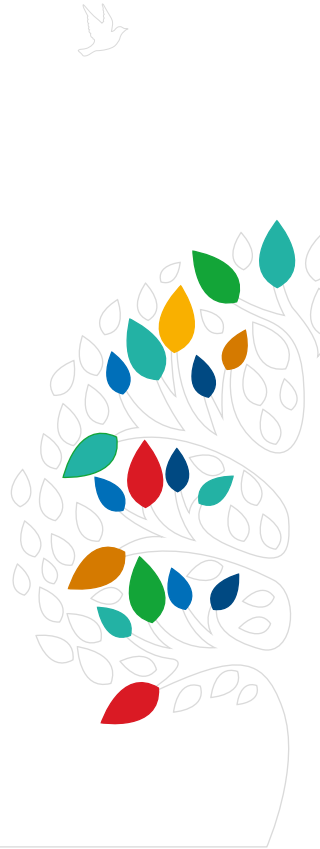


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**ANNUAL
GENERAL
MEETING**
AGENDA



31 August 2021 - 15h00



Government Employees
Medical Scheme



ANNUAL GENERAL MEETING INFORMATION PACK

Notice is hereby given that the 14th Annual General Meeting (“the meeting”) of the Members of the Government Employees Medical Scheme (“GEMS”) will be held virtually at 15h00 on 31 August 2021.

The final agenda is below:

AGENDA: 14th GEMS Annual General Meeting | 31 August 2021, 15h00 | (To be held virtually via ZOOM)

Item	Speaker
1. Opening and Welcome 1.1 Welcome 1.2 Introduction of New Trustees	Chairperson
2. Announcement of Agenda as finalised in accordance with GEMS Rules 28.1.5.1 to 28.1.5.6	Chairperson
3. Opening remarks by Chairperson followed by a presentation by the Principal Officer on the business of the Scheme for the financial years ended 31 December 2019 and 2020.	Chairperson Principal Officer
4. Matters for Decision	
a. Confirmation and adoption of the Minutes of the 13 th GEMS Annual General Meeting held on 31 July 2019 at the Mmabatho Palms Hotel Casino & Convention Resort, Cnr. Nelson Mandela & Albert Luthuli Drives, Mmabatho/Mahikeng, North-West Province	Chairperson
b. Receipt and adoption of the Annual Financial Statements for the financial years ended 31 December 2019 and 2020, including the reports of the Board of Trustees and the external auditor of GEMS	Chairperson Mr. Motshoanedi Johannes Lesejane (Independent Chairperson of the GEMS Audit Committee)
i. Discussion of the highlights of the Annual Financial Statements for the financial years ended 31 December 2019 and 31 December 2020	Mr. Dinesh Munu, Deloitte (GEMS external auditor)
ii. Discussion of the external audit process	
c. Appointment of GEMS' external auditors for the financial year ending 31 December 2021 in terms of GEMS Rules 27.1 and 27.4	Chairperson Mr. Motshoanedi Johannes Lesejane (Independent Chairperson of the GEMS Audit Committee)
5. Matters for Noting	
a. Disclosure of GEMS Trustee Remuneration for the financial years ended 31 December 2019 and 2020	Deputy Chairperson
b. Addressing member issues raised at the 13 th GEMS Annual General Meeting	Deputy Chairperson
6. Question and Answer Session (General questions only please, as personal matters should be directed to GEMS via its Call Centre, Walk-in Centres, email or post.)	Chairperson
7. Summary of Decisions	Chairperson
8. Closure	Chairperson

The attention of Members who wish to place or object to matters for discussion and/or resolution on the agenda of the meeting, is respectfully drawn to the provisions of Rule 28.1.5 of the GEMS Rules, as reproduced hereunder:

- “28.1.5 Any Member wishing to add, or object to, a motion to/on the provisional AGM agenda, may do so, provided that:
- 28.1.5.1 Such proposed motion or objection must reach the Principal Officer no later than five (5) weeks before the date of the AGM;
 - 28.1.5.2 The proposed motion or objection must be accompanied by a written explanation, which clearly explains why the proposed motion or objection must be considered and the background giving rise to the proposed motion or objection;
 - 28.1.5.3 The proposed motion or objection is not in contravention of, or in conflict with, the Act, these Rules or the objectives of the Scheme;
 - 28.1.5.4 The decision as to whether or not a Member has satisfied the conditions specified in Rules 28.1.5.1 to 28.1.5.3 to allow for the addition, amendment or deletion of an item to/on/from the provisional AGM agenda, shall be that of the Principal Officer, who must make such decision in consultation and with the approval of the Board;
 - 28.1.5.5 If the Principal Officer, in consultation and with the approval of the Board as contemplated by Rule 28.1.5.4, decides that a proposed motion should be added as a new item to the provisional AGM agenda, or that an existing item on the provisional AGM agenda should be amended or deleted (as the case may be), then a second notice, containing the final AGM agenda and proxy form, recording all new, amended and deleted items, must be sent to Members, to reach them by no later than three (3) weeks prior to the date of the AGM. The non-receipt of such notice by a Member shall not invalidate the proceedings at the AGM, provided that the notice procedure followed by the Board was reasonable; and
 - 28.1.5.6 Should the Principal Officer, in consultation and with the approval of the Board as contemplated by Rule 28.1.5.4, decide not to add a new item to the provisional AGM agenda, or not to amend or delete an existing item on/from the provisional AGM agenda, then he/she shall notify the Member of his/her decision and the reasons therefor, which notice shall be delivered to the Member no later than three (3) weeks prior to the date of the AGM. The non-receipt of such notice by the Member shall not invalidate the proceedings at the AGM, provided that the notice procedure followed by the Board was reasonable. Should the Member be aggrieved by the Principal Officer’s decision, the Member may refer a dispute to the Scheme’s dispute committee in terms of these Rules or to the Council for Medical Schemes in terms of the Act.”

Members wishing to propose additional motions to, or to object to any existing motions on, the provisional AGM agenda, are required to submit their proposals and objections to the Scheme by post to Private Bag X782, Cape Town, 8000, email to enquiries@gems.gov.za or by facsimile to 0861 00 4367 for the attention of the Principal Officer under reference **“2021 GEMS AGM Agenda”**. Such proposals and objections must reach the Scheme by 16h00 on

27 July 2021. Members are further encouraged to submit their proposals and objections in full compliance with the GEMS Rules reproduced above. Member proposals and objections that do not comply, cannot be placed on the AGM agenda, as we are compelled to adhere to the registered Rules of GEMS.

An updated agenda and proxy form will subsequently be sent to Members by 10 August 2021. Please make enquiries at 0860 004 367 or enquiries@gems.gov.za if you have not received the agenda and proxy form by 10 August 2021. It is also important that Members note GEMS Rule 28.1.6 which provides that motions passed at the AGM shall be by way of an ordinary majority vote of those members present in person or virtually and those represented by proxy at the AGM, provided that only proxies received by the Scheme no later than one (1) week prior to the date of the AGM shall be recognized. For this purpose, completed proxy forms must reach the Scheme by 16h00 on 24 August 2021. and can either be posted to Private Bag X782, Cape Town, 8000, emailed to enquiries@gems.gov.za or sent by facsimile to 0861 00 4367 for the attention of the Principal Officer under reference "2021 GEMS AGM Proxy". To ensure timeous delivery, members are advised to fax or email their AGM proxy forms to the Scheme.

In keeping with the Rules of GEMS, attendance at the AGM will be limited to Members, Officers of the Scheme and individuals or organisations who are expressly invited by the Scheme to attend. A quorum in terms of Rule 28.1.3 is required to ensure that the meeting may proceed.

In accordance with GEMS Rule 29.6, the Board of Trustees stipulates that, upon members' receipt of the updated agenda and proxy form by 10 August 2021, members wishing to attend the AGM will be required to register online for the AGM by 16h00 on 24 August 2021. Members who fail to register as such, will not be admitted to the meeting.

By order of the Board of Trustees.



Chairperson
22 April 2021

Minutes of the 13th GEMS Annual General Meeting

31 July 2019, 15h00

Mmabatho Palms Hotel Casino and Convention Resort

(Cnr. Nelson Mandela and Albert Luthuli Drives,
Mmabatho/Mahikeng, North West Province)

1. Opening and Welcome

- 1.1 The Chairperson of the GEMS Board of Trustees, Mr Nkosinathi Theledi, opened the 13th Annual General Meeting of the Members of GEMS (“the meeting”) at 15h00 on 31 July 2019 and welcomed the Members in attendance.
- 1.2 He conveyed the Board’s special greetings to the Members in attendance, and on behalf of the entire staff compliment of GEMS, extended a message of kind wishes.
- 1.3 The Chairperson stated that an occasion such as the Annual General Meeting presented an opportunity for amicable interaction between the Scheme and its Members, to account and exchange ideas; hence, the Agenda’s main features were well structured for this purpose.
- 1.4 The Chairperson welcomed:
 - 1.4.1 The Deputy Chairperson and members of the GEMS Board of Trustees, the Principal Officer and Chief Officers of the Scheme, as well as the Scheme’s distinguished guests;
 - 1.4.2 The Member of the Executive Committee for Health in Bokone Bophirima;
 - 1.4.3 Mr Dinesh Munu, from Deloitte & Touche, who is the external auditor of the Scheme in collaboration with OMA Chartered Accountants Incorporated;
 - 1.4.4 Mr Bonaventure Thamsanqa Diniso from the Council for Medical Schemes (“CMS”); and
 - 1.4.5 The Scheme’s stakeholders, who were attending as observers, including (but not limited to) the Public Service Coordinating Bargaining Council (“PSCBC”).
- 1.5 The Chairperson highlighted that the Scheme’s internal auditors, Entsika Consulting Services (Pty) Ltd, were also present to observe the proceedings and to provide assurance that the meeting was conducted in keeping with the GEMS Rules.

2. Announcement of Agenda as finalised in accordance with GEMS Rules 28.1.5.1 to 28.1.5.6

- 2.1 The Chairperson presented the Agenda for the 13th GEMS Annual General Meeting and informed the meeting that one of the purposes of the AGM was for the Scheme to report to its Members on the previous year’s performance since the 2018 GEMS AGM held in Nelspruit, Mpumalanga, as required by the Medical Schemes Act 131 of 1998 (“the Act”) and the GEMS Rules.
- 2.2 The Chairperson (during the final closure of the 2019 GEMS AGM) confirmed that the Scheme had a total of 711 747 (seven-hundred-and-eleven-thousand-seven-hundred-and-forty-seven) principal members as at the start of the 2019

GEMS AGM; hence, for the meeting to be properly constituted, a quorum of 71 Members was required. He further confirmed that the final number of Members in attendance was 341, causing the meeting to be quorate.

3. Opening remarks by the Chairperson followed by a presentation by the Principal Officer on the business of the Scheme for the financial year ended 31 December 2018

- 3.1 The Chairperson reiterated that one of the purposes of the AGM was for the Scheme to report to its Members on the previous year's performance since the 2018 GEMS AGM held in Nelspruit, Mpumalanga, as required by the Act and the GEMS Rules.
- 3.2 The Chairperson provided the meeting with an overview of the Scheme's performance and activities for 2018, and highlighted the Scheme's aim was to be the number one medical scheme in South Africa that members could be proud of.
- 3.3 In addressing the meeting, the Chairperson highlighted the following aspects:
 - 3.3.1 The Scheme's current five-year strategic plan was in line with the government's policy position.
 - 3.3.2 During 2016, the Scheme's reserve ratio was critically low, which led to it being treated as a top priority. Accordingly, at the end December 2018, the Scheme exceeded its budget expectations and reached a reserve ratio of 24.7%, which was just short of the 25% reserve ratio requirement prescribed by the Act.
 - 3.3.3 By reaching the aforementioned reserve-ratio requirement, the Scheme assured its Members, the Minister for Public Service and Administration, and the Scheme's key stakeholders that GEMS was sustainable and able to meet its claims disbursing obligations.
 - 3.3.4 In order for the Scheme to be sustainable over the long term, Member and stakeholder expectations on benefit availability and affordability, service excellence as well as Member health outcomes was being addressed and would continue to be focus areas.
 - 3.3.5 The Scheme, with the support of the Board, was working with the PSCBC on various matters within the framework of an established joint working committee, which thus far focused on improving medical benefits for Public Service employees on salary levels 1 to 5.
 - 3.3.6 In pursuit of affordability, the Board was pleased that the average weighted GEMS contribution increase for 2019 was just above 7%, which was the lowest of its kind in the entire medical scheme industry for 2019. Moreover, additional benefits to the value of R832 million were allocated to Members for 2019, with a focus on vulnerable groups, in line with the National Health Insurance ("NHI") policy approach.
 - 3.3.7 During 2019, Members on the Sapphire Option were benefitting from the expanded private hospital care benefits, whilst a network extender benefit was made available to Members on the Emerald Option and the Emerald Value Option ("EVO").
 - 3.3.8 Reference was made to the new Service Management Programme, introduced in 2018 to improve Member experience and satisfaction. Through this programme complaints management was improved, with the added aim of improving access to healthcare cover.

- 3.3.9 The healthcare outcomes of the Scheme's Disease Management Programmes were benchmarked using the Organisation for Health Quality Assessment benchmarks, which showed that GEMS compared very well with the rest of the South African medical schemes industry.
- 3.3.10 The Scheme's Healthcare Screening and Prevention Programmes reached many Members. When compared to 2017, the number of screening tests for 2018 increased. These benefits were available on all the GEMS Options and Members were encouraged to make use of these as much as possible.
- 3.3.11 In an attempt to reduce the Scheme's non-healthcare costs, the Scheme invested in a 4 Green Star office building by constructing same, thereby also aiming to improve the Scheme's impact on the environment. This building was an important financial investment for Members. The Scheme was in the process of naming the building and requested Members to submit names for the Scheme's consideration. It was anticipated that this process would be finalised on 14 August 2019.
- 3.3.12 As far as governance and regulatory matters were concerned, following the CMS' completion of their inspection of the Scheme in 2018, the Scheme commented on their draft report and now awaited receipt of the final report.
- 3.3.13 In February 2018, the composition of the Board of Trustees was unexpectedly changed by the former Minister for Public Service and Administration, by the replacement of the former Board Chairperson and Deputy Chairperson. The replacement of the former Board Chairperson was still the subject of litigation, which was being monitored by the Scheme. The Members were given the comfort that the new Board was functioning well and would always seek to act in the best interest of all of the Scheme's beneficiaries.
- 3.3.14 On a sad note, the meeting was informed of the passing of Mr Daniel de Villiers in September 2018 and Mr Corn Booyens in April 2019, both Trustees of the Scheme. The Board appreciated the times enjoyed in their company and extended the Scheme's sympathies to their friends and families.
- 3.3.15 The important matter of the Board's composition remains unresolved, despite efforts over the past few years to address same, i.e. the issue of diversity and the fact that the GEMS Rules did not allow for labour movements in the PSCBC to elect Trustees to the Board. The Scheme submitted two applications to the Council for Medical Schemes for an exemption from the Medical Schemes Act, but these were declined. The Scheme had since lodged a formal appeal in this regard. In the interim, the Scheme was working with the PSCBC Working Committee to develop new Rules.
- 3.3.16 An area of critical importance for Members to take cognisance of was that Members of the Scheme, from all corners of South Africa, were required to take the electoral process seriously. Therefore, to effect change through the Scheme's processes, Members should fully participate in these processes, as complacency would not achieve the required outcomes.
- 3.3.17 The Scheme had committed itself to be part of, and positively contribute to, the transformation of the healthcare industry in South Africa.

- 3.4 The Chairperson thanked the Minister for Public Service and Administration, the PSCBC, the leadership of the various trade unions within the PSCBC, the National Department of Health and the National Treasury for constructively working with GEMS in 2018. He confirmed GEMS' belief that the partnerships formed would ultimately contribute to achieving the national health objectives.
- 3.5 The Chairperson advised that, during 2018, the Board of Trustees was confronted with difficult decisions, but demonstrated their willingness to provide clear guidance and to address challenges in a decisive manner to protect the interests of the GEMS beneficiaries. He confirmed that the Board maintained a results-driven approach and illustrated ethical leadership. He expressed his gratitude for the Board's ongoing support to engage stakeholders where Board level engagements were needed.
- 3.6 The Chairperson thanked the Chairpersons of the Board's sub-committees for the valuable leadership provided in their various areas of operation, to enhance the work of the Board, and for their contribution to the effective corporate governance of the Scheme.
- 3.7 On behalf of the Board of Trustees, the Chairperson expressed his sincere appreciation to the Principal Officer, Dr Gunvant (Guni) Goolab, for leading the Scheme's Executive Management team. He confirmed that Dr Goolab would be exiting the Scheme at the end of January 2020, and took the opportunity to thank him for the positive role played in driving the governance, operations and strategic direction of the Scheme. He stated that the Board was proud of the position in which Dr Goolab would be leaving the Scheme.
- 3.8 Due to the imminent departure of Dr Goolab, the Chairperson formally announced that the Board resolved to appoint Dr Stanley Moloabi to take over the baton from Dr Goolab. The meeting was advised that Dr Moloabi was currently the Scheme's Chief Operations Officer and a dedicated and results-driven healthcare executive leader with a highly successful background in implementing Board-led healthcare strategies. It was noted that Dr Moloabi's transition from Chief Operations Officer to Principal Officer would commence on 01 October 2019, and that he would fully take the reins of the Scheme on 01 February 2020.
- 3.9 The Chairperson referred to the 2019 GEMS Trustee Election, which was conducted over the last three months to replace those Trustees whose terms had ended. He confirmed that the Board received a preliminary report on 30 July 2019 from the EleXions Agency, responsible for conducting the entire process, and that a final report would be issued in due course. The meeting heard that the Board engaged the auditors, appointed by the Scheme to oversee the counting of the ballots in terms of the GEMS Rules, and that, although the auditors' preliminary report was issued this morning prior to the AGM, their final report would be circulated to the Board during that coming week. The Chairperson informed the Members that the trustee election results would be announced to Members within seven days of the Board's receipt of the final election report from the Scheme's auditors, as prescribed by the GEMS Rules.
- 3.10 Finally, the Chairperson confirmed that the 2019 GEMS Annual General Meeting was officially open, and invited Members to participate in the proceedings.
- 3.11 The Chairperson then invited the Principal Officer to give an overview of the business of the Scheme for 2018.
- 3.12 The Principal Officer welcomed all in attendance and stated that it was an honour and privilege to provide Members with an operational overview of the Scheme, and to elaborate on the several points mentioned by the Chairperson in brief.

- 3.13 The Principal Officer reflected on the Scheme's strategy, its performance and outcomes for 2018 (with some updates in respect of 2019), as well as the CSI initiative and the work done in collaboration with the PSCBC, in line with the relevant PSCBC resolutions.
- 3.14 He highlighted that the Mandate of GEMS required the Scheme to provide Public Service employees with healthcare cover that was efficient, cost-effective and equitable.
- 3.15 In respect of the Scheme's Vision, Mission and Values, the Principal Officer emphasised:
- 3.15.1 GEMS' Vision: To be aligned with the global focus on universal healthcare, which all winning nations were pursuing, and in the context of South Africa, the National Health Insurance ("NHI");
 - 3.15.2 GEMS' Mission: In addition to focusing on affordable and quality care, to increase the emphasis on Member well-being, and ensuring prevention and health; and
 - 3.15.3 GEMS Values: To ensure that Excellence, Integrity, Member Value, Innovation and Collaboration remained the Scheme's key priorities.
- 3.16 The Principal Officer informed the meeting that GEMS was in the third year of its five-year strategy, and in the first year of the second phase of its strategy, with a key focus on growth and efficiency. As part of this phase, the Scheme's priorities would include:
- 1.16.1 Simplifying its products, services and processes;
 - 1.16.2 Supporting stakeholder efforts towards healthcare reform in South Africa; and
 - 1.16.3 Consolidating options and risk pools in the medical scheme environment, in the lead-up to the NHI.
- 3.17 The Principal Officer made reference to the six objectives of the Scheme's strategy, i.e.:
- 3.17.1 To be an organisation that was effective in communication, proactive in decision-making and accountable;
 - 3.17.2 To advance financial strength and drive the Scheme to a position of long-term sustainability;
 - 3.17.3 To shape the transformation of the healthcare industry towards NHI, coordinated across the healthcare ecosystem;
 - 3.17.4 To be a strategic purchaser of healthcare services by leveraging GEMS' unique positioning and relationships;
 - 3.17.5 To be an agile data-driven Scheme that leveraged people, systems and processes to derive value for its Members; and
 - 3.17.6 To sustainably grow membership, ensuring inclusion and progressive cross subsidisation.
- 3.18 The Principal Officer proceeded to highlight the Scheme's performance against the Key Performance Indicator ("KPI") of each of the aforementioned objectives. The meeting heard that, as at the end of 2018:
- 3.18.1 The Scheme had achieved a Complaints Ratio of 0.17%, thereby exceeding its target of 0.25% in respect of same.
 - 3.18.2 The Scheme had achieved a Reserve Ratio of 24.6%, thereby exceeding its target of 18.4% in respect of same.

- 3.18.3 The Scheme, however, did not meet its target of 30% in respect of Member transfers from the Emerald Option to the Emerald Value Option (“EVO”) in that 14.9% was achieved.
- 3.18.4 The Scheme exceeded its target of 1800 in respect of the number of specialists contracted, having contracted 1860.
- 3.18.5 The Scheme exceeded its target of 40 000 Members in respect of its Facebook following, having achieved 48 343 Members.
- 3.18.6 The Scheme exceeded its target of 10% of baseline in respect of the number of Members making use of its Member App, having achieved 70 390.
- 3.18.7 The Scheme, however, did not meet its target of 55% in respect of the percentage of level 1 - 5 employees enrolled on the Scheme, in that 48.2% was achieved.
- 3.19 The Principal Officer discussed the 2018 Scheme Profile and highlighted that, during 2018, the Scheme’s:
 - 3.19.1 Principal membership exceeded 700 000 (i.e. 705 182 as at the end of 2018) for the first time in the Scheme’s history;
 - 3.19.2 Coverage of public servants increased;
 - 3.19.3 Average age per beneficiary increased from 31.87 to 32.12 years; and
 - 3.19.4 Pensioner ratio increased from 15.25% to 16.18%.
- 3.20 The Principal Officer referred to the challenges and issues faced by the Scheme during 2018, and informed the Members that:
 - 3.20.1 The Scheme’s coverage of level 1 to 5 employees remained a priority, which was dealt with through engagements with the PSCBC and which culminated into PSCBC Resolution 01 of 2018. During 2019, the Scheme enhanced the benefits comprising the Sapphire Option, which resulted in the creation of a new benefit option, which the Scheme aimed to launch in 2020, with a focus on level 1 - 5 employees.
 - 3.20.2 In respect of complaints management, the Scheme developed a Complaints Management Turnaround Plan with a focus on PMBs (i.e. PMB Query Management and Escalation). This resulted in a significant complaints reduction of 34% and an increase in compliments of 125%.
 - 3.20.3 From an affordability perspective, during the 2018 GEMS Product Development and Benefit Design process, the Scheme made several significant benefit enhancements to the total value of approximately R8.3 million, coupled with one of the lowest contribution increases to date.
 - 3.20.4 With regards to the issue of service standards, the Scheme established a Service Management Forum in an attempt to achieve service excellence through a variety of service interventions.
 - 3.20.5 In a recent media publication, serious allegations of racial profiling of healthcare providers by medical schemes and administrators were made. In response, GEMS made a formal submission to the Council for Medical Schemes and was participating fully in the CMS Section 59 Inquiry, which commenced on 29 July 2019 and to which GEMS would be making presentations.
- 3.21 In respect of the allegations of racial profiling and the subsequent CMS Section 59 Inquiry, the Principal Officer proceeded to give an overview of GEMS’ approach to each investigative point identified by the CMS:

- 3.21.1 Practice Audits: Claim irregularities by healthcare providers were mainly identified through member tip-offs via the confidential member hotline and through system analytics. This information was then used to identify healthcare providers for audit.
 - 3.21.2 Settlement Agreements: GEMS' emphasis was not on the recovery of monies lost as a result of irregular claims by healthcare providers, but on reporting such providers to the relevant authorities and ensuring that only valid claims were paid.
 - 3.21.3 Racial Profiling: Race was not recorded on the GEMS system in relation to healthcare providers, nor was it included in the healthcare provider's file of the Board of Healthcare Funders (BHF). Decisions to sanction healthcare providers was not taken by one individual, but by a forum.
 - 3.21.4 Payment of Services Declined: The GEMS Rules and Section 59(2) of the Medical Schemes Act placed an obligation on the Scheme to be aware of possible irregular claims and to prevent further loss by suspending payment, or terminating direct payment to healthcare providers.
 - 3.21.5 Sanctioning of Providers: Where there was prima-facie evidence of irregular claims, the implicated healthcare provider was approached and given the opportunity to respond to the anomalies, prior to a decision of sanctioning.
- 3.22 The Principal Officer informed the meeting that Members repeatedly, through various sources, including Member surveys and AGMs, requested the Scheme to focus on certain key areas, i.e. affordability, access to clinically appropriate and preventative healthcare, high quality healthcare and improved healthcare outcomes and effective and efficient service delivery.
- 3.22.1 With regards to the issue of affordability, the Principal Officer advised that:
 - 3.22.1.1 The Scheme was financially secure and strong.
 - 3.22.1.2 At the end of 2018, the sum of Member contributions held by the Scheme in reserve was just over R9 billion, which was slightly below the statutory reserve-ratio requirement of 25%.
 - 3.22.1.3 In June 2019, however, the Scheme exceeded the 25% statutory reserve-ratio requirement and currently held a total of R10.6 billion of Member contributions in reserve.
 - 3.22.1.4 Since GEMS' inception to date, the Scheme received unqualified audits.
 - 3.22.1.5 A reserve ratio of 25% or more was typically indicative of the Scheme's sustainability. This meant that the Scheme was able to pay any unexpected, high claims (e.g. hospital claims) on behalf of its Members. This also provided the Scheme with the ability to increase benefits and reduce contributions over time.
 - 3.22.1.6 The trend found in most medical schemes (including GEMS) was that, in any given year, about 5% of beneficiaries were responsible for almost 50% of the claim costs. The top 10 hospital admission costs for 2018 totalled almost R50 million.
 - 3.22.1.7 At the 2018 GEMS AGM, Members expressed their concern about the rate at which their benefits were exhausted during the year. In response, the Scheme introduced the Primary Care Extender Benefit on the Emerald Option, the Emerald Value Option ("EVO") and the Ruby Option, which resulted in

a 50% reduction of the benefit exhaustion rate during the first six months of 2019. This trend was anticipated to continue for the remainder of 2019.

- 3.22.1.8 In 2017, the Scheme introduced the Emerald Value Option (“EVO”), which was underpinned by care coordination and in line with the government’s White Paper on National Health Insurance (NHI). At present, EVO had just under 200 000 beneficiaries. A Member on EVO at the end of 2018, who remained on same for 2019, experienced no contribution increase, after subsidy. Should a Member move from the Emerald Option to EVO, a contribution saving of up to 15% could be achieved. Members on EVO experienced a significant increase in positive health outcomes, when measured in terms of hospital admissions.
- 3.22.1.9 A key differentiator of GEMS was its ability to provide medical aid cover to Public Service employees and their dependents, who could previously not afford same.
- 3.22.1.10 GEMS had the unique ability to accommodate up to five generations of family members as beneficiaries on the Scheme.
- 3.22.2 With regards to the issue of access to clinically appropriate and preventative care, the Principal Officer advised that:
 - 3.22.2.1 When compared to 2017, 2018 saw a 7% increase in preventative health screenings and vaccinations. Almost 300 000 screenings and vaccinations were conducted, with specific emphasis on cancer, cholesterol screenings and flu vaccinations.
 - 3.22.2.2 GEMS’ Primary Healthcare Network was already amongst the broadest. However, over the past few years, the Scheme focused on increasing its Specialist Network. At the end of 2018, the Scheme exceeded its 2018 target of 1 800 contracted specialists. In June 2019, the Scheme again exceeded its 2019 target by having just over 2 100 contracted specialists. During 2019, the Scheme specifically focused on increasing the number of general surgeons and anaesthetists on its Specialist Network.
 - 3.22.2.3 During 2018, the Scheme paid approximately R5.5 million for GP consultations, R1 million for specialist consultations, 45 million medicine prescriptions, and 438 000 hospital admissions (translated into 1 200 admissions per day for every day of the year).
 - 3.22.2.4 Most hospital admissions related to asthma, diabetes, high blood pressure, high cholesterol, TB and HIV. One in four of the Scheme’s beneficiaries had one or more of these conditions.
 - 3.22.2.5 The Scheme had the largest HIV programme outside of government, and was committed to the 90-90-90 strategy of the World Health Organisation by ensuring that at least 90% of patients identified with HIV were adequately treated by the end of 2020. GEMS was on track to achieve this goal.

- 3.22.3 With regards to the issue of high quality healthcare and improved healthcare outcomes, the Principal Officer advised that:
- 3.22.3.1 During a Health Quality Assessment, GEMS was compared to other leading medical schemes such as POLMED, Bonitas and Discovery. The assessment concluded that GEMS' management of HIV conditions exceeded the industry average. In addition, it was concluded that GEMS was ahead of the industry in managing hypertension and diabetes.
 - 3.22.3.2 Across 13 conditions, with three outcome measures, hence almost 40 outcome measures, in respect of 65% of them, or two out of every three, GEMS performed better than the industry average.
 - 3.22.3.3 Across the key focus areas highlighted by Members, i.e. affordability, access, quality and service, the Scheme added almost R6.5 billion worth of value for its Members, when compared to other medical schemes. This translated into savings of R1 100.00 per Member per month, and covered the wide beneficiary definition, low non-healthcare costs, income-based contributions, lower benefit depletion, EVO savings, lower co-payments, and pensioners on lowest income band.
- 3.22.4 With regards to the issue of effective and efficient service delivery, the Principal Officer advised that:
- 3.22.4.1 In 2018, the Scheme introduced the Service Management Forum with the goal of becoming the number one medical scheme in South Africa over the next 12 - 18 months.
 - 3.22.4.2 Over the last 12 months the GEMS Call Centre showed significant improvement, as confirmed by the independently measured Voice of the Customer results.
 - 3.22.4.3 In 2018, the Scheme had significant access to Members through its walk-in centres, call centre and electronic communication, and paid just over 91 million claim lines on behalf of Members.
 - 3.22.4.4 Client Liaison Officers ("CLOs") were present in seven provinces to service department sites. The Scheme planned to reach the remaining two provinces in 2020. During 2018, the CLOs handled a significantly higher number of services and enquires, and on-site resolutions were reported at 89%.
 - 3.22.4.5 Members were encouraged to access the Scheme's digital platforms through the GEMS website, Member app and portal. A similar approach was followed with healthcare providers in respect of the GEMS provider app and portal. As at the end of June 2019, a substantial increase in access through all of these channels was reported.

- 3.22.4.6 The GEMS Member Application Form was reduced from 16 to 10 pages, and a digital application process introduced on the GEMS website.
 - 3.22.4.7 The aforementioned enhancements achieved a significant reduction in the turnaround time for processing Member applications. This translated into an increase in Member enrolment from just over 700 000 to 711 000 Members as at the end of June 2019. The Scheme anticipated that this amount would increase to 720 000 Members by the end of 2019.
 - 3.22.4.8 Complaints decreased by 34% and compliments increased by 125%.
- 3.23 The Principal Officer advised that a Working Committee, comprising the Department of Public Service and Administration, the unions within the PSCBC and GEMS, was constituted and subsequently adopted the following resolutions:
- 3.23.1 Resolution 4 of 2017, which focused on the Scheme's strategy, administrative efficiency, financial sustainability, Member satisfaction, benefit offering, and Member education and recruitment.
 - 3.23.2 Resolution 1 of 2018, which focused on the development of a benefit product, specifically for Members on salary level 1 - 5, that would enhance medical cover on an ongoing and accessible basis.
- 3.24 The Principal Officer informed the meeting that, to date, the Scheme had seen a significant improvement in the Member uptake of the Sapphire Option and its enhanced benefits, as well as in the Working Committee's uptake of the work towards the new benefit option for 2020. The meeting heard that the GEMS Rules were reviewed to accommodate the new 2020 benefit option and would be submitted to the Council for Medical Schemes at the end of Quarter 3 of 2019 for approval and registration.
- 3.25 The Principal Officer highlighted the benefit enhancements of the Sapphire Option, which included unlimited access to General Practitioner ("GP") coverage, improved medicine benefits, and private hospital care for 20 specified conditions (in addition to public hospital care). He indicated that, in developing the new 2020 benefit option, the option would be benchmarked against the leading products in the marketplace across Discovery, POLMED and Bonitas, with the intention to offer, whether in terms of GP-, specialist- or hospital benefits, better access to healthcare than any other medical scheme option for salary level 1 - 5 employees in South Africa. In addition, the Scheme believes that the new 2020 benefit option would set the benchmark for the basic benefit package for the NHI. The meeting heard that, when comparing the utilisation of the 2018 Sapphire benefits with that of the enhanced 2019 Sapphire benefits, a utilisation increase of 78% as at 30 June 2019 was reported.
- 3.26 The Principal Officer reported on the Scheme's progress towards internalising capabilities by highlighting the following:
- 3.26.1 In 2014, the Scheme insourced a number of activities, including Internal Audit, ICT and Corporate Services.
 - 3.26.2 In 2015, the Scheme established the Office of the Principal Officer.
 - 3.26.3 In 2016, the Scheme expanded its CLO units nationally.

- 3.26.4 In 2017, the Scheme built its own financial system and established the Research and Development Division.
- 3.26.5 In 2018, the Scheme established the Office of the Chief Operations Officer.
- 3.26.6 In 2019, the Scheme established the Risk Management and Compliance Division.
- 3.26.7 From 2020 onwards, the Scheme would insource the following services (in whole or in part):
- 3.26.7.1 Phase 1: Events Management, Security and Cleaning;
 - 3.26.7.2 Phase 2: Provider Liaison Office, Actuarial and Administration; and
 - 3.26.7.3 Phase 3: Telemarketing and Health & Wellness Screening.
- 3.27 The Principal Officer indicated that, during the recent Board of Healthcare Funders (“BHF”) Conference held in July 2019, GEMS won the prestigious Titanium Award for excellence in creating access to healthcare. The meeting heard that the Scheme subsequently received a letter from the PSCBC General Secretary, Mr. Frikkie de Bruin, congratulating it on receiving this “...well-deserved accolade...”
- 3.28 The Principal Officer reported on the Scheme’s current Corporate Social Investment (“CSI”) initiative in the Mahikeng area. He informed the meeting that, in line with the National Health Insurance (“NHI”) pilot work, it was identified, specifically in quintile 1 to 5 schools, that many children were having difficulty with eyesight and were not able to see writing on the school-classroom board. The meeting heard that, since 16 July 2019, in preparation for the 2019 GEMS AGM, the Scheme conducted eyesight screening of 2 500 primary school learners in underprivileged schools in Mahikeng and surrounding areas, and that, from tomorrow, 01 August 2019, the Scheme would issue spectacles to those learners that were identified with this difficulty. The Principal Officer advised that the eyesight screening would continue for the remainder of 2019 and that the Scheme anticipated that it would assist 1 000 school learners in and around the Mahikeng area with spectacles.
- 3.29 From this perspective, the Principal Officer referred to the Chairperson’s comments in respect of the inequalities in healthcare in South Africa, and stated that the transformation towards the realisation of universal healthcare was a fundamental priority for South Africa.
- 3.30 The Principal Officer highlighted that, the President of South Africa, in his 2019 State of the Nation Address (“SONA”), indicated that we all needed to come together to form a new social compact across government, business, labour, communities and civil society in order to address the triple-challenge of poverty, inequality and unemployment. He advised that, yesterday, 30 July 2019, it was announced that South Africa’s unemployment rate reached a record-high of 29%, the highest since 2002. Accordingly, he stated that this placed a responsibility on each of us and all of us.
- 3.31 In closing, Dr Goolab referred to this being his last AGM as the Principal Officer of this great Scheme, the Government Employees Medical Scheme, and closed with thanks and appreciation on behalf of GEMS to:
- 3.31.1 Firstly, to the Minister of Public Service and Administration and the officials of the Department of Public Service and Administration;
 - 3.31.2 The Minister of Health and the officials of the Department of Health;
 - 3.31.3 The Council for Medical Schemes, who was represented at the meeting;

- 3.31.4 All GEMS' key stakeholders, including the PSCBC, the union representatives within the PSCBC, and government departments;
- 3.31.5 The GEMS Board of Trustees and its Chairperson and Deputy Chairperson;
- 3.31.6 The Executives and staff of GEMS;
- 3.31.7 The Scheme's healthcare partners and service providers; and
- 3.31.8 Most importantly, the Scheme's valued Members, who comprised the Scheme and have placed their trust in GEMS.

4. Matters for Decision

- 4.1 Confirmation and adoption of the Minutes of the 12th GEMS Annual General Meeting held on 31 July 2018 at the Southern Sun Emnotweni Arena, Riverside Mall, Government Blvd, Riverside Park, Nelspruit, Mpumalanga, 1200
 - 4.1.1 The Chairperson tabled the draft Minutes of the 12th GEMS Annual General Meeting held on 31 July 2018 for consideration by the meeting and mentioned that it would be taken as read by the Members at the meeting, given that the Minutes formed part of the abridged 2018 GEMS Annual Integrated Report that was distributed to Members for consideration well in advance of the meeting.
 - 4.1.2 The Chairperson then called on the Members at the meeting for the adoption of the Minutes by way of a show of hands.
 - 4.1.3 Mr Simphiwe Gada, a Member of GEMS in good standing, indicated that he was present at the 2018 GEMS Annual General Meeting held on 31 July 2018 in Nelspruit, and moved for the adoption of the Minutes of the 2019 GEMS Annual General Meeting, as presented.
 - 4.1.4 An unidentified male speaker, however, enquired whether the 2019 GEMS AGM was in fact quorate, as the GEMS Rules state this was an absolute requirement in order for the meeting to be recognised as valid.
 - 4.1.5 The Chairperson confirmed the current, total GEMS membership as approximately 710 000 Members. Therefore, according to the formula provided for in the GEMS Rules, the number of Members required to be in attendance at the AGM to ensure that was quorate, in other words, validly constituted, was 71 Members. The Chairperson indicated that it was not possible to give the exact number of Members in attendance at the AGM, as some Members were delayed and were still registering outside the main meeting hall. He confirmed, however, that the quorum was reached when the first 71 Members were registered, and that the number of Members registered thereafter would not make a difference to the fact that the quorum was reached. The Chairperson indicated that, once the final number of Members in attendance at the AGM was made available to him, he would inform the meeting accordingly.
 - 4.1.6 An unidentified male speaker, who attended the previous AGM in Nelspruit and who was a Member of GEMS in good standing, seconded the adoption of the Minutes of the 2018 GEMS AGM, without any of the other Members present at the AGM having objected to same.

Decision

The Minutes of the 12th GEMS Annual General Meeting held on 31 July 2018 at the Southern Sun Emnotweni Arena, Riverside Mall, Government Blvd, Riverside Park, Nelspruit, Mpumalanga, were adopted by the Members of the Scheme as being a true reflection of what was discussed at that meeting, after a motion and a secondment in favour of such adoption was received from two respective Members, in good standing with the Scheme, without any of the other Members at the meeting having objected to same.

- 4.2 Receipt and adoption of the Annual Financial Statements for the year ended 31 December 2018, including the reports of the Board of Trustees and the external auditor of GEMS
 - 4.2.1 Discussion of the highlights of the Annual Financial Statements
 - 4.2.1.1 The Chairperson called upon the Independent Chairperson of the GEMS Audit Committee, Mr Johannes (Joe) Lesejane, to provide an overview of the Scheme's Annual Finance Statements for the year ended 31 December 2018 ("AFS").
 - 4.2.1.2 Mr Lesejane thanked the Members for the opportunity to provide feedback on the financial performance of the Scheme and indicated that he was supported by Ms Malande Tonjeni (GEMS Audit Committee Member), Ms Karyna Pierce (GEMS Chief Financial Officer) and Mr Dinesh Munu (External Auditor, Deloitte & Touche, with OMA Chartered Accountants Incorporated).
 - 4.2.1.3 Mr Lesejane referred the Members to the audited AFS and proceeded to provide the rationale behind the numbers.
 - 4.2.1.4 Mr Lesejane advised that the Scheme membership increased by 2% in 2018 and reiterated the importance of the Scheme's sustainability.
 - 4.2.1.5 Mr Lesejane confirmed that, during the 2017 financial year, the Scheme incurred losses, largely due to fraudulent claims. However, he assured the Members that the Scheme's claims management processes were strengthened, thereby minimising the effect of fraudulent claims.
 - 4.2.1.6 Mr Lesejane highlighted that the 2018 financial year saw a 7% increase in claims, when compared to 2017, which resulted in claim payments of R31.2 billion. He further highlighted that, at the end of the 2018 financial year, a surplus of R4 billion was recorded, which contributed significantly to the sustainability of the Scheme.
 - 4.2.1.7 Mr Lesejane advised that the Scheme's investment strategy was developed in 2015, and that during the 2018 financial year, its cash and investments increased by R3.5 billion, which ultimately resulted in higher returns. With reference to the Chairperson's comments on the new GEMS building, Mr Lesejane informed the Members that it was acquired at a cash price of approximately R209 million. He emphasised that the increase in value of the building over time would be an advantage in that, should the Scheme ever need some cash, the building could be sold for more than it was bought for.

- 4.2.1.8 Mr Lesejane advised that the Scheme's investment income increased from R161 million per annum as at the end of 2017 to R500 million per annum as at the end of 2018.
- 4.2.1.9 Mr Lesejane referred to the 25% reserve-ratio requirement prescribed by the Medical Schemes Act 131 of 1998, which was aimed at ensuring the Scheme's sustainability. He highlighted that, should any challenge arise, the Scheme should have sufficient funds to continue paying claims and run its operations until such time as the challenge was overcome.
- 4.2.1.10 Mr Lesejane emphasised that GEMS managed to achieve a phenomenal turn-around in its reserve ratio by having increased same from 6% in January 2017 to 24.7% at the end of December 2018. He, however, reiterated the earlier statement by the Principal Officer that the resultant 24.7% did not fully meet the statutory 25% reserve-ratio requirement at the time. Notwithstanding this, he proceeded to highlight that the Scheme continued to not only fully meet, but exceed, the statutory requirement in June 2019. He added that, going forward, the Scheme would limit contribution increases in order to lighten the financial burden on Members, whilst still ensuring its compliance with the aforementioned statutory requirement.
- 4.2.1.11 Mr Lesejane informed the meeting that, as at 31 December 2018, Member funds had increased to R9.5 billion, which comprised cash, investments, the GEMS building and all monies owed to the Scheme.
- 4.2.1.12 Mr Lesejane highlighted that GEMS' non-healthcare costs, e.g. salaries and administrative expenses, were significantly lower than those of other medical schemes, representing a saving of approximately R1.5 billion per year for Members. He explained that, when compared to other medical schemes, GEMS had more money available to spend on the healthcare costs of its Members.
- 4.2.1.13 Mr Lesejane advised that the Scheme made a loss of R484 million in 2016, largely due to fraudulent claims, particularly in the KwaZulu-Natal area. He, however, confirmed that the Scheme was continuously finding ways to limit fraud, waste and abuse in order to protect Member funds. The meeting heard that the Claims Management Forum, comprising Scheme Officials and service providers, was established by the Scheme in 2016 in order to monitor claims behaviour and to focus on fraud, waste and abuse. The meeting noted that the work of this forum was one of the main reasons behind the Scheme's improved performance in 2017 and 2018.
- 4.2.1.14 Mr Lesejane emphasised that, as a result of the improved financial position of the Scheme, GEMS was able to provide Members with one of the lowest contribution increases in the industry in 2019, i.e. 7.09%, whilst adding an additional

- R832 million in Member benefits. He proceeded to highlight some of the benefit additions, i.e.:
- 4.2.1.14.1 The benefit limit increases across all of the Scheme's benefit options;
 - 4.2.1.14.2 The introduction of a Contraceptive benefit for Members on the Sapphire and Beryl Options;
 - 4.2.1.14.3 The enhancement of the medical conditions that Members on the Sapphire Option would receive private hospital treatment for, which was aimed at the elderly, woman, children and the mentally ill;
 - 4.2.1.14.4 The introduction of an Extender Benefit to cover shortfalls experienced by Members in respect of General Practitioners ("GPs"), acute medicine and pathology tests; and
 - 4.2.1.14.5 The introduction of additional screening tests for childhood hearing and childhood optometry.
- 4.2.1.15 Mr Lesejane indicated that the GEMS Audit Committee, after due consideration of the AFS, recommended same to the GEMS Board of Trustees for approval. The meeting heard that the AFS was subsequently approved by the Board as well as the Council for Medical Schemes.
- 4.2.1.16 Mr Lesejane confirmed that the external auditor's opinion on the AFS was provided to Members as part of the 2018 GEMS Annual Integrated Report.
- 4.2.1.17 Finally, Mr Lesejane requested the Members to note and approve the AFS.
- 4.2.2 Discussion of the external audit process
- 4.2.2.1 The Chairperson then called upon Mr Dinesh Munu from Deloitte & Touche, with OMA Chartered Accountants Incorporated, the Scheme's External Auditors for the year ended 31 December 2018, to present their audit opinion in respect of the AFS.
 - 4.2.2.2 Mr Munu introduced himself as the Audit Partner responsible for the audit of GEMS and thanked the Scheme for a successful audit. He proceeded to congratulate the Scheme for having met the 25% reserve-ratio requirement, as prescribed by the Medical Schemes Act 131 of 1998, and wished the Scheme a bright future.
 - 4.2.2.3 Mr Munu confirmed that Deloitte & Touche, with OMA Chartered Accountants Inc., were comfortable that the Scheme was being well managed and therefore recommended that the Members approve the AFS. He emphasised that Deloitte & Touche, with OMA Chartered Accountants Inc., believed the overall governance of the Scheme to be of a high standard.
 - 4.2.2.4 Mr Munu informed the meeting that Deloitte & Touche would have a black African female leading up the audit of GEMS, the second largest scheme in South Africa. He extended her

- gratitude towards the Scheme for the privilege of being the audit senior and thanked the Scheme on her behalf for the opportunity.
- 4.2.2.5 Mr Munu discussed the AFS and highlighted that the Scheme had R12 billion worth of assets with a surplus of R9 billion, which gave him significant comfort that the Scheme was well-managed.
- 4.2.2.6 Mr Munu advised that the purpose of the audit was for Deloitte & Touche, with OMA Chartered Accountants Inc., to provide an audit opinion on the Scheme's financial statements, statutory return and compliance with the Medical Scheme Act.
- 4.2.2.7 Mr Munu confirmed that their audit did not produce any significant findings, hence, none were reported to the GEMS Audit Committee and the Council for Medical Schemes.
- 4.2.2.8 Mr Munu informed the Members that, for a scheme the size of GEMS, having more than 700 000 Members, a data driven audit was performed with reliance on computer systems. Therefore, Deloitte & Touche, with OMA Chartered Accountants Inc., tested the computer systems used by the Scheme's administrators, but did not record any significant findings.
- 4.2.2.9 Mr Munu emphasised that the GEMS Board of Trustees was responsible for the preparation of the Scheme's financial statements. He confirmed that the Scheme's Internal Auditors had given Deloitte & Touche, with OMA Chartered Accountants Inc., the assurance that there were no significant control findings, hence, from the combined assurance provided by the Scheme's Internal Auditors, Audit Committee, Risk, Social and Ethics Committee and External Auditors, there were no significant findings.
- 4.2.2.10 Mr Munu confirmed that, since his appointment as the Audit Partner for GEMS three years ago, Deloitte & Touche, with OMA Chartered Accountants Inc., had issued clean audit opinions on GEMS, for which he congratulated Management and the Members. He also confirmed that there were no reportable irregularities, that Deloitte & Touche, with OMA Chartered Accountants Inc., were comfortable with the ethics of Management and the GEMS Board of Trustees, and that there were no significant disagreements with Management.
- 4.2.2.11 In conclusion, Mr Munu reiterated that the Scheme had a clean audit and did very well throughout the process.
- 4.2.2.12 The Chairperson thanked Mr Munu for his presentation and confirmed that the Scheme's Audit Committee was responsible for conducting day-to-day audit checks. In addition, he confirmed that the Scheme's External Auditors, i.e. Deloitte & Touche, with OMA Chartered Accountants Inc., were responsible for conducting external audits on the Scheme.

- 4.2.2.13 The Chairperson then called on the Members at the meeting for the adoption of the Annual Financial Statements for the financial year ended 31 December 2018. A Member of GEMS in good standing, Mr Mangwani Mashao, moved, and another, Ms Sheila Budaza, seconded the move for the adoption of the AFS, without any of the other Members at the meeting having objected to same.

Decision

The Annual Financial Statements of the Government Employees Medical Scheme for the financial year ended 31 December 2018 were adopted by the Members of the Scheme, after a proposal and a secondment in favour of such adoption was received from two respective Members, i.e. Mr Mangwani Mashao and Ms Sheila Budaza, in good standing with the Scheme, without any of the other Members at the meeting having objected to same.

- 4.3 Appointment of Deloitte & Touche, with OMA Chartered Accountants Inc., as the Scheme's external auditors for the year ending 31 December 2019 in terms of GEMS Rule 27.1.
- 4.3.1 The Chairperson called upon the Chairperson of the GEMS Audit Committee, Mr Johannes (Joe) Lesejane, to provide an overview on the appointment of the Scheme's external auditors.
- 4.3.2 Mr Lesejane confirmed that the external auditors were recused for this part of the AGM, due to the confidential nature of this discussion with the Members.
- 4.3.3 Mr Lesejane referred to the assurance provided to Members at the previous AGM in Nelspruit that the Scheme conducted a competitive bidding process and invited external auditors to bid for the position of External Auditor of the Scheme. He confirmed that, as part of its considerations, the Scheme considered the credibility and capacity of each bidder to audit a scheme of GEMS' size as well as the credibility of its Audit Partner. He reminded the Members that the Council for Medical Schemes was also satisfied that an accredited external auditor was appointed by the Scheme.
- 4.3.4 Mr Lesejane confirmed that Deloitte & Touche was appointed as the Scheme's external auditors, together with their B-BBEE partners, OMA Chartered Accountants Inc.
- 4.3.5 Mr Lesejane referred to the five-year contract between the Scheme and its external auditors, which provide for an annual review of their performance.
- 4.3.6 Mr Lesejane emphasised that, over the past year, the Scheme evaluated the efficiency, independence, objectivity and other professional qualities of its contracted external auditors and found it to be satisfactory; hence, the Scheme concluded and recommended that Deloitte & Touche, with OMA Chartered Accountants Inc., be allowed to serve as the Scheme's external auditors for another year.
- 4.3.7 The Chairperson thanked Mr Lesejane for the presentation and invited the Members to interact.

- 4.3.8 Ms Amelia Mahlatsi, a Member of GEMS in good standing, expressed her approval of the presentation and recommendation made by Mr Lesejane and stated that the Members should not hesitate to adopt the proposal for the continuation of the good work being done by the current external auditors.
- 4.3.9 Mr William Sefuti, another GEMS Member in good standing, commented that the Board's appointment of the external auditors were unfair to Members. He explained that the Members should have made the appointment, not the Board. He contended that the bids of the tendering companies should have been brought before the AGM for the Members to select the preferred bidder. He further contended that, in his understanding of the regulations, external auditors were only permitted to serve as such for three years, following which the external audit services should be re-procured. He explained that the current external auditors already served as such for three years and that this year will be the fourth. He reiterated that the Board's continued appointment of the Scheme's current external auditors would be unfair to Members and should not be allowed.
- 4.3.10 The Chairperson responded that Mr Lesejane duly explained the procurement and appointment processes in respect of the Scheme's external auditors, and reiterated that the procurement and appointment of the Scheme's external auditors were executed in line with the Scheme's policies. He confirmed that the Scheme's external auditors were appointed contractually for five years, subject to annual renewal by the Scheme; hence, the Scheme's fourth renewal of same. The Chairperson indicated that, should the Scheme at any time be dissatisfied with the performance of the external auditors for whatever reason, the Scheme could terminate the contract.
- 4.3.11 Mr Lunga, a Member of GEMS in good standing, indicated to the Members that the rules were clear and that the Scheme was well within its rights to renew the contract with the current external auditors for a fourth year. He confirmed that the Members understood that it was within their right to reject or approve the reappointment of the external auditors for the year 2019. He further confirmed that the Members took note of the "sweetener" introduced by the external auditors by appointing a black African female to lead the external audit for 2019, which was appreciated. He warned, however, that only if this gesture did not constitute "fronting", should the Members second the appointment of the Scheme's current external auditors for the year 2019.
- 4.3.12 The Chairperson thanked the Members and confirmed the appointment of Deloitte & Touch, with OMA Chartered Accountants Inc., as the Scheme's external auditors for the year 2019, without any of the other Members at the meeting having objected to such appointment.

Decision

The appointment of Deloitte & Touche, with OMA Chartered Accountants Inc. as their sub-contractor, as the Scheme's external auditors for the financial year ending 31 December 2019, was approved by the Members of the Scheme, after a proposal and a secondment in favour of such appointment were received from two respective Members, i.e. Ms Amelia Mahlatsi and Mr Lunga, in good standing with the Scheme, without the other Members at the meeting, with the exception of Mr William Sefuti, having objected to same.

5. Matters for Noting

5.1 Disclosure of Trustee Remuneration

- 5.1.1 The Chairperson invited the Deputy Chairperson to brief the Members on the Matters for Noting.
- 5.1.2 The Deputy Chairperson of the GEMS Board of Trustees, Dr Millicent Hlatshwayo, presented an overview of the remuneration of the GEMS Board of Trustees and provided feedback on the progress made against the Action List that emanated from the 2018 GEMS Annual General Meeting held in Nelspruit.
- 5.1.3 The Deputy Chairperson highlighted that the GEMS Board of Trustees' fiduciary duties include:
 - 5.1.3.1 Taking all reasonable steps to protect the interests of the Scheme's beneficiaries;
 - 5.1.3.2 Acting with due care, skill, diligence and in good faith;
 - 5.1.3.3 Avoiding conflicts of interest; and
 - 5.1.3.4 Acting with impartiality in respect of all of the Scheme's beneficiaries.
- 5.1.4 The Deputy Chairperson further highlighted that the Board members were jointly and severally liable and took on significant personal risk when conducting the business of the Scheme on behalf of its Members.
- 5.1.5 Furthermore, the Deputy Chairperson reflected on the Board members' core values of taking care of the overall oversight of Scheme issues, and as far as competitive outsourcing was concerned, to ensure that people that were competitive in their field were requested to assist the Scheme.
- 5.1.6 The Deputy Chairperson noted that the Scheme was trying to insource some of the services currently provided by external service providers, and not to outsource. The Scheme was a low non-healthcare cost scheme, accordingly, non-healthcare costs were kept to the minimum, ensuring that Members got as much as possible out of their contributions. The Scheme advanced Broad-Based Black Economic Empowerment (B-BBEE) and ensured that medium to large companies that were awarded tenders, empowered small Black-owned companies. In addition, the Scheme was also enabling new entrants, panels of providers, joint ventures and contracting restrictions.
- 5.1.7 The Deputy Chairperson referred to the Remuneration Policy and advised that the Trustees and Independent Committee Members were remunerated for preparing and attending Board and Committee meetings, for which a fixed daily meeting and a monthly stipend was paid. Thus, should a Board member be off sick during any such engagements, he/she could

- not be paid, based on the 'no-work-no-pay' principle. Furthermore, the Trustees were remunerated for 18 hours of work per meeting, which daily fee had not increased since January 2018.
- 5.1.8 The meeting noted that the global amounts paid in respect of the Scheme's Trustees for 2018 were:
 - 5.1.8.1 R5.7 million for meeting fees and monthly stipends; and
 - 5.1.8.2 R1.5 million for travelling, accommodation and training fees.
 - 5.1.9 The meeting further noted that the fees listed above had decreased by 16.6%, when compared to 2017.
 - 5.1.10 The Deputy Chairperson confirmed that Trustees were not remunerated for additional duties undertaken on a voluntary basis. The meeting heard that, if Trustees were to be remunerated as such, same would have amounted to R1.2 million for the year 2018.
 - 5.1.11 The Deputy Chairperson advised that the global expenditure was informed by the number of Board and Committee meetings and the number of Committees supporting the Board. The Trustees' fees, expressed as a percentage, contributed to about 0.02% of the Scheme's non-healthcare expenditure.
 - 5.1.12 The Deputy Chairperson further advised that the Board was driven by regulatory requirements, as well as the business cycle and requirements of the Scheme.
 - 5.1.13 The Deputy Chairperson highlighted that the six Committees of the Board were informed by:
 - 5.1.13.1 Regulatory requirements (i.e. the Audit Committee and the Dispute Committee);
 - 5.1.14.2 Corporate governance, as informed by the King IV Report (i.e. the Human Resources and Remuneration Committee and the Risk, Social and Ethics Committee); and
 - 5.1.15.3 The GEMS business model and the requirement to add value (i.e. the Finance and Investment Committee and the Clinical Governance and Administration Committee).
- 5.2 Addressing Member issues raised at the 12th GEMS Annual General Meeting
- 5.2.1 The Deputy Chairperson informed the meeting that the 2018 GEMS AGM Action List comprised the issues raised by Members at the 2018 GEMS AGM.
 - 5.2.2 The Deputy Chairperson proceeded to provide Members with a high-level overview of the Scheme's progress in respect of same:
 - 5.2.2.1 In respect of the issue relating to Member education and communication, i.e. the issue of Members exhausting their cell-phone airtime due to the length of the Scheme's automated voice prompts, the Deputy Chairperson reported that the Scheme significantly reduced the length of its automated voice prompts.
 - 5.2.2.2 With regards to the issue of the need for the Scheme to have a 25% reserve ratio, the Deputy Chairperson confirmed that this percentage was a statutory requirement, prescribed by the Medical Schemes Act 131 of 1998, as extensively explained to Members by the Chairperson and the Principal Officer.

- 5.2.2.3 In respect of the issue relating to the quality of Scheme's service delivery, i.e. the issue of Members exhausting their benefits during the course of a financial year, the Deputy Chairperson confirmed the introduction of the GP Extender Benefit, which would afford Members greater access to GPs.
- 5.2.3 The Chairperson thanked the Deputy Chairperson for the presentation on the Matters for Noting and for the transparency and disclosure thereof to the AGM.

6. Question and Answer Session

- 6.1 The Chairperson gave Members the opportunity to ask general questions for clarification and requested them, for the sake of their own privacy, to address any personal issues to the GEMS Member Helpdesk, situated outside of the main meeting hall. Accordingly, the Chairperson indicated that Members were welcome to pose questions of a more strategic nature relating to the Scheme.
- 6.2 Mr Oupa Sebiloane thanked the Deputy Chairperson for her presentation and the opportunity to ask questions. He also thanked the Scheme for taking Members' issues seriously and effectively dealing with them, as it would be a waste of Members' time to attend the AGM to complain and then the Scheme did nothing. He commented that the report was promising, but that he believed that more could be done.
- 6.3 Mr Sebiloane highlighted that, from the presentations of the Chairperson and the Principal Officer, it was important for the meeting to note that the Scheme was growing in transparency and democracy. He commented that the Scheme's new building was worth celebrating and encouraged the Members at the AGM, who were called upon to make nominations or submissions for the name of the new building by 14 August 2019, to take this opportunity seriously, because GEMS, much as it is not necessarily where Members would want it to be, was the only hope for public servants.
- 6.4 Mr Sebiloane further encouraged the Members to participate in the Scheme's Trustee elections, as this would be in the interest of transformation of the Scheme.
- 6.5 Mr Sebiloane welcomed the Scheme's achievement of the statutory 25% reserve ratio, but stressed that the Scheme was expected to translate it into affordable benefits for its Members. He thanked the Scheme for same, knowing that it was not easy. He advised that, in 2016, when the Scheme was written off, to say, because of corruption, the PSCBC stood by the Scheme because it knew the Scheme's agenda to be correct. He further advised that the PSCBC challenged the Scheme to continue to champion the principles of ushering in the NHI in South Africa, without fail.
- 6.6 Mr Sebiloane, however, expressed his concern about the Scheme's slow response to the request of the Members who attended the AGM in Nelspruit, for a system, alerting Members when their benefits were running low, so as to avoid Members only becoming aware of same when their benefits were already depleted.
- 6.7 Mr Sebiloane indicated that the PSCBC was satisfied that GEMS was not part of the problem of racial profiling. He, however, expressed his discontent with any medical scheme that should be found to have subjected black professionals to racial profiling for claims payment purposes.

- 6.8 Mr Sebiloane noted the benefit enhancements made by the Scheme, but called for the further simplification of benefits to assist Members' understanding of same.
- 6.9 Mr Sebiloane called on the Members to be active participants as Members of the Scheme. He also called on the PSCBC and the Scheme to ensure the amendment of the GEMS Rules in order to usher the NHI, and to work with other medical schemes to ensure that, at the time when the NHI came into being, there were less challenges and a seamless transition.
- 6.10 In conclusion, Mr Sebiloane thanked the Scheme for having developed a low-cost benefit package to serve as a benchmark towards the implementation of NHI.
- 6.11 The Chief Operations Officer acknowledged Mr Sebiloane's comments and confirmed that the simplification of Member benefits was a key priority of the Scheme, as was evident from its engagements with the PSCBC and the work done in respect of the Sapphire Option. He further confirmed that the Service Management Forum would undertake various education initiatives, e.g. through Member newsletters and other forms of Member communication, to better explain the Scheme's benefit offering and to ensure Members' understanding of same.
- 6.12 Ms Tiny Moreosele, a Member of GEMS in good standing, enquired whether independent surveys are ever conducted to gauge the Scheme's performance levels.
- 6.13 The Chief Operations Officer responded that the Scheme regularly subjected itself to various independent surveys, which it then used to improve on areas of concern.
- 6.14 Ms Moreosele enquired as to the number of disadvantaged schools and learners that benefitted from the Scheme's AGM CSI initiative for the provision of eyesight screening and spectacles.
- 6.15 The Chief Operations Officer responded that:
- 6.15.1 The Scheme has various CSI initiatives.
- 6.15.2 The main CSI initiative took place on an annual basis in the area where the AGM was held.
- 6.15.3 Upon completion of a CSI initiative, the Scheme reported on same to Members via Member newsletters.
- 6.15.4 In preparation for the 2019 GEMS AGM, the Scheme conducted eyesight screening of 2 500 primary school learners in four (4) underprivileged schools in Mahikeng and surrounding areas. From tomorrow, 01 August 2019, the Scheme would issue spectacles to those learners that were identified with this difficulty. He reiterated that the eyesight screening would continue for the remainder of 2019, and that an estimated 10 000 school learners in North West would be tested by the end of 2019.
- 6.16 Ms Moreosele enquired as to what informed the Scheme's increases of Member contributions.
- 6.17 The Chief Operations Officer responded that:
- 6.17.1 GEMS endeavoured to remain as affordable as possible.
- 6.17.2 Member inputs at AGMs were duly considered when developing the Scheme's benefit offering for the following year.
- 6.17.3 By way of example, the GP Extender Benefit was derived from Members' inputs during previous AGMs.
- 6.17.4 Member inputs received by the Scheme, issues affecting access to health, inflation and economic challenges were among the issues considered by the Scheme during its product development and benefit design process, when contribution increases were determined.

- 6.17.5 Based on the aforementioned and other relevant information, the Scheme's actuaries calculated the extent of the benefit and contribution increases required.
- 6.17.6 The Scheme's product development and benefit design process, as well as the outcome thereof, was overseen by the Council for Medical Schemes.
- 6.18 Ms Desiree Mafulako commended GEMS on its healthcare screening programme and enquired whether the de-identified screening outcomes could be shared with the relevant government departments, either quarterly or every two years, as it would greatly assist the persons responsible for the development and management of the departments' employee health and wellness programmes.
- 6.19 The Chief Operations Officer responded that the Scheme was appreciative of Ms Mafulako's comments made in respect of GEMS' screening programmes, and advised that:
- 6.19.1 The Scheme, in collaboration with the Department of Public Service and Administration, shared some of the reports from GEMS' screening programmes, upon consolidation thereof and upon request from the provinces to provide feedback on same.
- 6.19.2 Following a screening event, it was common practice for the Scheme to submit a summary of same to the department where the screening took place.
- 6.19.3 The issue raised by Ms Mafulako would be followed-up to ensure that the reports from GEMS' screening programmes was adequately shared.
- 6.20 Ms Ntombizodwa, a Member of GEMS in good standing, enquired whether the Scheme had ever considered introducing a health and wellness programme through which Members' gym membership fees could be subsidised by the Scheme, as GEMS should be supportive of Members taking proactive steps towards living a healthy lifestyle.
- 6.21 The Principal Officer responded by agreeing that prevention was better than cure, and that more should be done towards Members' health and wellness. He informed the meeting that the Scheme's health-screening benefits were amongst the most comprehensive, but that the Scheme should evaluate its research methodology to evidence that health screenings were making a difference. He committed the Scheme to work harder towards publishing more data in the public domain around prevention, screening and making Members healthier.
- 6.22 With regards to the request for the Scheme to subsidise Members' gym membership fees, the Principal Officer responded that the Scheme previously attempted to introduce a lifestyle programme, but that the Council for Medical Schemes ("CMS") did not approve of same, as they believed such programme to fall outside the scope of business of a medical scheme, as defined by the Medical Schemes Act 131 of 1998, and would therefore be in conflict with same. He advised that other medical schemes had administrators that independently provided lifestyle programmes to medical scheme members as part of these administrators' independent product offering, as these administrators were not prohibited by the Act from doing so. These administrators were separate business entities from the medical schemes whose members they provided these lifestyle programmes to, and were therefore not bound by the same restrictions as medical schemes. However, the Principal Officer indicated that the issue of a lifestyle

programme would again be taken up with the CMS going forward in order to determine whether there was a way, within the Medical Schemes Act, that GEMS, as a medical scheme, could provide same.

- 6.23 Mr Ignatius Musoki, a Member of GEMS in good standing, commended GEMS for the progressive move in supporting the National Health Insurance (“NHI”). He stated that, when the time came, GEMS should be the one to administer the NHI, not any other company in South Africa.
- 6.24 The Principal Officer responded that:
- 6.24.1 GEMS was actively involved with the Council for Medial Schemes and a pilot project around the beneficiary registry.
 - 6.24.2 The Scheme was working directly with the Department of Health to assist the Department in defining the basic benefit package for the NHI.
 - 6.24.3 The Scheme, in collaboration with the PSCBC, was working on a new benefit option, aimed at salary level 1 - 5 Public Service employees, with the belief that this new benefit option would become a reference product for the NHI.
 - 6.24.4 GEMS was recently approached by the Department of Health to assist with defining how to contract with GPs in an NHI environment.
 - 6.24.5 Based on the above, it was evident that GEMS was already actively involved in supporting this very important goal of universal healthcare for all citizens of South Africa.
- 6.25 Mr Musoki commented that most Members wanted to participate in the 2019 GEMS Trustee Elections, but were prevented from doing so due to the following issues:
- 6.25.1 The inefficiency of the SMS voting platform;
 - 6.25.2 The late receipt of ballot papers by Members; and
 - 6.25.3 The Scheme’s failure to bring the election process to Members’ workstations, as promised.
- 6.26 Mr Musoki further commented that, in 2013, the Scheme informed the candidates that participated in the GEMS Trustee Elections of their performance prior to the AGM, but did not do so in 2019. He enquired whether this practice deviation could be clarified, and specifically, why the final result of the 2019 GEMS Trustee Elections could not be announced at the AGM today.
- 6.27 The Chairperson responded that the reason for the Scheme’s inability to announce the final result of the 2019 GEMS Trustee Elections at the AGM today, was shared with the meeting during his opening statement. However, he proceeded to highlight that:
- 6.27.1 The Scheme, in collaboration with the PSCBC, attempted to create greater access to the Member-voting process in order for as many Members as possible to participate in the elections.
 - 6.27.2 The Scheme enabled all its offices across South Africa to assist Member voting. However, it was not feasible for the Scheme to visit every Member workstation across South Africa.
 - 6.27.3 Given the short space of time between the Scheme’s interaction with the PSCBC (to ensure maximum Member participation in the elections) and the closing date of the elections, the Scheme’s implementation of the additional Member-voting mechanisms negatively impacted on the electoral-process timelines. Accordingly, the EleXions Agency was only able to finalise their counting of the votes during the evening of 29 July

- 2019 and could therefore only provide the GEMS Board of Trustees with their preliminary report during the Board meeting on 30 July 2019.
- 6.27.4 The processes comprising the GEMS Trustee Elections was quite involved; hence, the Scheme wanted to ensure that the integrity of these processes was not undermined in any way.
- 6.28 Mr Lekgema Mankge acknowledged the good work done by the Principal Officer during his exciting journey with the Scheme. He commended the Principal Officer for his patience during the extensive Member engagements and in dealing with the matters raised, and thanked him on behalf of the Members for the good work that he, himself physically has done for Members.
- 6.29 Mr Mankge stated that the Members welcomed the decision of the GEMS Board of Trustees to appoint Dr Moloabi as the Scheme's new Principal Officer, and wished him all the best in his new position.
- 6.30 Mr Mankge suggested that, in future, the Scheme should consider announcing the outcome of the GEMS Trustee Elections to the Members at the AGM, as this would afford Members the opportunity to openly respond to same.
- 6.31 The Chairperson thanked Mr Mankge for his comments and suggestions, and informed the meeting that the Scheme requested the EleXions Agency and the auditors to provide it with their final elections reports by next week Thursday (08 August 2019) and Friday (09 August 2019) respectively. He confirmed that, within seven (7) days of its receipt of these reports, the GEMS Board of Trustees would interact with same in terms of the GEMS Rules in order to finalise the trustee elections, and should there be any issues, same would be communicated to the Scheme's Members.
- 6.32 Dr Lekgetho, a Member of GEMS in good standing, referred to the Scheme's financial statements, as presented, and in particular, to the R4 billion surplus, and enquired as to the consequences of dividing the surplus between the Members.
- 6.33 The Principal Officer responded by reminding Dr Lekgetho that the surplus was in fact R10 billion, not R4 billion. He explained that the surplus could only be distributed amongst Members if the Scheme is liquidated in terms of the Medical Schemes Act. He, however, reiterated that the function of the surplus was to:
- 6.33.1 Ensure the Scheme's sustainability;
 - 6.33.2 Enable the Scheme to pay any unexpected, high claims, i.e. hospital claims, on behalf of its Members;
 - 6.33.3 Enable the Scheme to increase benefits and, over time, reduce membership contributions; and
 - 6.33.4 Protect Members in case of serious illnesses, e.g. ICU hospitalisation, cancers or motor vehicle accidents.
- 6.34 Dr Lekgetho then enquired as to the Scheme's reasons for the latest membership contribution increases, given the available surplus.
- 6.35 The Principal Officer responded that, in light of the fact that the Scheme had now reached the statutory 25% reserve-ratio requirement, the only reason for future membership contribution increases would be the escalating costs associated with the Scheme's benefit provision and enhancements. He highlighted that the Scheme had big plans to enhance the position of salary level 1 - 5 Public Service employees, but that it would cost a significant amount of money.
- 6.36 Dr Lekgetho enquired whether the Scheme took any action in respect of the fraudulent claims in KwaZulu-Natal, whether the culprits and victims were identified, and whether there were any consequences?

- 6.37 The Principal Officer responded that irregular activities were reported to the Health Professions Council, the Nursing Council, the Medical Council, the South African Policy Services, the Hawks and the National Prosecuting Authority (as the case may be). He also advised that same was confirmed in the Scheme's submission to the Council for Medical Schemes ("CMS") as part of the CMS' enquiry into medical schemes' application of Section 59 of the Medical Schemes Act 131 of 1998.
- 6.38 Mr Oupa Sebiloane, a Member of GEMS in good standing, congratulated the Scheme on winning the Titanium Award. He acknowledged that GEMS had one of the largest HIV programmes in South Africa and that life expectancy in South Africa improved significantly due to the important role played by GEMS in this regard. He endorsed the view that Member benefits should be transparent in that Members should be notified by the Scheme prior to their benefits being depleted. He requested the Principal Officer to strongly pursue the Members' plea for the Scheme to subsidise their gym membership fees.
- 6.39 An unidentified female speaker introduced herself as being a wellness manager in the Department of Health and confirmed her receipt of an award from GEMS, signed by Dr Goolab, for being a key stakeholder and a Member of GEMS in good standing for 10 years. She congratulated the Scheme for the improvements made to the Sapphire Option, especially in the area of mental health, where patients now had access to private hospitals. She requested the Scheme to improve Members' oncology benefits due to the various challenges faced by Members suffering from cancer. She also requested the Scheme to ensure the delivery of high quality healthcare to Members, and to curb the unethical business practices of healthcare providers.
- 6.40 The Chairperson responded by requesting the aforementioned speaker to provide the information in support of her requests to the Principal Officer, as it could assist the Scheme in curbing some of her concerns raised.
- 6.41 Ms Siphwe Nyamango, a Member of GEMS in good standing, highlighted some of the inadequacies of the Scheme's lower benefit options, e.g. Emerald, where Members were required to make co-payments and pay for X-rays, some medicines and vitamins.
- 6.42 An unidentified female speaker applauded the Chairperson and the GEMS Board of Trustees for their good work, but stated that there was room for improvement. She reiterated the comments and concerns raised by the previous speaker, Ms Nyamango. She highlighted that Members on salary level 1 - 5 were required to pay for maternity services in advance, which could range between R 5 000 to R 7 000. She requested the Scheme to consult the salary level 1 - 5 Public Service employees when developing the new benefit option for 2020.
- 6.43 The Chief Operations Officer responded that:
- 6.43.1 One of the key focus areas of the Scheme relating to the simplification of its product offering to Members, particularly the Sapphire Option, was the minimisation of Member co-payments.
- 6.43.2 GEMS had a network of doctors, contracted to render healthcare services to Members at rates covered by the Scheme, thereby avoiding Member co-payments. However, the challenge facing the Scheme was that not all doctors wanted to be part of the GEMS Network, causing them to render healthcare services to Members at rates higher than those covered by the Scheme, thereby resulting in Member co-payments.

- 6.43.3 The Scheme was investing a significant amount of time and effort into growing the GEMS Network, specifically at general practice level, optometry, dentists and even hospitals. The Chief Operations Officer encouraged Members to make use of the healthcare providers on the GEMS Network, which were widely accessible.
- 6.43.4 The issue of co-payments arose as a result of a court case, which nullified the Reference Price List (“RPL”), which was intended to regulate the fees charged by healthcare practitioners. Accordingly, in the absence of the RPL and a Network Agreement with the Scheme, healthcare providers could charge any fee they deemed fit. The Chief Operations Officer again encouraged Members to make use of the healthcare providers on the GEMS Network, as these providers charged the rate covered by the Scheme, thereby avoiding Member co-payments.
- 6.44 The Principal Officer responded to Ms Nyamango’s request for the Scheme to fund vitamins, by advising that the Scheme would duly consider the request, and to the extent appropriate, fund same.
- 6.45 In closing, the Principal Officer thanked the Members for the kind words as he was leaving the Scheme, and emphasised that it was much appreciated and very good to hear.
- 6.46 Finally, the Principal Officer congratulated Dr Moloabi on his appointment as the new Principal Officer of GEMS.

7. Summary of Decisions

- 7.1 The Chairperson thanked the Members for their active participation in the AGM and for supporting the Scheme.
- 7.2 The Chairperson confirmed that the Minutes of the 2019 GEMS AGM would reflect that:
 - 7.2.1 The Minutes of the 12th GEMS Annual General Meeting held on 31 July 2018 at the Southern Sun Emnotweni Arena, Riverside Mall, Government Blvd, Riverside Park, Nelspruit, Mpumalanga, were adopted by the Members of the Scheme as being a true reflection of the proceedings of that meeting;
 - 7.2.1 The Annual Financial Statements of the Government Employees Medical Scheme for the financial year ended 31 December 2018 were adopted by the Members of the Scheme; and
 - 7.2.1 Deloitte & Touche, with OMA Chartered Accountants Inc. as their sub-contractor, were re-appointed as the external auditors of the Scheme for the financial year ending 31 December 2019.
- 7.3 The Chairperson also confirmed that the Minutes of the 2019 GEMS AGM would reflect:
 - 7.3.1 The disclosure of the remuneration of the GEMS Board of Trustees for the year 2018;
 - 7.3.2 The actions taken by the Scheme in respect of the issues raised by Members during the 2018 GEMS AGM; and
 - 7.3.3 The questions raised by Members at the 2019 GEMS AGM and the responses provided by the Scheme.

8. Closure

8.1 After all matters on the 2019 GEMS AGM Agenda were duly disposed of, the Chairperson thanked the Members for their patience, attendance and participation, and closed the 13th Annual General Meeting of the Members of GEMS at 17h37 on 31 July 2019.

Date of approval by the Members of the Scheme

Chairperson (signature)

Date