

RHODES UNIVERSITY MEDICAL SCHEME
MINUTES OF THE 2024 ANNUAL GENERAL MEETING

VENUE : Rhodes University, Council Chambers

DATE : 11 June 2024

TIME : 12h00

PRESENT : Per Attendance Register

APOLOGIES : None

MOMENTUMTYB : Mr. M. Neubert
Ms. L. Erasmus

| | | <u>RESPONSIBILITY</u> | <u>DEADLINE</u> |
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| 1. | <p><u>WELCOME AND APOLOGIES</u></p> <p>The Chairperson, Prof. Sewry, welcomed all to the meeting, confirmed that a quorum was present, and the meeting was duly constituted. The Chairperson confirmed that due notice of the AGM was given in accordance with the provision of the Scheme rules.</p> <p>A special word of welcome was extended to Mr S Mduli, Council on Medical Schemes (CMS), and Mr N Adams, Price Waterhouse Coopers (PWC).</p> | | |
| 2. | <p><u>OTHER MATTERS FOR THE AGENDA</u></p> <p>There were no other matters for the agenda.</p> | | |
| 3. | <p><u>MINUTES OF THE PREVIOUS MEETING</u></p> <p>The minutes were accepted as a true reflection of the Annual General Meeting (AGM) held on 6 June 2023. The minutes would be signed by the Chairperson.</p> | | |
| 4. | <p><u>MATTERS ARISING FROM PREVIOUS MINUTES</u></p> <p>There were no matters arising from the previous minutes.</p> | | |
| 5. | <p><u>APPOINTMENT OF AUDITORS</u></p> <p>It was confirmed that Price Waterhouse Coopers would continue to act as the Scheme's auditors for 2024. There were no objections.</p> | | |
| 6. | <p><u>REPORT OF THE BOARD OF TRUSTEES</u></p> <p>The Report of the Board of Trustees was circulated to members with the notification of the meeting and was NOTED.</p> <p>Prof. Sewry highlighted the operational, administrative and membership statistics of RUMed.</p> <p>Prof. Sewry also discussed the National Health Insurance (NHI) Bill which was made an Act of Parliament on 15 May 2024. He explained to members the process of how this would come into effect and the risks associated with it. The process is a long one and, for the foreseeable future, RUMed would remain serving members. The Scheme along with MomentumTYB would keep members informed of any progressions in the process. The trustees will remain vigilant, keeping members informed of developments.</p> | | |
| 7. | <p><u>ANNUAL FINANCIAL STATEMENTS</u></p> <p>Mr Arendse, Principal Officer, presented the Audited Financial Statements for 2023 which were included in the meeting information circulated to the members prior to the meeting.</p> <p>Mr. Arendse advised the Scheme received a clean audit, reflecting the diligent efforts of the Trustees and</p> | | |

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| | <p>MomentumTYB. The summarised statement of financial position and statement of comprehensive income highlight that the Scheme members contributed R68 million, while payouts to hospitals and service providers amounted to R71 million, resulting in a R3 million deficit. However, due to the Scheme's strong capital base and investment portfolio, the Scheme generated a R9 million surplus from investments, leading to a R6 million surplus for the year, which strengthens RUMed's reserves and capital.</p> <p>He further elaborated on the Schemes financial position, stating that the Scheme had to restate figures as of 1 January 2022 and 31 December 2022 due to new reporting requirements under IFRS 17. This restatement includes non-current assets (investments) at R51 million and more liquid assets at R62 million, totalling R113 million in assets. This represents future contract commitments, currently at R111 million. The Scheme reserve ratio was 161% as at 31 December 2023 ensuring sufficient funds were available to support members in the future.</p> <p>Mr. J. Landman raised the concern that the AFS report presented was too complex and asked whether future financial documents could be made clearer and more understandable for members.</p> | | |
| 8. | <p><u>ELECTION OF TRUSTEES</u></p> <p>Mr. Arendse informed all members present that three member elected trustees had completed their term and therefore there was place for three trustees. Mr. Arendse further explained that as per the ballot form that members received there were four nominations and members could vote for a maximum of three candidates. Members then voted, after which votes were counted by the PWC representative Mr N Adams and Mr. Arendse.</p> <p>Mr Arendse announced the outcome of the election. The following members were elected as Member-Elected Trustees: Mr. Evert Knoesen, Mr. John Landman and Prof. Mark De Vos.</p> <p>Mr. Arendse advised that he would shortly convene a meeting of the Board of Trustees to elect a chairperson and vice-chairperson.</p> | | |
| 9. | <p><u>GENERAL</u></p> <p>Family vs Beneficiary Benefit</p> <p>Mr J Landman requested that, given current levels of reserves, the Board consider increasing the number of benefit categories that include a Family and Beneficiary component and that permit beneficiaries, who exhaust their individual benefit, to utilise the Family component.</p> <p>Prof Sewry explained that the Scheme is required to provide a minimum set of benefits and to maintain a minimum of 25% reserve ratio but is otherwise at liberty to craft benefits of its own making on condition the Scheme remains sustainable He further explained that effective management requires using the reserves prudently to support ad hoc payments and maintain a strong financial position without compromising long-term stability.</p> | | |

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| 10. | <p>Mr. Y. Motara suggested that rather than adding new benefits, the medical aid scheme should focus on expanding existing coverage limits and the percentage of payments covered for day-to-day expenses.</p> <p>Prof Sewry advised that every year, the Board reviews the benefit structure, introducing changes such as a separate contraceptive benefit category and revised specialist benefits, as it did for the 2024 year. This annual review ensures that while some individuals may not see direct changes, others benefit from increased specialist benefits, higher overall benefit amounts, and better coverage rates.</p> <p>Age of Members</p> <p>Mr. J. Landman claimed that over a period of ten years up to approximately 2011, the average age of beneficiaries of the Scheme had dropped from around 45 to 40. This augured well for the financial sustainability of the Scheme.</p> <p>Prof. Sewry argued that an aging membership base is a significant issue, as older members generally require more medical care, driving up costs. This demographic shift must be considered in the Board's decisions to ensure sustainable healthcare benefits for all members.</p> <p>Investments</p> <p>Dr. Y. Motara queried the composition of the Scheme's investment portfolio, particularly if any investments were in industries involved in warfare. He claimed that while other health schemes and medical insurance funds globally have found such investments surprisingly profitable, they would be deeply troubled if their health benefits were funded by industries contributing to harm, whether offensively or defensively.</p> <p>Prof Sewry acknowledged that while the management of investments is often outsourced, the responsibility for investment decisions rests with the Board. He noted that around 72% of the investment portfolio is in cash, 12% in equities, 11% in government bonds, and 4.8% offshore (a tiny 0.2% in property). Dr. Motara requested a check of the Scheme's investments to ensure ethical practices and to verify that their funds are not supporting industries involved in causing harm.</p> <p>Mr. E. Knoesen reassured members about the Investment Sub-Committee's diligence and responsibility in managing investments. He acknowledged the critical role of Ms. L. Greyling in ensuring careful oversight and adherence to ethical investment standards. The Sub-Committee uses an advisory service and has meticulous data on their investments. They avoid investments in industries related to war, tobacco, and other harmful sectors. Mr. Knoesen advised that he would be willing to share the detailed sustainability and investment analysis report with any interested member, emphasizing their commitment to ethical investing and transparency.</p> <p><u>THANKS</u></p> <p>Prof. Sewry expressed his gratitude to all Trustees, the Principal Officer, as well as MomentumTYB, particularly mentioning the membership, chronic, pre-authorization, and finance teams. He also extended thanks to the Division of People and Culture of Rhodes University for their critical role in onboarding and offboarding personnel. Additionally, he thanked the members of the Scheme for taking their health</p> | | |
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| 11. | <p>seriously and contributing to its success by seeking medical assistance when needed and following health guidelines. Mr Gillam responded by thanking the Trustees for all their hard work over the year. It was much appreciated. His sentiments were met with acclaim by those present at the AGM.</p> <p><u>FAREWELL</u></p> <p>Prof. Sewry acknowledged 2024 as an election year, and thanked all trustees for their dedicated service over the past three years. He specifically mentioned and bid farewell to trustees who had served with distinction, but who had now reached the maximum number of terms permitted by the Scheme's rules, including Professor Rod Walker, Ms. S. Smailes, and Ms. G. Armstrong. He also noted that he himself had served the maximum terms and would not be available for reappointment or election. He expressed his enjoyment in serving the members of Scheme and over a period of many years. Finally, he entrusted the Scheme to the incoming board of trustees, and thereby concluded the AGM.</p> | | |
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As there were no further matters to discuss, The AGM was closed at 13:20

CHAIRPERSON

DATE