

SCHEME PERFORMANCE

- 2017 saw improved results and growth in reserves to R1.085 billion**
- Still challenges facing the Scheme**
- Initiatives introduced to reduce costs and improve care**
- Medical aid becoming increasingly unaffordable - necessitating a new approach**
- Restructuring Scheme benefits for greater choice and cost-effectiveness**
- NHI? National Health Insurance (NHI) reports continue to circulate**

- DISCREPANCY RATIO**
(Remittance to billing): **1.39% (2016: 1.81%)**
- DEBIT ORDER SUCCESS RATE**
97% (2016: 97%)
69% (2016: 74%) of gross contributions collected via debit order
- SCHEME'S MEMBERSHIP PROFILE:**
Direct paying members **61% (2016: 61%)**
Group members **31% (2016: 31%)**
Persal members **8% (2016: 8%)**
- MEMBERSHIP OPERATIONAL STATS:**
Average applications turnaround time: **Less than 2 days**

- GLOBAL CREDIT RATING**
AA-
- CONSISTENTLY SINCE 2007**
- STABLE OUTLOOK**
- CONFIRMING CLAIMS PAYING ABILITY**

FINANCIAL PERFORMANCE



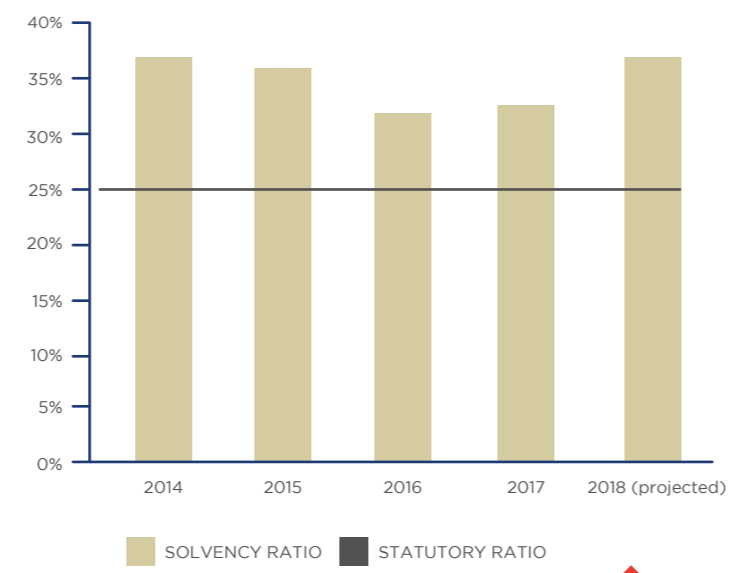
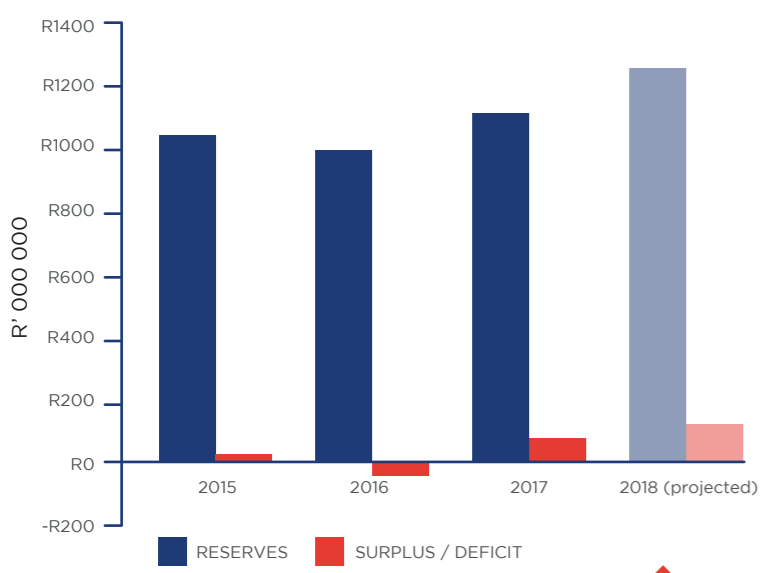
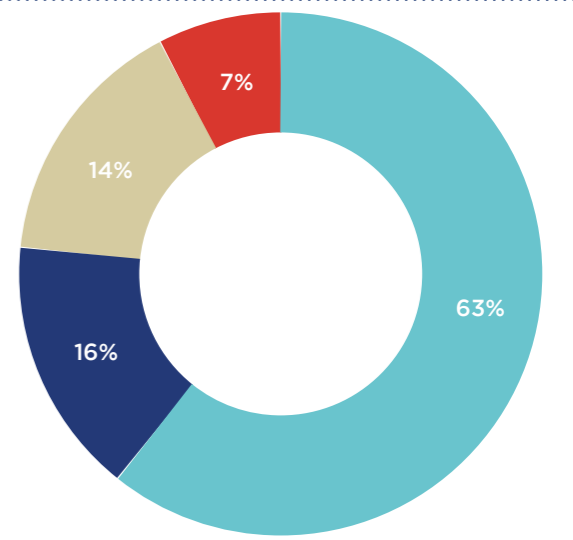
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- SURPLUS**
In 2017, the Scheme achieved a solvency rate of 32.09%. **The underwriting surplus amounted to R389 million** (2016: R185 million) with a net surplus of R104 million (2016: Deficit R57 million)
- RESERVES**
The Scheme's reserves increased marginally from **R982 million to R1.085 billion**. Accumulated funds per member increased from R13 358 to R15 079.
- INVESTMENT RETURNS**
The Scheme achieved an investment return of 10% (2016: 5.9%) against an inflation rate of 4.7% (2016: 6.6%) and a Scheme benchmark of 8.2% (2016: 10.1%).
The Scheme's **claims paying ability** (from cash and short-term investments) **is 4.4 months**.

NON-HEALTHCARE EXPENDITURE (NHE)

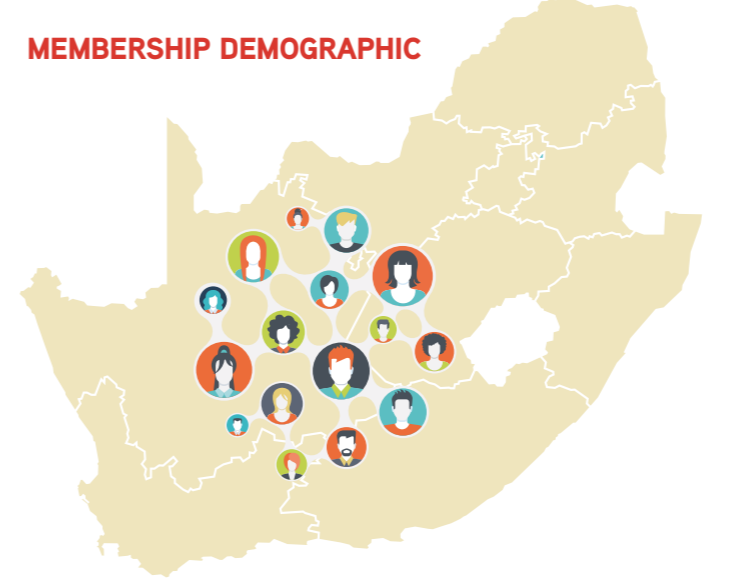
	2015	2016	2017	2018
Admin Fee Increase	0%	6%	6%	6%
Top 5 Schemes*	No. of plans	Admin fee plpm		
Momentum	23	R99.70		
Discovery	22	R127.70		
Fedhealth	12	R123.80		
Bonitas	9	R82.20		
Medihelp	9	R57.80		

*Open schemes not self-administrated



TAKE OUT
The implementation of cost containment interventions in 2016 resulted in Fedhealth recovering well from the claims blowout that impacted the industry that year.

TAKE OUT
Able to meet large, unexpected claims volatility.



WESTERN CAPE:	Principal members: 14 468	Beneficiaries: 28 248
GAUTENG:	Principal members: 30 299	Beneficiaries: 60 709
TOTAL:	Principal members: 71 980	Beneficiaries: 142 728

IN 2017, 15 220 NEW MEMBERS JOINED FEDHEALTH

