Subject to motivation.

Not funded:

Medical schemes in South Africa do not fund COVID-19 antibody tests since these tests are usually included in clinical trials and research.

7. **JOINT ADDRESS BY THE CHAIRPERSON FROM AN OVERSIGHT PERSPECTIVE AND THE PRINCIPAL OFFICER FROM AN OPERATIONAL PERSPECTIVE (CONTINUED)**

(i) COVID-19 is a prescribed minimum benefit (PMB) condition

The Chairperson advised that COVID-19 had officially been accepted as a PMB condition. This meant that all medical schemes had to pay in full for all COVID-19-related tests, treatment and management out of the risk pool *if the patient tested positive* for the virus.

(j) COVID-19 vaccinations

The Chairperson advised that 1 293 of the Scheme's members had been vaccinated with 256 receiving one dose, 841 being fully vaccinated and 196 having received the booster. An additional vaccine dose is commonly referred to as a 'booster shot' and members will not require a referral note if they qualify for the booster. Individuals over the age of 18 who have received two doses of the Pfizer vaccine are eligible to receive a booster dose 90 days after receiving the second shot. She noted that members who received the Johnson & Johnson vaccine should get a booster after 60 days and encouraged immunocompromised individuals to consider getting a booster shot after 28 days. This would be given if they had a referral note from their healthcare provider.

The Chairperson advised that the latest update reflected that people 50 years and older are eligible to receive an additional Comirnaty™ vaccine from 6 June onwards. This second booster should be taken at least 120 days after someone has received their last COVID-19 vaccination. The vaccination schedule for all other age categories, including immunocompromised groups have not changed.

(k) Chronic medication

The Chairperson advised that Medipost courier pharmacy continued to deliver chronic medication to members, with their personal medication parcels delivered to their chosen address. They also provide oncology medication and other vital pharmaceutical supplies directly to their home or workplace. She added that members have the option to go to a pharmacy of their choice.

The Chairperson advised that members were being monitored and the Scheme had recently sent a letter to some members who had not complied with their prescribed chronic medication. She asked members who had changes to their chronic medication to register the changes, so that they could get the correct treatment. Members were reminded that chronic medication had to be registered on the Scheme in order for payment to come from the risk pool. This could be done by asking the prescribing doctor or the dispensing pharmacist to contact the Scheme or send the prescription to the Scheme.

The Chairperson advised that the Scheme allowed members to pay once out of their savings for the first chronic script, thereafter, had the chance to register the medication so it was paid from the chronic benefit. Failure to do this would result in the medication not being paid by the Scheme on the next visit to the pharmacy. She noted that this was a way of encouraging members to register in order to get the medication paid by the Scheme so they could be provided with a treatment plan in order to help them manage their condition(s). This not only helped members to manage their condition(s) but also protected the doctor and the Scheme from abuse and fraud. Members were reminded that any change to their prescription had to be reported to the Scheme's Medicine Risk Management Programme, even if the medications are the same but the dosage changes slightly.

7. JOINT ADDRESS BY THE CHAIRPERSON FROM AN OVERSIGHT PERSPECTIVE AND THE PRINCIPAL OFFICER FROM AN OPERATIONAL PERSPECTIVE (CONTINUED)

(I) Gap cover

The Chairperson advised that the COVID-19 pandemic had highlighted the need for adequate medical cover as many people postponed their medical and elective procedures in 2020 and 2021 due to the impact of the pandemic. Healthcare providers have increased their rates, and the usual medical scheme increase would result in even greater discrepancies. With these challenges in mind, and at a time where disposable income is severely strained, gap cover would give members peace of mind should they be hospitalised. She further noted that there was no increase in the contribution and members continued to pay R128 per month for Ambledown Gap Cover. Pensioner members pay via debit order and for active members, the contribution is deducted from their salary. In today's climate she noted that members could not afford to be without medical gap cover.

8. TRUSTEES REMAINING IN OFFICE FOR 2022

The Chairperson informed the members that the following individuals were currently Trustees on the Board.

Employer representatives

- Philip Edge (Chairperson)
- Dave Koster
- Welcome Ntshangase
- Chontal Dunstan (Alternate) is now the Principal Officer and will be replaced by Natasha Hugo (Myburgh) with effect from 1 July 2022.

Employee representatives

- Andrea Patterson
- Barry Page
- Cathy Olivier
- Henk Cloete (Alternate)

The Chairperson advised that the current Employer Trustees have been nominated for a three-year period, with 2022 being year three.

The Chairperson advised that Lyn Longley would be retiring from the Principal Officer role and would be replaced by Chontal Dunstan. She further noted that Marlene McAdam and her team of voluntary workers would continue to represent pensioner members.

9. APPOINTMENT OF EXTERNAL AUDITORS

The Chairperson advised that in terms of the rules, the Scheme's auditors were required to be appointed by resolution at each AGM. After discussions at a Board of Trustee meeting, the Chairperson proposed that Deloitte South Africa be re-appointed for a further year, as their fees remained competitive.

The proposal to appoint Deloitte for a further year was seconded by Theo Rochussen.

10. INTERNAL AUDIT CHAIRPERSON

The Chairperson advised that Theo Rochussen competently led the Scheme's Internal Audit Committee, which met three times a year. She thanked him for always going the extra mile and for finding ways to enhance processes.

11. GENERAL

The following question was asked by a member:

- A member asked about overseas travel insurance. The Chairperson said that the Scheme was contracted with Travel Insurance Consultants (TIC) to provide the Scheme's members and their dependants with cover at no extra cost. There is an age limit of 80 years which the Scheme requested be increased to 90 years as there were other medical schemes that had that age limit.

The Chair advised that TIC had been approached and would reply in due course once they had considered the request.

12. NOTICES OF MOTIONS

In terms of the rules of the Scheme, notices of motions were to be placed before the AGM and should reach the Principal Officer Lyn Longley no later than seven days prior to the date of dispatch of the Notice of the AGM. The Chairperson confirmed that no motions had been received.

On behalf of the Trustees, thanks were extended to the Scheme Executive Eugene Eakduth for his unwavering assistance, as well as to Gita Maniram and Ayanda Nxumalo from fund management, who diligently assisted with member queries, requests and other administrative issues. Special thanks were also given to Fatima Sallie, Sympathia Hangana and Simon Sibeko, who interacted with members at the offices on a regular basis, to Gisella Fourie, the Scheme's clinical executive and Zayneb Adam who prepares the Scheme's financials. In addition, special thanks were also given to Dhiraj Rambhookan and his managed care team, Anne Baylis who manages oncology care and MHS's entire operations team.

A sincere word of thanks was extended to the BOT, audit, benefit design and investment sub-committees, as well as the Principal Officer for their diligence in handling matters of the Scheme. Heartfelt thanks were also extended to Adam Lowe and Beauty Mukomberanwa and their team from NMG Actuaries & Consultants for their hard work in assisting the Scheme with actuarial support, including their analysis with the rule amendments to assist with the recent contribution benefit received.

The Chairperson noted that the BOT was committed in ensuring good governance and the sustainability of the Scheme. To this end, they engaged in various Trustee training workshops provided by the Board of Healthcare Funders (BHF). CMS had also recently offered a virtual training course for closed medical schemes.

On behalf of Phillip Edge, the Chairperson stated that the Board was pleased to have been of service to the members and looked forward to the challenges that lay ahead. A special note of appreciation was given to the Board members for their guidance and support.

In closing, the Chairperson stated that this was the time for the utmost vigilance and care, not only in managing and avoiding any potential exposure to COVID-19 infection, but in managing any pre-existing health conditions and long COVID-19 issues. It was therefore essential for members to take care of their physical, emotional, mental and financial wellbeing during this time. She suggested that they make use of the support structures around them, including the wellness programmes, and to talk to the Scheme to help them navigate the impacts that COVID-19 had imposed on so many lives and households.

The Chairperson urged everyone to stay safe, well and reach out for help, support and advice to get them through these uncertain and trying times. She reminded them that they could always call the Scheme or Hello Doctor for assistance.

12. NOTICES OF MOTIONS (CONTINUED)

On behalf of Phillip Edge, the Chairperson and PG Group's Chief Executive Officer Charles Bromley, Theo Rochussen extended special thanks to Lyn Longley for her long service to the Scheme. He noted that her dedication and passion was always visible and made the Scheme more focused on its members at all times whilst providing personal care and interest to all the members. Mr Rochussen thanked Lyn Longley for availing herself to assisting the Scheme, the Group and the new Principal Officer as she ventured on to her new journey. Lyn Longley said that her years on the Scheme had been a joy and passion that she would never forget. She noted that she would keep her existing email for some time therefore members could still email her for any queries that had been escalated to her and remained unresolved.

The Chairperson declared the meeting closed at 10h50.

CHAIRPERSON
PG Group Medical Scheme