

## **2024 Annual General Meeting – Questions Received**

Thank you for participating in the Bonitas AGM held on 21 August 2024 in respect of the financial year ending 2023 and posting your questions during the virtual Annual General Meeting (“AGM”). Below are the questions received together with the answers. Please note that all technical-related questions regarding access, sound, etc. were dealt with on the day by the technical team and are therefore not included below. In addition, all questions received that contained information of a personal nature or which were related to a specific member, will be handled with that member directly to protect their privacy and are therefore also not included below.

Should you have any further queries please contact us on **0860 002 108** or email us at **queries@bonitas.co.za**. Alternatively, visit **www.bonitas.co.za** to learn more.

### **1. The key Board priorities states 2023, do the same priorities apply to 2024?**

Please be reminded that while the AGM was held in 2024, it was the report back for the financial year ending 2023. The key Board priorities for 2023 which were reported on as part of the Chairperson's Report during the AGM proceedings are not necessarily the same as the strategic focus areas / intent for 2024. Some priorities are ongoing. The Strategic Focus Areas and the 2023/2024 Strategic Intent are included as part of the AGM presentation which can be viewed on the Bonitas website by clicking **here**.

### **2. Officials not having access to call members in case a member is making an enquiry. You are told the officials can't make calls. It's not value for money especially if you are making a call from a mobile phone.**

The Scheme does have the required processes in place for an agent to return a call when a call drops. The agent will contact the caller back on the number they have dialled from or the number that is listed on the system.

If a member requests a call back due to insufficient airtime for example, the agent will record the member's contact details and return a call.

### **3. Which options were loss-making please?**

Refer to section 26.1 on page 158 of the Scheme's Annual Integrated Report. Please click **here** to view.

### **4. The contribution to the product we are getting is not showing any improvement. How do you fix that?**

Contributions and benefits are set at the beginning of each year. Thus, benefits do not usually experience a reduction. We aim to keep contributions affordable for our members by limited increases as far as possible. You are also reminded that all benefit options must be approved by the Registrar, as is the increase in contributions. These benefits and contributions must therefore be developed in accordance with the provisions of the law, including the guidelines that are issued by the Registrar from time to time.

## **5. How can a member maximise their benefits offered on an option?**

### **Members can take the following steps:**

- Ensure that your service providers are part of the Bonitas network where possible, and where applicable.
- Use medicine on the formulary for your plan or generic medicine.
- Talk to your doctor or pharmacist to help you make informed choices to stretch your healthcare rand further.
- If you have any doubts, contact our call centre prior to procuring services (where possible), to seek advice as to how best to maximise your access to benefits.

## **6. I have experienced a problem in using my language to get assistance.**

As far as possible, the agents can assist members in their own language. Should a member require to speak to someone in their own language and there is an agent who can speak the required language and who is available, the call will be transferred to that agent for assistance. If the agent who can speak the required language is not available at that time, the member's details will be taken down and an agent will return the call to assist in the preferred language.

## **7. Why is the payment option via EasyPay no longer available for members to pay their membership?**

EasyPay is still active and members can therefore still make use of this payment method.

## **8. What is the fund doing about co-payments? Doing away with co-payments?**

The Scheme consistently looks at reducing the financial burden on its members however, certain co-payments are unavoidable due to the nature of the procedure and the costs associated with it. Members can take the following steps to limit co-payments:

- Ensure that your service providers are part of the Bonitas network where possible.
- Use medicine on the formulary for your plan or generic medicine.
- Talk to your doctor or pharmacist to help you make informed choices to stretch your healthcare rand further.
- If you have any doubts, contact our call centre and seek advice regarding co-payments to ensure that you have followed the correct processes.

## **9. Is Trustee Remuneration paid out of members' membership fees?**

Medical schemes are funded through members' contributions. Once the contributions are received, they are considered to be funds of the medical scheme and are utilised to fund all expenditure incurred by a medical scheme including fees and remuneration payable to Trustees, in accordance with the provisions of the Medical Schemes Act.

**10. Voice of the customer feedback – is it possible to increase the 5-day turnaround to at least 14 days?**

Customer feedback is usually most accurate when provided immediately after experiencing service. As such, we allow 5 days to respond to ensure that feedback provided is aligned with the service experienced and recorded as such.

**11. Health booster activated after a wellness screening – are claims paid from the booster even if there are still benefits in sub-categories?**

Once activated, out-of-hospital claims like GP visits, over-the-counter medicine, X-rays, blood tests and more, will then first pay from the available Benefit Booster amount – making the savings and day-to-day benefits last longer.

**12. How is the Scheme planning on using reserves to benefit members?**

Driving sustainability to ensure quality and affordable care to members and manage reserves and solvency in a way that benefits members and promotes Bonitas' long-term sustainability is one of the Board's key considerations. By applying lower contribution increases since 2021, R1.4 billion has been passed back to members in 2022 and 2023. Our strategy is to continue in line with this trend by carefully offering competitive benefits and market-related increases to help alleviate the financial burden placed on our members. The Scheme works with its actuaries and financial advisors on a long-term strategy that keeps both the Scheme sustainable, while minimising the burden on members in the face of a sluggish economy.

**13. What does the Scheme do to members with regards to mental health?**

Our mental health programme is available on all options to provide assistance to members in managing their mental health and well-being. We also cover depression as a chronic condition with an additional R150 per beneficiary per month for depression medicine. Members can also access virtual support for mental health on the Bonitas Mobile App through our partnership with October Health.

**14. The BonComprehensive increased cost and reduced benefits is most concerning. Please advise how this is being managed.**

During our product development cycle we consider various factors, including industry benchmarking in terms of benefit richness and price against similar options in the market. BonComprehensive was noted as being significantly cheaper than competitor options with a similar risk and benefit profile.

**15. The Covid 19 pandemic resulted in many people taking vaccinations and ultimately causing ailments which need medicine for life. The 28 Chronic diseases have not been updated as per the Doctors' diagnosis and thus prevent medical care from the Scheme. What is the Scheme doing to address this gap?**

Bonitas ascribes to the necessary legislation set out in the Medical Schemes Act 131 of 1998, as well as the regulations stipulated by the Council for Medical Schemes. The Chronic Disease List is set and overseen by the Council for Medical Schemes and the Scheme must abide by these.

- 16. I find it very difficult to keep up with the ever-increasing premiums, I have not received an annual increment from the City of Tshwane for 2 of the 3 years, as such I had to downgrade from BonClassic to Standard. The current offer on the table from SALGA is 4,5% which is below CPI. I cannot approve the increases to the premiums and also not the fees of the Chairperson and Board of Trustees.**

We acknowledge the plight of our members within these sectors and seek to maintain contribution increases as low as possible without compromising the long-term sustainability of the Scheme's reserves. Healthcare inflation historically has tracked much higher than CPI (Consumer Price Inflation) which makes it difficult for medical schemes to offer contribution increases aligned to CPI without reducing benefits and limits. Some of our plans have received CPI or lower contribution increases over the past three years however, this is unlikely to continue indefinitely given the increasing burden of disease and ageing population. We might add that due to the economy performing sub-optimally, the Scheme, while making every effort to maximise revenue from other sources, must also ensure that its offerings remain in line with the regulatory framework.

- 17. You cannot compare yourself to the peer group but rather to the bulk of your members which are from local, district and metro municipalities. All of which don't give members an increasing exceeding CPI.**

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- 18. I have noticed that Rules and Amendments, a key membership building block and information of interest to members and prospective members, is still sitting right at the bottom of the Bonitas website. I raised this matter a few years ago for it to be more visible at the top of the website and never received feedback from yourselves. When can I expect feedback?**

Thank you for your suggestion. We will take this into consideration for our website enhancements.

- 19. Why is Bonitas not encouraging a healthy lifestyle by subsidising members when they join gym service providers?**

Medical schemes may not legally offer benefits that are not linked to healthcare. While some medical schemes offer subsidies on healthy lifestyle choices, such as gym benefits, they come at an additional cost to members, usually through a loyalty programme. Bonitas rather focuses on delivering enhanced benefits and tries to minimise contribution increases without adding unnecessary offerings which may not benefit the membership as a whole.

## **20. Kindly provide comparison with other medical schemes in regard to the benchmarking of remuneration packages.**

Benchmarking of fees across different medical schemes is challenging given that medical schemes can have different operating models (open vs closed) and governance structures. Fee methodology and application also differs between retainers and per meeting fees (some medical schemes do not pay retainer fees). Over and above this, larger medical schemes are likely to have more meetings than smaller medical schemes given higher transaction volumes and larger business models.

Bonitas participated in an independent review performed by Wills Tower Watson and utilised the results of that benchmarking report to determine the appropriateness of our remuneration across our governance structures. For confidentiality reasons we are not at liberty to share the report publicly, but we can refer you to the CMS Annual Industry Report for 2022 which reflects the trustee remuneration paid per medical scheme. On page 53 of the CMS Annual Industry Report, Bonitas is ranked 6th highest when comparing an average fee per trustee and 4th highest on a total rand value paid.

Based on membership figures, Bonitas is the second largest open medical scheme and third largest scheme in South Africa, its remuneration to trustees is commensurate with its size and the related responsibilities. Bonitas awaits the 2023 CMS Annual Industry Report for further consideration of its Trustee Remuneration.

## **21. Kindly give the amendment to the CPI definition and what informed such amendment.**

Members were requested to vote for the amendment to the CPI definition during the 2023 AGM proceedings. Majority of the members who voted, voted "For" and therefore the amendment was approved. The rationale around this amendment can be viewed in the presentation and recording of the 2023 AGM which is available on the Bonitas website by clicking [here](#).