

2017

**YOU ARE INVITED TO THE SELFMED
ANNUAL GENERAL MEETING**





INVITATION

Date:

Saturday, 24 June 2017

Time:

10h30

Venue:

Bell Rosen Guesthouse
116 Kommissaris Street,
Welgemoed, Bellville, 7530

Annual General Meeting

Notice is hereby given that the Annual General Meeting of members of Selfmed Medical Scheme, will be held at 10h30 on Saturday, 24 June 2017 at the Bell Rosen Guesthouse, 116 Kommissaris Street, Welgemoed, Bellville, 7530

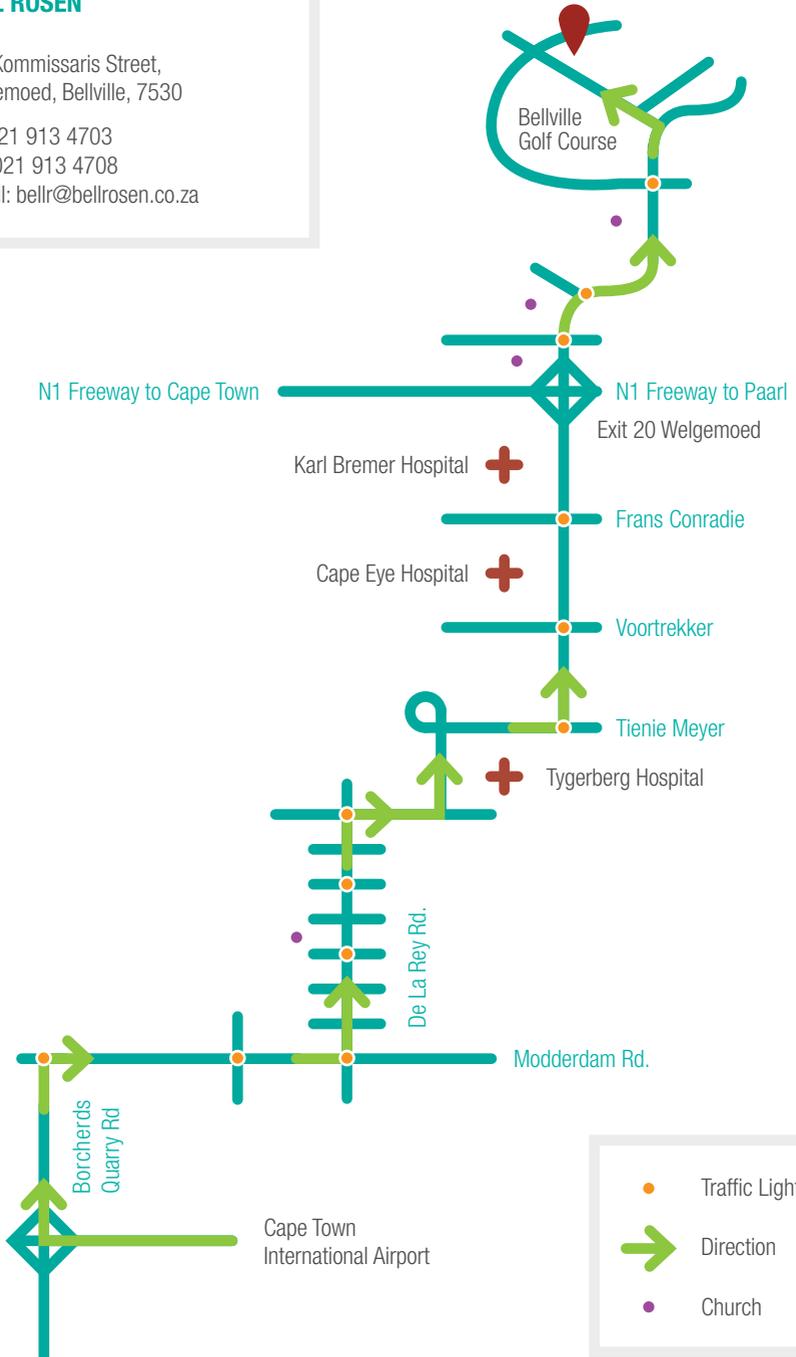
BELL ROSEN

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Welgemoed, Bellville, 7530

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* Abridged Annual Financial Statements.

A full set of AFS is available from the Scheme, upon member request



Notice of the
Annual General Meeting
of Selfmed Medical Scheme,
to be held on Saturday, 24 June 2017
at 10h30 (10:30 am)
at the Bell Rosen Guesthouse
116 Kommissaris Street, Welgemoed,
Bellville, 7530

AGENDA

1. NOTICE OF MEETING
2. CONFIRMATION AND SIGNING OF PREVIOUS MINUTES
3. SUMMARY OF MATTERS ARISING FROM PREVIOUS MINUTES
4. CHAIRMAN'S REPORT
5. PRINCIPAL OFFICER'S REPORT
6. REPORT OF THE BOARD OF TRUSTEES
7. ADOPTION OF THE REPORT OF THE BOARD OF TRUSTEES
8. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELFMED MEDICAL SCHEME
9. ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS
10. APPOINTMENT OF AUDITOR'S
11. APPROVAL OF TRUSTEE REMUNERATION
12. ANY OTHER BUSINESS (ONLY THOSE MATTERS WHICH THE SCHEME RECEIVED NOTICE OF BY 9 JUNE 2017)

Please join us
for some light refreshments

Minutes of the Annual General Meeting of the Selfmed Medical Scheme (Reg No. 1446)

Held on Saturday 25 June 2016 at 10:30 at Bell Rosen Guesthouse,
Kommissaris Street, Welgemoed



PRESENT:	Mr T Harris	(Chairman)
	Dr R Engelbrecht	(Trustee)
	Mr F de Wit	(Trustee)
	Mr D Albertyn	(Trustee)
	Mr C Becker	(Principal Officer)

A total of 23 members (including 2 of the Trustees above) were present.

IN ATTENDANCE:	Mr M Salee	(Mazars Inc.)
	Mr B Voges	(Mazars Inc.)
	Mr J de Kock	(Chairman, Selfmed Audit Committee)
	Ms Ezelle Venter	(Astute Advice – Independent Electoral Body)

1. NOTICE OF MEETING

The Chairman welcomed all present, taking the opportunity to introduce Ms Ezelle Venter representing Astute Advice Corporate Governance & Compliance Consultants, Mr Mansoor Salee from Mazars auditing firm and Mr Johan de Kock, Chairman of the Audit Committee. He furthermore introduced the Trustees to all present. He requested that all persons in attendance duly sign the attendance register, confirming that as prior notice had been distributed to all members, the notice could be taken as read.

Mr Becker confirmed that as a quorum is present the meeting is duly constituted and that the meeting could therefore continue.

2. CONFIRMATION AND SIGNING OF MINUTES OF THE PREVIOUS AGM HELD ON 20 JUNE 2015

The Chairman requested a proposal for the adoption of the minutes of the Annual General Meeting held on 20 June 2015.

Upon request for proposal of the previous minutes, member Mr Leon Bester noted that he would like to question some of the content of the minutes in terms of accuracy, with the Chairman responding that said member could address any issues with the minutes at the discussion point "Summary of matters arising from previous minutes". Mr Bester requested that it be noted that he was not in agreement of the proposal of the minutes of the previous meeting.

The members present then adopted the minutes of the previous meeting.

Proposed: Ms T Bell

Seconded: Mr J Love

3. SUMMARY OF MATTERS ARISING FROM PREVIOUS MINUTES

The Chairman discussed the matters arising from the minutes of the meeting held on 20 June 2015.

Item 5, pertaining to ADOPTION OF THE REPORT OF THE BOARD OF TRUSTEES.

The Chairman replied that 10.8% is the weighted average across all options. Mr Bester, requested a formal response to his enquiry. The Chairman replied that Management would review the calculation and ascertain whether the information was correct or not.

Mr Bester advised that there had been an explanation by the prior Acting Principal Officer the prior year, but noted no explanation for the present period under review. The Chairman responded that the financial accounts clearly indicate all non-healthcare expenditure. He noted that the explanation remained the same, as there was a residue of expenses carried over from previous years with regard to the Scheme's activities. Mr Bester questioned why it wasn't disclosed, with the Chairman responding that there was no need to disclose it and that he would gladly provide Mr Bester with a breakdown of all costs as set out in the full set of financial accounts. He reiterated that Mr Bester had the liberty of requesting a set of accounts, in light of the AGM booklet only containing the abridged financials.

Mr Bester requested a detailed set of Annual Financial Statements, further requesting that it be minuted that the Board had not disclosed the increase.

The Chairman noted that the matters as noted above had been dealt with. He elaborated that the calculation had been reviewed. He furthermore noted that the current increases had been noted in the AGM booklet.

Mr Bester referred to Item 5.3 – Solvency ratio enquiring as to whether the Auditors had prepared the schedule, with the Chairman responding in the affirmative.

Mr Bester asked the Auditor to explain the Scheme surplus comparatives in respect of 2013 versus 2014. Upon explanation from Mr Salee, and much discussion Mr Bester noted that the figures upon which the comparative was based was incorrect, resulting in incorrect reporting on the Annual Financials, and therefore incorrect disclosure to members in respect of performance, which was significantly lower than what was reported.

The Chairman stated that Mr Bester's input was duly noted and would be investigated, confirming that the financials would be duly rectified and communicated to members, if found to be incorrect.

Mr Becker reported that Mr Bester's observations had been investigated, with the financials subsequently being rectified and communicated to Members.

Mr Bester asked whether a full set of accounts was available at the Annual General Meeting that could be referred to, in order to advise him. The Chairman stated that Mr Bester could request a full set of accounts. Mr Bester insisted that the Chairman disclose the relevant information at the meeting, stating that he believed that the Chairman had the full set of financials in his possession. The Chairman responded that Mr Bester adhere to the process of acquiring a copy of the full set of financials for perusal, where after, he was welcome to revert back to the Scheme with his comment. Mr Bester indicated that contingent liabilities were not provided for in the Annual Financial Statements. The Chairman commented that he would take it under advisement with the Auditors

The Chairman reported that the financials had been corrected and submitted to CMS for approval.

Mr Bester noted his concern regarding the omission of note 16, requesting that it be included in future abridged financials, for ease of cross-reference. The Chairman noted Mr Bester's request.

Mr Becker explained that at the previous AGM a question arose as to why some notes were included in the abridged financials, and others not. Mr Becker noted that members had been advised that all the notes were referred to in the full set of Annual Financial Statements, and readily available to any member, upon request.

Mr Bester noted the desire of CMS to hand the previous Board of Trustees over to the National Prosecuting Authority for following this very same process, enquiring why said process is still in practice.

Further discussion ensued with Mr Bester requesting that the Chairman take the matter up with CMS. The Chairman undertook to take it up with CMS.

The Chairman noted that the matter had been dealt with, with no further response required.

Item 6, pertaining to ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS

Mr Bester referred to Page 30 – Point 25.2 pertaining to contingent liabilities, Court Order dated 16 April 2013, disciplinary hearings, noting that the factual information contained in the note was incorrect. He insisted on the notes being corrected and that the Chairman tenders a formal apology in this regard. The Chairman noted that Mr Bester had contested the statement as being false.

The Chairman confirmed that he would take up Mr Bester's objections with the Scheme's legal team, and if it was found that an apology was in order, that he would accordingly issue a public apology.

The Chairman confirmed that from a legal perspective, the matter had been dealt with.

Item 7, Pertaining to the APPOINTMENT OF THE AUDITORS,

Mr Becker requested a proposal from the floor, in respect of the re-appointment of Mazars Inc. as the Scheme's Auditors for the next financial year.

Mr Bester interjected, stating his concern pertaining to the re-appointment of Mazars Inc., enquiring as to whether the appointment was cost effective, having been quoted, benchmarked and compared. Mr Becker confirmed in the affirmative, upon which Mr Bester requested that he be furnished with a copy of the documentation in substantiation of such exercise having been executed.

Mr Becker confirmed that a comparative study had been undertaken with regard to the re-appointment of the Auditors, with it having been established that the costs were in line with industry standard.

The Chairman concluded the discussion by addressing member Bester, stating that notices had been circulated to all members, together with the minutes of the previous meeting, and that Mr Bester had had the opportunity, prior to the AGM, to address any specific items which he felt were inaccurately recorded. He furthermore stated that the Board had perused the minutes and recordings and were satisfied that the minutes were a true reflection of the meeting held on 20 June 2015. He noted that should Mr Bester have any concerns arising from the minutes, that he discuss such matters under the specific item of the Agenda.

4. REPORT BY THE CHAIRMAN OF THE BOARD OF TRUSTEES

The Chairman confirmed the inclusion of the Chairman's Report in the AGM notice pack distributed to members. He presented a verbal report, highlighting a number of key activities and decisions made by management and the Board of Trustees throughout the year under review. In closing the Chairman expressed the Board's appreciation to management and staff for their dedication and commitment to the successful operation of the Scheme.

Proposed: Mr T Harris

Seconded: Mr W Stemmett

5. PRINCIPAL OFFICER'S REPORT

The Chairman confirmed the inclusion of the Principal Officer's Report in the AGM notice pack distributed to members. Mr Becker presented an abbreviated summary, highlighting a number of specific activities throughout the past year.

Mr Becker highlighted the Salutem High Risk Member Management program which had recently been launched. He briefly explained the benefit of the program, which focuses on members with complicated medical conditions, and the management of these conditions in order to achieve a long term and more favourable outcome for the Scheme.

He highlighted the development of a Health Management System where the aim is to obtain and store all clinical member information, in order to make this wealth of clinical information available to doctors, radiologists, pathologists and hospitals, and in so doing, bridge the gap between the fragmented healthcare service providers within the healthcare delivery system in South Africa.

Mr Becker expressed his appreciation to management and all staff for their dedication and devotion to the Scheme and their support during his first year as Principal Officer.

Proposed: Mr W Stemmett

Seconded: Ms N Williams

6. REPORT OF THE BOARD OF TRUSTEES

The Chairman confirmed the inclusion of the Board of Trustees' Report in the AGM notice pack distributed to members.

The Chairman highlighted the excellent position of Scheme reserves, which at 119.37% was well above the industry average.

He confirmed that there had been no change in Trustees in respect of resignations or appointments in the period under review and that the Auditors had also remained the same.

The Chairman concluded by saying that the Scheme had experienced a tough and demanding year and that the investment returns had added to sustaining the financial position of the Scheme to the benefit of the members. He felt it noteworthy to mention that a decision had been made not to increase the contributions above a certain percentage, in order to provide some economic relief to members. In addition to keeping the premium increase as low as possible, he also noted an increase in some of the option benefits

The Chairman proposed the Report of the Board of Trustees, enquiring whether there were any questions.

Mr Bester responded and referred to the 2015 booklet, Table 5 that reflects the statistics in respect of 2014, stating that it did not correlate with the actual statistics that appeared in the prior year's booklet for 2014, in terms of Non-Healthcare expenditure. He pointed out that 13.85% as presented in the previous year's report is now represented as 12.25% in the 2016 AGM booklet. He stated that, surely, this figure should be the same in terms of the reference to 2014 results in the 2015 AGM booklet. Mr Becker replied by saying that there is a difference in non-healthcare expenditure recorded in 2015 AGM booklet, versus the figures recorded in 2016 booklet with the footnote indicating that it was erroneously narrated in the 2015 AGM booklet. He further elaborated by referring to the footnotes reflected under table 5 disclosing the reason for the change in figures previously recorded. Mr Bester questioned the formula used to calculate the 2015 non-healthcare cost as a percentage of contributions currently reflected as 11.17%. A discussion ensued with Mr Becker confirming that the figures reflected in the table are correct as recorded in the 2015 results.

Mr Bester noted his disagreement stating that in light of the inconsistency of the method of calculation used for the 2015 AGM booklet versus prior years, it be recorded that the basis of the calculation had been changed.

Mr Bester's concern was duly noted.

At this point, Mr Bester referred back to his concerns in respect of the previous minutes. In his understanding the Chairman had stated that he should have presented his concerns regarding the minutes, prior to the meeting, and therefore there would be no discussion about any disagreements, due to the fact that management had studied the said minutes and confirmed the accuracy thereof. He again raised the question whether his understanding was correct with the Chairman answering in the affirmative. In response to Mr Bester's question as to whether he would be given the opportunity to discuss his concerns pertaining to the minutes, the Chairman responded that Mr Bester had been afforded the opportunity to raise his concerns after there had been a proposal, which he had chosen not to do.

Mr Bester responded that the Chairman had indicated that it would be referred to later. The Chairman stated that he had said it could be raised immediately after the confirmation of the previous minutes.

Mr Bester responded that the Chairman had not been clear in his reference of affording him the opportunity to raise his concerns.

Much discussion ensued with Mr Bester noting his disagreement, further stating that he reserved his rights. The Chairman responded that he in no way denied Mr Bester his rights.

The Chairman further stated that despite such opportunity not presenting itself, due process would be followed and the meeting would continue.

7. ADOPTION OF THE REPORT OF THE BOARD OF TRUSTEES

The Chairman requested the Report be proposed. Mr Bester requested his objections and comments be noted.

Proposed: Mr T Harris Seconded: Ms T Bell

8. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELFMED MEDICAL SCHEME

The Chairman referred to the Auditor's Report to the members of Selfmed Medical Scheme being included in the AGM booklet.

The Chairman briefly discussed the report, asking the representative from Mazar's to provide any feedback that he deemed relevant. Mr Salee replied that he was satisfied by the content of the Auditor's Report confirming that no additional explanation was required. Upon a question raised by the Chairman as to whether Mazar's were satisfied with the content of the report and the procedures followed at the time of conducting the Audit, Mr Salee answered in the affirmative. The Chairman requested the Auditor's Report be proposed and accepted

Proposed: Mr T Harris Seconded: Ms T Bell

9. ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS

The Chairman referred to the Annual Financial Statements, the abridged financials being included in the AGM booklet.

The Chairman briefly highlighted salient points noted in the abridged financials, thereafter requesting a proposal from the floor in respect of the Annual Financial Statements.

Proposed: Mr J Love

Seconded: Mr W Stemmett

10. APPOINTMENT OF AUDITOR

Mr Becker requested a proposal from the floor in respect of the re-appointment of Mazars as Auditors for the Scheme for the next financial year.

Before putting the request forward for proposal, he elaborated, stating that the Scheme was satisfied with the way the audits had, to date, been conducted by Mazars. He further noted that there had been a 17% reduction in costs since switching from PWC to Mazars. He noted a 5% increase in Auditor costs in respect of 2015.

Against the backdrop of the above-mentioned explanation from Mr Becker, a proposal was requested from the floor, in respect of the re-appointment of Mazars Inc. as the Scheme's Auditors for the next financial year.

Proposed: Mr T Harris Seconded: Ms T Bell

11. TRUSTEE ELECTION

Mr Becker explained that the entire trustee election process had been conducted by an Independent Electoral Body, and introduced Ms Ezelle Venter of Astute Advice. Ms Venter confirmed that Astute Advice had been duly appointed as the Independent Electoral Body, furnishing detail of the regulatory processes followed, and confirming that Mr Trevor Harris and Dr Reg Engelbrecht had been duly nominated and appointed as Trustees.

In the interests of full clarity, Mr Becker explained that in accordance with the Rules of the Scheme, in the event of fewer, or equal, nominations to positions available, the nominated members are automatically nominated and therefore no voting process was applicable at the AGM. As there were two nominations, the two nominations would thus automatically fill the Board of Trustee positions.

12. APPROVAL OF TRUSTEE REMUNERATION

Mr Becker presented the Trustee remuneration, for approval by members at the AGM.

He noted that although the envisaged increase had not been specifically noted in the AGM booklet, correspondence had been sent to all members informing them of the 7% proposed increase in Trustee remuneration prior to proposal at the AGM. Mr Becker explained that the 7% had been derived by Reserve Bank inflation forecast of 7.4% up to December 2016. In the light of the Reserve Bank forecast, an inflationary linked increase of 7% was proposed in respect of Board of Trustees remuneration.

He furthermore explained that the travel rate of the Board of Trustees was in line with AA rates, and no increase was thus applicable on the current travel rate.

The Chairman put the Trustee Remuneration forward for vote.

Proposed: Mr C Becker Seconded: Mr W Stemmett

13. ANY OTHER BUSINESS

The Chairman raised the question whether there were any other items for which notices had been served.

Mr Becker reported that correspondence received by the Scheme, emanating from the notice of the AGM had been addressed and resolved with no items to be specifically raised at the meeting.

Upon closure of the Meeting, Mr Bester wished to note a point in terms of the Corporate Governance with regards to the Dispute Committee. He stated that he strongly disagreed with the fact that a request that he had submitted to the Scheme, had been denied on the discretion of the Principal Officer. He noted his unhappiness that he had duly complied with the Schemes request to submit the dispute form and that he had been denied a Dispute Committee hearing.

The Chairman asked for clarity in terms of the reason for the dispute, with Mr Bester replying that it was in terms of a benefit issue. He explained that he had requested a dispute committee meeting, which was denied. He further noted that he had been advised by the Scheme to take the matter up with the Registrar.

Mr Bester noted that he had perused the Registrar's Dispute Committee document which states that a member must first exhaust their medical scheme's dispute procedure; such disputes procedure, which he had been denied.

The Chairman noted this matter, with said matter being added to the agenda of the Board of Trustee meeting to be held directly after the AGM. He stated that Mr Bester would be furnished with a formal response within 10 days of the Board of Trustee meeting to be held that day.

The Chairman thanked all members present for their attendance and participation. At 11:15 the Chairman declared the meeting closed.

Mr Harris

Chairman's Report

Selfmed Medical Scheme
2016 Financial Year



It is with pleasure that I submit the following report on behalf of the Board of Trustees of the Selfmed Medical Scheme for the operational year ending 31 December 2016.

The challenges facing all medical aid schemes in South Africa, is the ability to sustain a growing medical need, and demand for an improved benefit structure, in respect of the different options on offer to members; whilst at the same time not escalating monthly contributions, beyond a fair and reasonable increase each year.

This challenge also means the Board of Trustees needed to be vigilant with regard to costs of claims, administration costs and outsourced services costs, whilst ensuring consistent income retention, and investment yields and capital growth, to enhance the Scheme's reserves, which enables Selfmed to deal with the variances in unexpected high cost claims each year.

We were fortunate in 2015 to have achieved a much lower than expected claims cost, which resulted in a significant surplus for the year of R15,17 million, however, the number of individual high cost claims in 2016 resulted in a net deficit of R13,65 million.

The full Board of Trustees and advisors have met regularly throughout the year, to review the affairs of the Scheme, as well as participating with management in developing a long-term strategic plan, that includes a healthcare management programme and interventions, to improve the member's health and lifestyle, and reduce healthcare costs for the Scheme. This is an exciting new innovation, which will benefit our young and elderly members alike.

The establishment of a Risk Committee, and the continuation of the Audit Committee, where both of these met on a regular basis throughout the year, has also ensured that there is a continued focus on the core risks, needs and management of the Scheme, for the overall benefit of our members.

At the 2016 AGM the Board of Trustees were re-elected and appointed for a further 3 years, to serve the best interests of the Scheme, and it's members, and I am delighted to state that the Trustees have more than ever, contributed selflessly in their tasks and responsibilities, and brought sound management, planning and strategic thinking to the table.

The introduction of SelfNET in 2016 and SelfNET Essential in 2017, is adding stability to the Scheme, and contributing substantially to reducing the average membership age and risk profile, and increasing membership growth, whilst providing the driving initiative to management and staff, to excel in all avenues of service to members, and ensuring that our members receive quality services from medical health providers.

The continued slow national economic growth, and present political uncertainty in which we operate as a medical health payment underwriter, will continue to provide challenges and opportunities for Selfmed to grow, and the Board of Trustees and management will continue to find new and effective ways to provide a state of the art service to all members whilst maintaining our unique hands-on approach and personal touch.

I am confident that the management team and staff, are more than able to meet the industry challenges - and the Board of Trustees' dedicated commitment in providing strategic planning and thinking, and knowledge, will ensure that Selfmed remains a meaningful provider of medical aid benefits, for years to come.

Trevor Harris

Chairman: Board of Trustees



Principal Officer's Report

Selfmed Medical Scheme
2016 Financial Year

The 2016 year has brought its highs and lows. While there were significant improvements on the operational side we experienced one of our most challenging years as far as healthcare utilization is concerned.

Our new option called "SelfNET" continued to grow during 2016 and we have seen a net growth in membership for a second year in a row. Although we have experienced a net growth it remains a concern that other benefit options are continually losing membership. Several strategies have been initiated to stem the tide and these include improving retention through individual contact, increased communication regarding the benefits that are offered on each benefit plan, managing and controlling non healthcare expenditure and strategies to ensure healthcare expenditure is managed pro-actively in an effort to control contribution increases.

What is important to note is that SelfNET has a lower member average age than the Scheme average and therefore a lower healthcare utilization profile which impacts positively on the overall financial position of the Scheme.

In the previous Principal Officer's report we focused on new initiatives, we used the 2016 year to consolidate the changes that were identified in 2015. A new performance appraisal process was implemented with positive feedback from both managers and staff members alike. This will ensure that we can improve not only the overall performance of the Scheme but we can also improve and build on skills that we require to ensure the longevity of Selfmed. The relatively new Clinical Department was strengthened through the appointment of a clinical staff member and this has significantly improved our case management, underwriting and pro-active disease management through the high risk member management program called Salutem.



The challenge for Selfmed during 2016 was the relevant healthcare expenditure that increased by 17% when compared year on year. The Scheme experienced several high cost cases and intensive review indicates that these were isolated and once off cases and not a general increase in utilization. The high cost cases are managed by the clinical team in conjunction with our managed healthcare provider; MSO to ensure the best possible treatment and outcomes for members.

Each of the high cost cases are reviewed post discharge to ensure that all services rendered were clinically indicated, that coding for remuneration and statistical purposes were accurate and to build a knowledge base to tap from for future reference. The Claims department has done significant work on improving the coding capacity and enhancing the administration system to ensure correct coding and billing.

The increased high cost cases led to a net deficit for the period on all of our benefit options, save for SelfNET. The reserves were utilised to bridge the net deficit and therefore a net loss of R 13 655 061 was incurred for the year. In effect this means that the reserves of the Scheme are at the same level as of the beginning of 2015.

The strategy for the Scheme includes the improvement of billing code adjudication and ensuring that the different codes from service providers are compatible. We have already experienced positive results from managing the coding at a more granular level. The support of healthcare decision making through the availability of clinical data across service providers is also a project that has been initiated in 2016. The Health Management System aims to collect and store, with member permission, several healthcare indicators and tests making these available to healthcare providers at the request of the member. The value of this project lies in

the seamless access to test results which will decrease unnecessary testing, the availability of clinical data history for a period of time which will enable the healthcare provider to make better decisions and a historical clinical profile for the member. The project will be member centric and the member will decide which healthcare professional has access to their information and will therefore comply with legislation which protects personal information.

Despite the exceptionally challenging economic, industry and regulatory climate that will no doubt, persist well into the next few years, I firmly believe that our focussed operational strategy, and our steadfast dedication to perform according this chosen strategy, will hold us in good stead going forward.

We look forward to 2017 in which we can continue to build our relationship with our members and improve on the systems and processes already in place.

Christo Becker
Principal Officer

Selfmed Medical Scheme

Report of the Board of Trustees

The Board of Trustees hereby presents its report for the year ended 31 December 2016
Registration Number: 1446



1. DESCRIPTION OF THE MEDICAL SCHEME

1.1 Terms of registration

Selfmed Medical Scheme is a not for profit open enrolment medical scheme registered in terms of the Medical Schemes Act 131 of 1998 (the Act), as amended.

The Scheme is self-administered with the pharmacy benefit management, hospital authorization and case management administered by third party service providers. CareCross is contracted to administer claims and the front office of the new SelfNET option.

1.2 Benefit options within the Selfmed Medical Scheme

The Scheme offers five benefit options to employers and members of the public. In 2015 the Scheme added the SelfNET benefit option in line with strategy and growth aspirations.

These are:

- Selfmed 80%
- MEDXXI
- MED ELITE
- Selfsure; and
- SelfNET (New benefit option)

The Scheme's overall performance for the year under review resulted in Scheme reserves decreasing from a solvency level of 119.37% at the end of 2015 to 106.80% at the end of 2016. The Scheme's overall solvency remains substantially higher than the statutory minimum solvency requirement of 25% set by the Council for Medical Schemes.

In the course of 2017, the Scheme will introduce a new low cost hospital network option, SelfNET Essential to fill the gap in the current product range.

1.3 Risk transfer arrangements

The Scheme has entered into a risk transfer arrangement with ER24 EMS (Pty) Ltd to provide emergency medical primary response and hospital transport services for the duration of the year. The risk transfer arrangement is disclosed in the notes to the Annual Financial Statements.

2. MANAGEMENT

2.1 Board of Trustees in office during the year under review

Name	Description	Date appointed
T Harris	Member trustee (Chairman)	25-Jun-16
Dr R Engelbrecht	Member trustee	25-Jun-16

Name	Description	Date appointed
D Albertyn	Appointed trustee	25-Jun-16
F de Wit	Appointed trustee	25-Jun-16

2.2 Principal Officer during the year

Mr Christo van Wyk Becker

Unit 9, Canal Edge 2	PO BOX 5543
Carl Cronjé Drive	Tygervalley
Tyger Waterfront	7536
Bellville	
7530	

2.3 Registered office address and postal address

Selfmed Medical Scheme

Unit 9, Canal Edge 2	PO Box 5543
Carl Cronjé Drive	Tygervalley
Tyger Waterfront	7536
Bellville	
7530	

2.4 Investment Managers during the year

Allan Gray Life Limited

Granger Bay Court	PO Box 51318
Beach Road	V & A Waterfront
V & A Waterfront	Cape Town
Cape Town	8002
8001	Financial Service Provider number: 6663

Coronation Fund Managers

Seventh Floor	PO Box 44684
MontClare Place	Claremont
Cnr Campground & Main Roads	7735
Claremont	Financial Service Provider number:548
Cape Town	
7708	

Prudential Portfolio Managers

Seventh Floor - Protea Place
40 Dreyer Street
Claremont
Cape Town
7708

PO Box 44813
Claremont
7735
Financial Service Provider
number: 615

Mazi Capital (Pty) Ltd

11th Floor, Sandton Eye
126 West Street (cnr Rivonia),
Sandton
2196

PO Box 784583
Sandton
2146
Financial Service Provider
number: 27404

Prescient Management Company (RF) (Pty) Ltd

Prescient House, Westlake Business Park
Otto Close
Westlake
7945

PO Box 31142
Tokai
7966
Financial Service Provider
number: 612

STANLIB Collective Investments (RF) Limited

17 Melrose Boulevard
Melrose Arch
2196

PO Box 202
Melrose Arch
2076
Financial Service Provider
number: 719

Acsis Limited

Cullinan Place
Block A, 1st Floor
2 Cullinan Close
Morningside
Gauteng
2057

PO Box 650140
Benmore Gardens
2010
Financial Service Provider
number: 588

2.5 Actuaries during the year

Willis Towers Watson

Level 4, MontClare Place
23 Main Road
Claremont
7708

Private Bag X30
Rondebosch
7701

2.6 Auditors for the year

Mazars

Mazars House
Rialto Road
Grand Moorings Precinct
Century City
7441

PO Box 134
Century City
7446

2.7 Third party service providers

Managed Healthcare

CareCross Health (Pty) Ltd (SelfNET option only)

4 Mispel Road
Bellville Park
Cape Town
7530

PO Box 2212
Bellville
7535

Medical Services Organisation (Pty) Ltd (MSO)

Healthcare Park
Woodlands Drive
Woodmead
Sandton
2191

PO Box 1578
Gallo Manor
Gauteng
2052

Mediscor PBM (Pty) Ltd

Baobab Building
River Falls Office Park
Rose Avenue
Centurion
0157

PO Box 8796
Centurion
0046

Independent Clinical Oncology Network (Pty) Ltd (ICON)

14 Mispel Road
Bellville
7430

PO Box 15811
Panorama
7605

Verirad (Pty) Ltd

15 Sunnyside Road
Birnam
Johannesburg
2196

PO Box 79712
Senderwood
2145

Uno Healthcare (Pty) Ltd

No 3 Ridge Road
193 Cussonia Park
Lazer Park
Honeydew
2040

PO Box 4975
Rivonia
2125

2.8 Risk transfer arrangement (Capitation Agreement)

ER24 (Pty) Ltd

Cambridge Manor Office Park, Manor 1
Cnr Stone Haven and Witkoppen Roads
Paulshof
Sandton
2056

PO Box 242
Paulshof
Sandton
2056

3. INVESTMENT STRATEGY OF THE MEDICAL SCHEME

The Scheme's investment objectives are to maximise the return on its investments on a long-term basis, at minimal risk. The investment strategy takes into consideration, both, constraints imposed by legislation and those imposed by the Board of Trustees. All investment decisions are approved by the Board of Trustees.

The Board of Trustees are responsible for all investments. These responsibilities include that:

- the Scheme remains liquid;
- investments are placed at the lowest possible risk and the best possible rate of return;
- investments made are in compliance with the regulations of the Act.

Summary of main investment categories

	Cash and Deposits	Bonds and Debentures	Property	Equities	Other	Total
Allan Gray Domestic Stable Medical Scheme Portfolio	36 131 427	17 626 220	4 441 060	35 160 192	(3 476 034)	89 882 865
Coronation Medical Aid Money Market Fund	6 828 936	3 997 303	84 076	-	-	10 910 315
Coronation Medical Absolute Portfolio	32 542 952	27 962 210	11 394 861	41 773 658	136 841	113 810 522
Prudential Life Inflation Plus 5% Medical Aid Fund	918 9803	62 092 147	11 152 760	31 726 726	159 257	114 320 693
Stanlib Property Income Fund	138 484	18 372	11 198 105	-	-	11 354 961
Prescient Equity Top 40	(3 242 234)	2 032 339	267 274	6 308 184	9 505 535	14 871 098
Mazi Capital Prime Equity Fund	627 093	-	1 077 922	12 983 493	-	14 688 508
	82 216 461	113 728 591	39 616 058	127 952 253	6 325 599	369 838 962

4. MANAGEMENT OF HEALTHCARE RISK

The primary activity carried out by the Scheme assumes the risk of loss from members and their dependants that are directly subject to the risk. This risk relates to the health of the Scheme's members. As such, the Scheme is exposed to the uncertainty surrounding the timing and severity of claims under the contract.

The Scheme manages its risk through benefit limits and sub-limits, approval procedures for transactions that involve pricing guidelines, pre-authorisation and case management, service provider profiling, centralised management of risk transfer arrangements and the monitoring of emerging issues.

The Scheme used several methods to assess and monitor risk exposures both for individual types of risks carried and overall risks. These methods include internal risk measurement models, sensitivity analyses, scenario analyses and stress testing. The theory of probability is applied to the pricing and provisioning for a portfolio of benefit options. The principal risk is that the frequency and severity of claims are greater than expected.

Healthcare events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated with established statistical techniques. There are no changes to assumptions used to measure assets and liabilities that have a material effect on the financial statements, and there are no terms and conditions of benefit options that have a material effect on the amount, timing and uncertainty of the Scheme's cash flows.

5. REVIEW OF THE ACCOUNTING PERIOD'S ACTIVITIES

5.1 Operational statistics per benefit option

2016	Selfmed 80%	MEDXXI	Selfsure	Med Elite	SelfNET	TOTAL
Average number of members during the accounting period	483	3 239	2 665	620	1 135	8 143
Number of members at 31 December	468	3 166	2 620	603	1 410	8 267
Average number of beneficiaries during the accounting period	751	5 681	4 525	952	1 986	13 896
Number of beneficiaries at 31 December	727	5 502	4 426	918	2 432	14 005
Dependant ratio at 31 December	0,55	0,74	0,69	0,52	0,72	0,69
Net contributions per average beneficiary per month	R 5 195	R 1 388	R 1 851	R 3 599	R 768	R 1 808
Relevant healthcare expenditure per average beneficiary per month	R 5 679	R 1 377	R 1 880	R 4 145	R 465	R 1 833
Non-healthcare expenditure per average beneficiary per month#	R 255	R 228	R 238	R 260	R 58	R 211
Relevant healthcare expenditure as a percentage of gross contributions	109,31%	99,18%	101,59%	115,16%	60,56%	101,39%
Non-healthcare expenditure as a percentage of gross contributions#	4,91%	16,41%	12,88%	7,24%	7,49%	11,66%
Average age per beneficiary	63,54	51,82	43,33	65,70	28,35	46,58
65 years+ ratio at 31 December	61,90%	32,46%	22,35%	62,96%	2,01%	27,50%
Average accumulated funds per member at year end	n/a	n/a	n/a	n/a	n/a	R 41 298
Return on investments as a percentage of investments	n/c	n/c	n/c	n/c	n/c	6,74%

Non - health expenses = broker service fees + administration expenditure + net impairment losses
n/a - not applicable n/c - not calculated

2015

	Selfmed 80%	MEDXXI	Selfsure	Med Elite	SelfNET	TOTAL
Average number of members during the accounting period	524	3 450	2 784	670	427	7 856
Number of members at 31 December	512	3 423	2 771	657	760	8 123
Average number of beneficiaries during the accounting period	818	6 181	4 788	1 051	756	13 594
Number of beneficiaries at 31 December	795	6 060	4 746	1 020	1 339	13 960
Dependant ratio at 31 December	0,55	0,77	0,71	0,55	0,76	0,72
Net contributions per average beneficiary per month	R 4 840	R 1 288	R 1 734	R 3 353	R 613	R 1 781
Relevant healthcare expenditure per average beneficiary per month	R 4 282	R 1 170	R 1 527	R 3 347	R 375	R 1 607
Non-healthcare expenditure per average beneficiary per month#	R 228	R 203	R 207	R 237	R 31	R 199
Relevant healthcare expenditure as a percentage of gross contributions	88,49%	90,83%	88,10%	99,83%	61,14%	90,25%
Non-healthcare expenditure as a percentage of gross contributions#	4,71%	15,75%	11,92%	7,08%	5,08%	11,17%
Average age per beneficiary	63,12	50,36	41,99	64,51	25,93	46,93
65 years+ ratio at 31 December	60,00%	29,70%	20,06%	61,18%	0,75%	27,67%
Average accumulated funds per member at year end	n/a	n/a	n/a	n/a	n/a	R 43 734
Return on investments as a percentage of investments	n/c	n/c	n/c	n/c	n/c	5,40%

Non - health expenses = broker service fees + administration expenditure + net impairment losses

n/a - not applicable n/c - not calculated

5.2 Results of operations

The results of the Scheme are set out in the Annual Financial Statements and the Board believes that no further clarification is required.

5.3 Solvency ratio

	2016 R	2015 R
Total members' funds per statement of financial position	341 408 713	355 063 774
Less: Cumulative net gains on re-measurement to fair value of financial instruments included in the accumulated funds	(19 501 759)	(8 306 487)
Accumulated funds per Regulation 29	321 906 954	346 757 287
Gross contributions	301 416 847	290 481 967
Solvency ratio at year end (accumulated funds/gross contributions)	106,80%	119,37%
Minimum solvency requirement from Council	25%	25%
Accumulated funds required (25% of gross contributions) to meet minimum solvency requirement from Council	75 354 212	72 620 492
Scheme surplus resulting from difference between scheme accumulated funds and Council's accumulated funds requirement	246 552 742	274 136 795

5.4 Reserve accounts

Movements in the reserves are set out in the Statement of Changes in Members' Funds. There have been no unusual movements that the Trustees believe should be brought to the attention of the members of the Scheme.

5.5 Outstanding claims

The basis of calculation of the outstanding claims provision is discussed in the notes to the Annual Financial Statements. Movements on the outstanding claims provision are set out in the notes to the Annual Financial Statements. There have been no unusual movements that the Trustees believe should be brought to the attention of the members of the Scheme.

6. ACTUARIAL SERVICES

The Scheme's actuaries have been consulted in the determination of the contribution and benefit levels, as well as the outstanding claims provision calculation.

7. SUBSEQUENT EVENTS AFTER ACCOUNTING DATE

There were no material events after the reporting date, that would require any adjustment to the stated results, or any additional disclosures.

8. INVESTMENT IN AND LOANS TO PARTICIPATING EMPLOYERS OF MEMBERS OF THE MEDICAL SCHEME TO OTHER RELATED PARTIES.

The Scheme holds no investments in participating employers of the Scheme. All contributions and claims relating to the Board of Trustees and Management Committee were on the same terms as applicable to other Scheme members.

All transactions with related parties have been fully disclosed in the notes to the Annual Financial Statements and the Trustees believe that no further clarification is required.

9. AUDIT COMMITTEE

An Audit Committee was established in accordance with the provisions of the Act. The Committee is mandated by the Board of Trustees by means of written terms of reference as to its membership, authority and duties. The Committee consists of five members of which two are members of the Board of Trustees. The majority of the members, including the Chairman, are not officers of the Scheme. The Committee met on three occasions during the course of the year.

The members of the Audit Committee, External Auditors, Principal Officer and Financial Manager attended Audit Committee meetings. All members have unrestricted access to the Chairperson of the Committee.

In accordance with the provisions of the Act, the primary responsibility of the Committee is to assist the Board of Trustees in carrying out its duties relating to the Scheme's accounting policies, internal control systems and financial reporting practices.

The external auditors formally report to the Committee on critical findings arising from audit activities.

The Audit Committee has satisfied its responsibilities under its terms of reference for the period under review.

The principle that has been established for recommending the external auditor for non-audit services is that the independence of the auditor should never be compromised, and prior to each assignment, this principle is tested.

Disclosure of amounts paid to external auditors for non-audit services have been separately disclosed in the notes to the Annual Financial Statements.

Name	Date of Appointment
J de Kock (Independent member)	23 November 2016
S Lapoorta (Independent member)	23 November 2016
C Schwab (Independent member)	23 November 2016
D Albertyn (Trustee)	23 November 2016
F de Wit (Trustee)	23 November 2016

10. BOARD OF TRUSTEES AND SUB-COMMITTEE MEETING ATTENDANCE

The following schedule sets out meeting attendance by members of the Board of Trustees and Board sub-committees.

Trustee remuneration is disclosed in notes to the Annual Financial Statements.

	Trustee/ sub-committee member	Board meetings		Benefit & Contribution Review meetings		Remuneration Committee meetings		Audit Committee meetings		Risk Committee meetings	
		A	B	A	B	A	B	A	B	A	B
1&3	T Harris	4	4	1	1	n/a	n/a	n/a	n/a	4	4
1	Dr R Engelbrecht	4	4	1	1	n/a	n/a	n/a	n/a	n/a	n/a
1&2	D Albertyn	4	4	1	1	n/a	n/a	3	3	n/a	n/a
1,2&3	F de Wit	4	4	1	1	n/a	n/a	3	3	4	4
2	J de Kock	n/a	n/a	n/a	n/a	n/a	n/a	3	3	n/a	n/a
2	S Lapoorta	n/a	n/a	n/a	n/a	n/a	n/a	3	3	n/a	n/a
2	C Schwab	n/a	n/a	n/a	n/a	n/a	n/a	3	3	n/a	n/a

A - total possible number of meetings could have attended

B - actual number of meetings attended

1 Trustee

2 Audit committee member

3 Risk committee member

11. COMPLIANCE

The following areas of non-compliance with the Act were identified during the course of the financial year.

11.1 Contributions not received within three days of becoming due

Nature and Impact

In terms of Section 26(7) of the Medical Schemes Act 131 of 1998, all contributions shall be paid directly to a medical scheme not later than three days after payment thereof becoming due. There were a number of instances where the Scheme received contributions after three days of said contributions becoming due. The contract with the member and employer groups do not make allowance for this arrangement. The total contributions outstanding for more than three days after year-end equates to 0,28% (2015: 0,30%) of gross contributions for the year.

Causes of failure

There are several reasons that attribute to members not paying their contributions within three days of it becoming due. Some of these reasons may include members receiving their salary after contribution due date.

Corrective course of action and time frame

Membership is suspended in the event of contributions not having been received. The affected members and groups are notified of the late payments, and referred to the rules of the Scheme, governing contributions.

11.2 Sustainability of benefit options

Nature and Impact

In terms of Section 33(2) of the Medical Schemes Act 13 of 1998, as amended, each option shall be self supporting in terms of membership and financial performance and shall be financially sound. At 31 December 2016, four out of the five benefit options did not comply with Section 33 (2), after investment income.

Net surplus/(deficit) for the year including investment and other income and expenditure:

	2016 R	2015 R
Selfmed 80%	(2 674 994)	6 451 682
MEDXXI	(6 620 471)	271 614
Selfsure	(5 941 761)	6 435 989
Med Elite	(5 688 792)	(52 475)
SelfNET	7 270 957	2 064 769
	(13 655 061)	15 171 579

Causes of failure

The relevant healthcare expenditure escalated above all expectation for the year. During 2016, the Scheme experienced a significant increase in high cost claims.

Med Elite and Selfmed 80%, comprises of a small membership base with poor and deteriorating risk profiles. The Scheme has opted not to close these options, as an impact assessment indicated that closure of said options would have significant negative financial impact on the Scheme.

Corrective course of action and time-frame

The options are closely monitored by both the Scheme, and the appointed actuaries, to ensure that the options do not place the Scheme or the members at risk.

To improve the performance of the options going forward, the Scheme has implemented various benefit changes, effective 2017. The Board relied on expert actuarial opinion, in arriving at the most appropriate benefit and contribution decisions in respect of 2017.

In addition, the Scheme applies all legislated underwriting criteria to safe-guard against a deteriorating risk profile. All the above, coupled with the ongoing monitoring, pro-active management and consideration of various enhanced managed care solutions, are utilised to enable an improved financial performance in the ensuing financial year.

11.3 Investment exposure to property

Nature and Impact

In terms of Annexure B, Category 3(a) of the Medical Schemes Act, the total exposure to property may not exceed 10%.

Causes of failure

The investments are placed with asset managers, and as such, the Scheme has no influence on such investment decisions.

Corrective course of action and timeframe

In the course of 2016, the Scheme obtained exemption in respect of Annexure B, Category 3(a).

11.4 Investment in medical aid administrators or related parties

Nature and Impact

In terms of Section 35(8) “A medical scheme shall not invest any of its assets in the business of or grant loans to:

- (a) an employer who participates in the medical scheme or any administrator or any arrangements associated with the medical scheme;
- (b) any other medical scheme;
- (c) any administrator; and
- (d) any person associated with any of the above-mentioned.”

The Scheme may, at times, have exposure to preference shares, bonds and money market instruments of which the issuing company might be in breach of Section 35(8).

Causes of failure

The investments are placed with asset managers, and as such, the Scheme has no influence on such investment decisions.

Corrective course of action and timeframe

Within the course of 2015, the Scheme obtained limited exemption in respect of Section 35(8) of the Medical Scheme Act.

11.5 Payments of benefits after 30 days where an account has been rendered for payment

Nature and Impact

In terms of Section 59 (2) “A medical scheme shall, in the case where an account has been rendered for payment to a member or a supplier, settle such payment of any benefit owing to that member or supplier within 30 days after the day on which the claim in respect of such benefit was received by the Scheme”.

Causes of failure

In the course of the year, there were instances where claims were not settled within the 30 days after the day on which the claim was received. This could be due to several causes, one being, the necessity to request for additional or correct information from the member or supplier.

Corrective course of action and timeframe

Management is continuously reviewing all claims paid after 30 days and applying procedures to mitigate the risk of claims not being paid within the 30 day period.

12. CORPORATE GOVERNANCE

Selfmed Medical Scheme is committed to the principles and practice of fairness, independence, openness, integrity and accountability in all dealings with its stakeholders.

The Scheme has adopted the principles of King III and fully implemented Cobit 5 (IT governance). The performance of management is reviewed annually.

12.1 Risk Management and Control Framework

The Board of Trustees is accountable for communicating appropriate risk and control policies throughout the organisation and a process for identifying, evaluating and managing significant risks was in place throughout the year under review.

The Board of Trustees perform an annual business risk assessment that is monitored by the Management Committee and progress on actions is reported at each Board meeting.

The system of internal control is designed to manage, rather than eliminate, risk of failure and to this end, a comprehensive Disaster Recovery Plan (DRP) and site has been established to ensure continuity of business-critical activities and all change-over procedures function as planned.

12.2 Social and transformation policies and practices

Selfmed Medical Scheme remains committed to cultivating a balanced workforce that supports its strategy of being a member driven organisation. The employment equity committee that was instituted in 2015 continued to fulfil their mandate and forms the cornerstone of our drive to transform the Scheme.

Employment equity performance:

	Target	Actuals
Employment equity - disability %	2%	2%
Racial equity - all occupational levels	62%	60%
Racial equity - Senior management	40%	40%
Gender equity - all occupational levels	74%	77%
Gender equity - Senior management	40%	40%

The Scheme achieved its overall targets taking into account the lower than planned staff count (less 2) and the length of service culminating in a low staff turnover.

During 2016 a total of 26 staff members were sent on skills development courses. The percentage of staff members from designated groups that attended training was 65%. The total percentage of females attending the training equates to 69%.

12.3 Occupational Health and Safety

The OHS Committee continues to meet, and any identified risks are addressed.

There were no health and safety incidents during 2016.

13. CONCLUSION

Service excellence and proactive communication with members have remained a priority of the Scheme. The back and front office will continue to maintain unsurpassed service levels and render efficient and quality service to the Scheme's members.

The Board of Trustees are confident that the amendments made to existing benefit options, will ensure the Scheme's long-term sustainability. The benefits and contributions of all the Selfmed options have been approved and registered in respect of 2017.

All legislative changes are thoroughly researched to ensure that the Scheme promptly reacts to the changing market.


.....
Chairman


.....
Trustee


.....
Principal Officer



Report on the summarised Financial Statements

The summarised financial statements, which comprise the summarised statement of financial position as at 31 December 2016, the summarised statement of comprehensive income, summarised statement of changes in members' funds and reserves and summarised statement of cash flows for the year then ended, as set out on pages 27 to 30, are derived from the audited financial statements of Selfmed Medical Scheme for the year ended 31 December 2016. We expressed an unmodified opinion on those annual financial statements in our report dated 12 April 2017.

The summarised financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Medical Scheme's Act of South Africa. Reading the summarised financial statements, therefore, is not a substitute for reading the audited annual financial statements of Selfmed Medical Scheme.

Trustees' Responsibility for the Annual Financial Statements

The scheme's trustees are responsible for the preparation of a summarised version of the audited annual financial statements in accordance with the requirements of the scheme rules.

Auditors' Responsibility

Our responsibility is to express an opinion on the summarised financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summarised financial statements derived from the audited annual financial statements of Selfmed Medical Scheme for the year ended 31 December 2016 are consistent, in all material respects, with those audited annual financial statements, in accordance with the requirements of the scheme rules..

Mazars

Partner: Mansoor Salee

Registered Auditor

18 May 2017

Cape Town

Selfmed Medical Scheme
Statement of Financial Position
as at 31 December 2016



ASSETS	2016 R	2015 R
Non-current assets		
Property, plant and equipment	1 994 813	1 468 980
Financial assets	369 838 962	380 426 246
Current assets	4 049 211	4 320 223
Trade and other receivables	1 332 535	970 028
Cash and cash equivalents	2 716 676	3 350 195
Total assets	375 882 986	386 215 449
FUNDS AND LIABILITIES		
Members' funds		
Accumulated funds	341 408 713	355 063 774
Non-current liabilities		
Operating lease liabilities	72 383	160 800
Current liabilities	34 401 890	30 990 875
Outstanding claims provision	15 716 263	11 593 768
Trade and other payables	18 685 627	19 397 107
Total funds and liabilities	375 882 986	386 215 449

Selfmed Medical Scheme
Statement of Comprehensive Income
for the year ended 31 December 2016



	2016 R	2015 R
Contribution income	301 416 847	290 481 967
Relevant healthcare expenditure	(305 603 735)	(262 168 298)
Net claims incurred	(305 953 035)	(262 053 191)
Claims incurred	(300 650 158)	(257 368 362)
Managed care: management services	(6 153 587)	(5 063 883)
Third party claim recoveries	850 710	379 054
Net income/(expense) on risk transfer arrangement	349 300	(115 107)
Risk transfer arrangement fees/premiums paid	(1 688 190)	(1 628 521)
Recoveries from risk transfer arrangement	2 037 490	1 513 414
Gross healthcare result	(4 186 888)	28 313 669
Broker service fees	(989 587)	(1 032 486)
Administration expenditure	(34 050 437)	(31 185 886)
Net impairment losses on healthcare receivables	(90 583)	(221 725)
Net healthcare result	(39 317 495)	(4 126 428)
Other income	28 336 207	22 423 755
Investment income	15 455 366	14 842 629
Net gain on financial instruments at fair value	12 814 609	7 403 724
Sundry income	66 232	177 402
Other expenditure	(2 673 773)	(3 125 748)
Asset management fees	(2 673 773)	(2 743 612)
Sundry expenses	-	(382 136)
Net (deficit)/surplus for the year	(13 655 061)	15 171 579
Other comprehensive income	-	-
Total comprehensive income	(13 655 061)	15 171 579

Selfmed Medical Scheme
 Statement of Changes in Members' Funds
 for the year ended 31 December 2016



	Accumulated funds R
Balance at 1 January 2015	339 892 195
Surplus for the year	15 171 579
Balance as at 31 December 2015	355 063 774
Deficit for the year	(13 655 061)
Balance as at 31 December 2016	341 408 713

Scheme Solvency	2016 R	2015 R
Gross annual contributions	301 416 847	290 481 967
Total member's funds as per the statement of financial position	341 408 713	355 063 774
Less: Unrealised gains on investments	(19 501 759)	(8 306 487)
Accumulated funds per Regulation 29	321 906 954	346 757 287
Statutory minimum solvency requirement	25%	25%
Solvency ratio at year-end	106,80%	119,37%

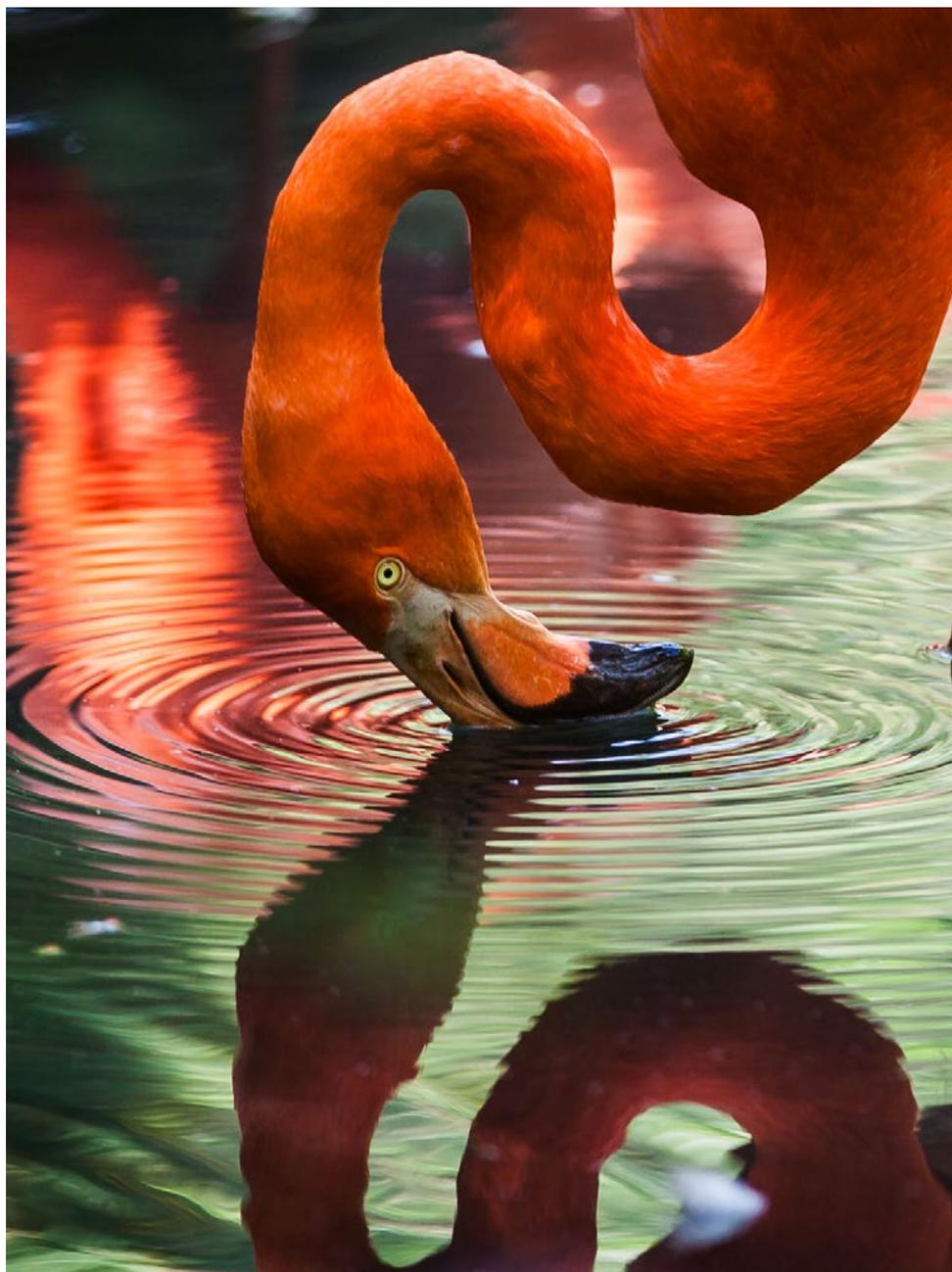
Selfmed Medical Scheme
Statement of Cash Flows
for the year ended 31 December 2016



Cash flows from operating activities	2016 R	2015 R
Cash flows from operations	(36 188 774)	(2 881 120)
Interest received	617 500	744 170
Net cash flows from operating activities	(35 571 274)	(2 136 950)

Cash flows from investing activities		
Purchase of investments	(10 000 000)	(50 000 000)
Sale of investments	45 950 000	52 000 000
Purchase of fixed assets	(1 016 380)	(163 630)
Sale of fixed assets	4 135	600
Net cash flows from investing activities	34 937 755	1 836 970

Net decrease in cash and cash equivalents	(633 519)	(299 980)
Cash and cash equivalents at the beginning of the year	3 350 195	3 650 175
Cash and cash equivalents at the end of the year	2 716 676	3 350 195



Whilst Selfmed has taken all reasonable care in compiling the Highlights of Selfmed's Financial Statements, we cannot accept liability for any errors or omissions contained therein. Please note that should a dispute arise, the Audited Financial Statements shall prevail.



Proxy:

Complete in full if you cannot attend the meeting in person

I, (surname)

(first names)

of (full address)

Being a member of the SELFMED MEDICAL SCHEME with membership number

4 9 0 hereby appoint

(surname)

(name)

of (full address)

Being a member of the SELFMED MEDICAL SCHEME with membership number

4 9 0

as my proxy to vote for me and on my behalf at the Annual General Meeting of the Scheme to be held on 24 June 2017, and at any resumption of an adjournment thereof, as he/she sees fit.

signed at on D D M M Y Y Y Y

.....
Signature of Principal Member

.....
Witness

.....
Signature of Proxy

Note: The Proxy form must be returned to SELFMED MEDICAL SCHEME, P.O. Box 5543, Tyger Valley, 7536 or faxed to 021 943 2301 and reach the Scheme by no later than 14 June 2017.



Confirmation of Attendance:

(Completion of this form is requested for catering purposes only.)

Complete in full ONLY if you are going to attend the meeting

Surname:

First names:

Date of birth:

Full current address:

Membership number 4 9 0

Declaration:

I declare that the above particulars apply to me, that I am entitled to vote in terms of my membership of SELFMED, and or by proxy of a member of SELFMED and that I will attend this meeting.

.....
Signature

Note: The Confirmation of Attendance form must be returned to SELFMED MEDICAL SCHEME, P.O. Box 5543, Tyger Valley, 7536 or faxed to 021 943 2301 and reach the Scheme by no later than 14 June 2017.

ANY OTHER BUSINESS FOR DISCUSSION AT THE AGM

Should members have any other matters that they would like to address at the AGM, such matters must be submitted to the Scheme in writing. Written notice of such matters must reach the Scheme no later than **Wednesday 14 June 2017**. Only matters received by this deadline will be discussed at the AGM.

Selfmed in Numbers 2016

 **8 267**
Principal members

 **13 005**
Facebook members

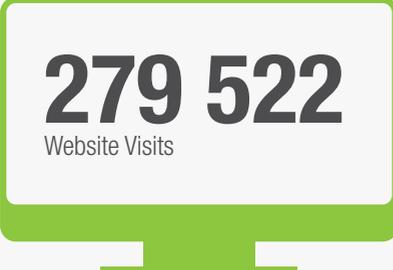
 **424 751**
Claims processed

 **4 835** Average 402 p/m
Hospital admissions authorised

 **55 684**
Total calls received
Average answering time : 7.8s

 **14 005**
Total lives covered

R301 416 847
Total risk contributions for the year

 **279 522**
Website Visits

39 Employees
6 Managers
1 Executive

101.05% Relevant healthcare expenditure
of risk contributions

R13 655 061

Net deficit for the year

**We are committed to looking after the health of our members, no matter the cost.
Below are the top five high-cost medical cases for members paid by the Scheme in 2016**

Acute Myocardial Infarction

Total of all claims paid for period in hospital : R3 766 563

Acute Respiratory failure

Total of all claims paid for period in hospital : R2 157 240

Other and unspecified intestinal obstruction

Total of all claims paid for period in hospital : R1 816 687

Bronchopneumonia

Total of all claims paid for period in hospital : R1 162 621

Acute Peritonitis

Total of all claims paid for period in hospital : R1 143 185



R305 603 735

Relevant Healthcare Expenditure



R321 906 954

(excluding unreleased profit)Reserves - 106.80%



Selfmed
MEDICAL SCHEME



www.selfmed.co.za



expert@selfmed.co.za



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REG. NO: 1446