



COUNCIL FOR MEDICAL SCHEMES
Annual Performance Plan 2018/19



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FOREWORD BY MINISTER OF HEALTH

DR AARON MOTSOALEDI

The Annual Performance Plan of the Council for Medical Schemes (CMS) for the financial year 2018/19 has been submitted by CMS, and received by me. In particular, I am encouraged by strategic goal 4 that supports the development of the universal healthcare coverage system by the National Department of Health, and the continued pursuit to improving the efficiency and effectiveness of the healthcare system in South Africa.

The CMS has established itself as an effective and efficient regulator, which is evidenced in the execution and responsiveness to its key mandate – that of protecting the members of medical schemes and promoting access to healthcare. I am also pleased by the manner in which the finances of CMS have been managed. CMS has obtained unqualified audit reports from the office of the Auditor-General of South Africa every year since its inception.

Consequently, I am satisfied to endorse the Annual Performance Plan and budget for 2018/19.

I thank Council, the Acting Registrar and his staff for the development of this Annual Performance Plan and wish them well in the execution of this plan.

DR Aaron Motsoaledi, MP
Minister of Health



FOREWORD BY CHAIRPERSON OF COUNCIL

DR CLARENCE MINI

During its 17 years of existence, the Council for Medical Schemes (CMS) has built a proud culture of protecting beneficiaries of medical schemes by enforcing the provisions of the Medical Schemes Act (131 of 1998). The main pillars of the Act are the requirements for open enrolment, community rating and prescribed minimum benefits. Linked with the governance requirements stipulated in the Act, these provisions protect beneficiaries against discrimination based on health status and other arbitrary grounds.

The healthcare system is marred by inequitable access to care and healthcare resources. By 2017, the Stats SA Midyear Population Report estimated a life expectancy at birth of 61.2 years for males and 66.7 years for females. This represents a life expectancy of 64 years, which is a significant improvement from 56 in 2014 (Stats SA Midyear Population Report 2017). The National Department of Health (NDoH) in its Strategic Plan, also envisages that the life expectancy of South Africans will continue to grow, reaching 70 years by the year 2030. The South African GDP growth rate was projected to increase in 2017 and improve moderately over the medium term from 1.3 percent reaching 2.2 percent by 2019. Whilst CPI inflation is projected to be between 5.7 and 5.6 percent between 2018 and 2019 (National Treasury Economic Outlook, 2017).

This positive trajectory for GDP growth marks a break with several years of declining growth and is expected to benefit the industry, although the projected rate of growth is not high enough to radically reduce unemployment, poverty and inequality in South Africa. The problem of access and inequality to healthcare is a source of concern for the Government of South Africa. Government has adopted the National Development Plan (NDP), Vision 2030 to address the problem of inequality and poverty in the country. Chapter 10 of this policy document deals with matters geared towards promoting health. Government has therefore adopted the strategic goals for the years 2014 to 2019 to respond to the challenges of access and inequality to healthcare; these goals are highlighted under the heading of Policy Mandates in this document. The priority for the NDoH is to promote universal access to all through the introduction of National Health Insurance (NHI). The Council for Medical Schemes supports this health initiative by the Department and will work closely with the NDoH to make this goal a reality.

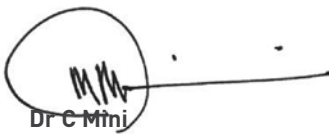
Council discharges its mandate in an increasingly litigious healthcare environment. The 2010 high court judgement, which set aside the Reference Price List (RPL) regulations, has left a void in the regulation of healthcare prices, and leaves many medical scheme beneficiaries unprotected. The CMS therefore supports the NDoH in the development of an alternative mechanism for the determination of private healthcare prices. The established Health Market Inquiry by the Competition Commission will also potentially provide insight into some of these structural challenges faced by the industry. Therefore, the Council for Medical Schemes continues to participate in the HMI processes, and has made several submissions to the NDoH on the need for Price Regulation, establishment of the Quality Health Outcomes Regulator, addressing issues related to information asymmetry, as well as strengthening the Medical Schemes Act to enable Council to regulate in an efficient and effective manner.

The Prescribed Minimum Benefit (PMB) package was not designed to operate in an environment where there is no price regulation. CMS must work closely with the NDoH, the Health Professions Council of SA (HPCSA) and other stakeholders to ensure that there is a mechanism in place to determine healthcare prices as soon as possible.

Governance in medical schemes continues to be a challenge in the regulatory framework. To stabilise governance in medical schemes, Council frequently appoints curators for medical schemes through court action; manages insolvent schemes and institutes legal proceedings to ensure that beneficiaries are protected. These interventions, whilst critical in protecting our mandate, attract high legal costs and increase the cost of regulation.

In the ensuing period, Council plans to strengthen regulation by amending the Medical Schemes Act. This process is at an advanced stage as proposed amendments have been submitted to the NDoH already.

I extend my thanks and appreciation to the Acting Registrar and his team at the CMS for their continued focus on the mandate, as entrenched in the Medical Schemes Act. In particular, the development of this Annual Performance Plan. Further, I would like to wish them well in the execution of this plan.



Dr C Mini

Chairperson of the Council

CERTIFICATION

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Council for Medical Schemes
- Takes into account all the relevant policies, legislation and other mandates for which the Council for Medical Schemes is responsible
- Accurately reflects the strategic outcome oriented goals and objectives which the Council for Medical Schemes will endeavour to achieve over the 2018/19 period.



Ms Waheda Khan

Risk and Performance Manager



Mr Daniel Lehutjo

Chief Financial Officer



Dr Siphon Kabane

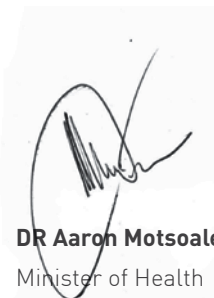
Acting CE & Registrar



Dr Clarence Mini

Chairperson: Council for Medical Schemes

APPROVED BY



DR Aaron Motsoaledi, MP

Minister of Health



PART A:
STRATEGIC
OVERVIEW

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1. UPDATED SITUATIONAL ANALYSIS

1.1 Performance Delivery Environment

Background

The environment in which the Council for Medical Schemes (CMS) performs its regulatory role is largely shaped by the developments that emanate from its immediate internal and external milieu. These developments include significant internal structural, cultural, governance and organisational changes that have been designed or have evolved over time. The way that these developments will influence the organisation's overall regulatory performance in the short to medium term is of great significance to us. The external environmental factors include all key social, economic and political developments that are likely to play a key role in influencing the regulatory direction of the CMS. It is also important to reflect on industry trends that may have a considerable influence on our current and future regulatory role.

Internal Environment

The term of office for the Council that was appointed in October 2014, came to end in the middle of November 2017, and a new Council has been appointed. The new Council consist of 14 members, four of whom are serving their second and final term. The new members of the Council will be put through an intensive orientation and induction programme, to ensure that they have a better understanding of the medical scheme industry and the broader health sector. The various committees that are essential for the efficient functioning of the Council will be established before the end of the 2017/18 financial year. The appointment of a permanent Chief Executive Officer and Registrar for the CMS is essential to provide leadership and stability and for the effective running of operations. This will be done before the end of the 2018/19 financial year.

The CMS is still capacitated with its staff complement of 120, which ensures that the organisation performs its required regulatory role in the medical scheme industry through effective beneficiary and member protection. The demand for the CMS's regulatory interventions, such as responding to complaints and queries; performing inspections; adjudication of appeals; benefit design rules and accreditations have increased significantly. There will therefore be a need to appoint additional key personnel to deal with this increasing workload and to resource and structure the organisation. This restructuring and capacitation will need to be aligned with the development of the next five-year Strategic Plan (2019 to 2024) and a work-study has been commissioned and a report is expected to be finalised in the 2018/19 financial year.

CMS staff have been unionised since 2015, and the union is recognised by Council. A rights agreement has been signed between CMS and the union. Whilst the CMS recognises the right of employees to become unionised, this should not be at the expense of the performance culture that CMS is striving towards. The union is expected to contribute more positively to conducive labour relations in the organisation.

The analysis of the performance of the CMS with respect to the four strategic goals that it had set for itself in 2014/15 in its five-year Strategic Plan, shows an over 80% achievement of its targets year-on-year. In 2014/15, there was an overall achievement score of 86% for the 35 indicators there were set for all programmes. In 2015/16, there was an overall achievement score of 85% for the 33 targets that were set for all programmes. In 2016/17, there was an overall achievement of 94.44%.

There is a concerted effort to improve the performance per programme in the current year (2017/18) and in the 2018/19 financial year. This improved performance will be achieved through better planning, co-ordination, and tightened regulation, as well as by ensuring better liaison between the National Health Ministry and the CMS.

Other specific performance successes that the CMS will continue to build-on and achieve at an accelerated rate in 2018/19 include the following:

- Unqualified report by the Auditor-General (clean audit)
- Maintain ICT systems up-time of more than 99%
- Improve on the recruitment and retention of staff
- Improve turnaround times for complaints and clinical reviews

- Increase PMB definitions, reviews and code of conduct
- Increase stakeholder interactions, training and empowerment
- Increase presence and awareness about CMS and its programmes
- Increase the turnaround times for our investigations and enhance our enforcement capacity
- Improve the turnaround time for the registrations and rule amendments
- Strengthen legal compliance and reduce backlog of appeals
- Improve financial compliance and monitoring of non-compliant entities.

External Environment

The CMS has not been sheltered from the key social, economic and political developments in the environment in which it executes its regulatory mandate. There have been several key developments in this environment that have a direct impact on the CMS and its regulatory role, which we wish to highlight.

The broader health sector and specifically the medical scheme industry, has enjoyed a period of relative stability from a political perspective. This has ensured that the policy developments in the sector have progressed without major, unexpected obstacles. The major developments in the policy sphere is the promulgation of the National Health Insurance Implementation Policy and its gazetted implementation advisory committees. CMS will be playing a key role in these implementation advisory structures and some of the specific activities related to this role will include:

- Consolidation of options and schemes that are non-compliant with the requirement of 6000 members
- Consolidation of government employee schemes
- Alignment of the PMBs with the NHI Single Service Benefit Framework
- Beneficiary Registry
- Legislative and governance reform.

The ever-increasing rates of inequity and poverty amongst the different population groups in South African society is a clear indication of an increase in the number of vulnerable individuals that need a social safety network. It has been reported that up to a third of the South African population is living below the poverty line. This increase in poverty, which is accompanied by joblessness, has a negative impact on the enrolment and retention of medical scheme membership.

The economic forecasts on GDP growth for 2018/19 have been downgraded several times by different agencies. These forecasts indicate an average GDP growth for 2018/19 of approximately 0.7% p.a. This is not expected to have a significant impact on the employment rates and consequently medical scheme membership enrolments. The currency fluctuations and the accompanying junk status grading by rating agencies, will negatively impact the ability of service providers to acquire imported technology, equipment, goods and services. These price increases will be carried by scheme members through steeper annual contribution increases.

Industry Trends

The medical scheme industry trends on key indicators have not changed significantly in the past two years:

- The number of schemes have decreased from 83 to 82 in 2016/17
- Overall scheme membership is stagnant at 8.87m in 2016/17
- Member contributions have increased from R151.6bn to R163.9bn
- There is increasing inability by schemes to settle claims in line with contributions, without relying on investment income. A total deficit of R2.4bn before investment income for 2016/17
- There has been an overall decrease in the number of member complaints received during 2016 (4 823) as compared to 2015 (5 089).

These industry trends still paint a picture of an expensive, unaffordable and unsustainable industry that needs urgent interventions to prevent it from losing membership in the short to medium term. It is our sincere belief that the shift from the current dispensation towards Universal Health Coverage is key to the sustainability of the entire health sector. CMS, therefore reiterates its support for Universal Health Coverage, as developed for implementation in South Africa through the National Health Insurance.

The following are some of the interventions that CMS is working towards to ensure affordable private healthcare for all:

- Recommendation on contribution increases
- Solvency ratio
- Consolidation of risk pools – to lower costs
- Recommendation to market enquiry – to establish a pricing authority/regulator
- Fraud and wastage.

This Annual Performance Plan is developed to optimise organisational operations, improve our regulatory effectiveness and to ensure that we provide support and advice in the health sector policy development.

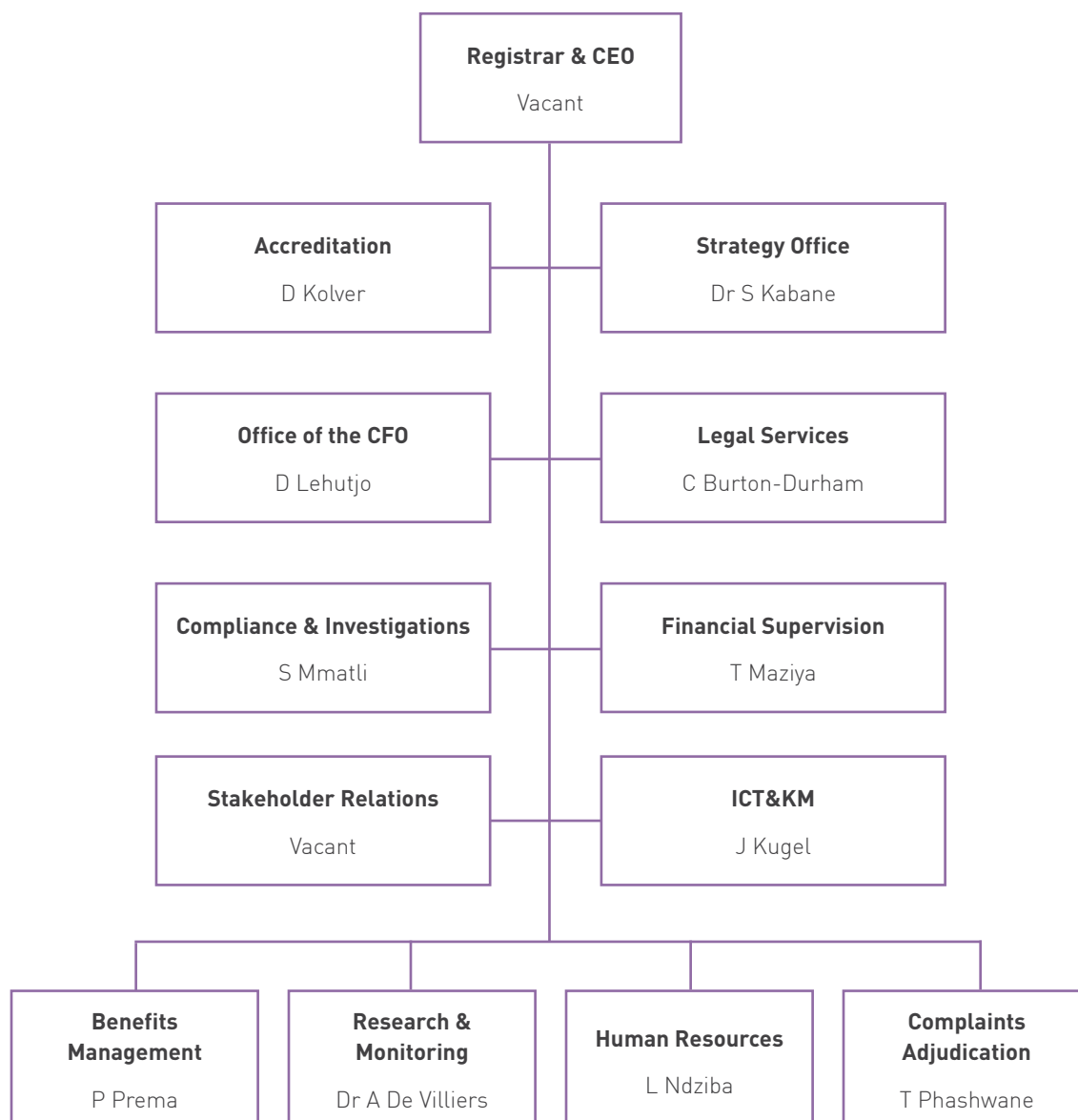
Alignment CMS goals to NDoH and NDP

The following table reflects the CMS's strategic goals for the period 2014 to 2019, which are aligned with the NDoH strategic goals as well as the NDP goals.

NDP goals 2030	MTSF priorities	NDoH strategic goals 2014–2019	CMS strategic goals 2014 to 2019
Average male and female life expectancy at birth increased to 70 years	HIV/AIDS and TB prevented and successfully managed Maternal, infant and child mortality reduced	Prevent disease and reduce its burden and promote health	<i>Access to good quality medical scheme cover is promoted</i> In order to address this NDP priority in the private health funding industry, the CMS has embarked on the following projects: The review of the Prescribed Minimum Benefits to include primary healthcare services including HIV/AIDS, maternal infant and child health services.
Tuberculosis (TB) prevention and cure progressively improved			<i>Access to good quality medical scheme cover is promoted</i> Treatment of TB is part of the revised PMB package and its prevention, treatment and rehabilitation services will be provided in line with public sector protocols.
Maternal, infant and child mortality reduced			<i>Access to good quality medical scheme cover is promoted</i> The review of the PMBs will ensure that there is increased emphasis on primary healthcare, maternal and child care to contribute towards reduced maternal and child mortality.
Prevalence of non-communicable diseases reduced			<i>Access to good quality medical scheme cover is promoted</i> The PMB review and the PMB definition projects in process are aimed at the inclusion and better definition of member entitlements on non-communicable diseases amongst others, given their increased prevalence.
Health System reforms completed	Healthcare costs reduced	Improve financial management by improving capacity, contract management, revenue collection and supply chain management	<i>Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected</i> The CMS is currently engaged in the following processes in an attempt to reduce private healthcare costs: <ul style="list-style-type: none"> • Consolidation of scheme options • Consolidation of risk pools • Provision of bench guidance on member contribution increases • Advocacy against fraud and waste • Supporting the Health Market Inquiry and support for price regulation in the private health sector.

NDP goals 2030	MTSF priorities	NDoH strategic goals 2014–2019	CMS strategic goals 2014 to 2019
	Efficient health management information system for improved decision-making	Develop an efficient health management information system for improved decision-making	<p><i>CMS provides strategic advice to influence and support the development and implementation of national health policy</i></p> <p>The CMS is currently developing a registry of all funded patients in South Africa. Once completed, this system will be linked to the patient health register and will facilitate the overall improvement of the health management information system.</p> <p>The CMS is developing a system for the management of a single exit price for medicines on behalf of the NDoH. Once completed, this system will facilitate the regulation of medicine pricing in South Africa. The system is ready for testing by the NDoH. CMS will seek an external hosting provider for the NDoH.</p>
	Improved quality of healthcare	Improve the quality of care by setting an monitoring national norms and standards, improving systems for user feedback, increasing safety in healthcare and by improving clinical governance	<p><i>Access to good quality medical scheme cover is promoted</i></p> <p>CMS is currently developing a patient experience of care questionnaire, which will be administered to scheme member to ascertain the quality of care.</p>
Primary healthcare teams deployed to provide care to families and communities	Re-engineering of primary healthcare	Re-engineer primary healthcare by: increasing the number of ward-base outreach teams, contracting general practitioners and district specialist teams and expanding school health services	<p><i>CMS provides strategic advice to influence and support the development and implementation of national health policy</i></p> <p>Support NDoH efforts in the re-engineering of primary healthcare</p>
Universal health coverage achieved	Universal health coverage achieved through implementation of National Health Insurance	Make progress towards universal health coverage through the development of the National Health Insurance scheme, and improve the readiness of health facilities for its implementation.	<p><i>CMS provides strategic advice to influence and support the development and implementation of national health policy</i></p> <p>CMS has been working very closely with the NDoH and making inputs into the various Advisory Implementation Committees of the NHI.</p>

1.2 Organisational environment



The Administrative Programmes of CMS are effectively focused on the efficient functioning of the office and provide support to the core programmes to efficiently execute their mandates. The programme is made up of the following sub-programmes:

Sub-programme 1.1: Registrar and CEO

The CEO, as the executive officer of the Council for Medical Schemes, is mandated to exercise overall management of the office, and as Registrar, exercising legislated powers to regulate medical schemes, administrators, brokers, and managed care organisations.

Dr Humphrey Zokufa was appointed as the new CE & Registrar on 1 November 2016. Dr Zokufa passed away on 22 January 2017. The Human Resources Unit, together with the NDoH, have started the process for the appointment of a new CEO & Registrar.

Sub-programme 1.2: Office of the CFO

The purpose of the sub-programme is to serve all business units in CMS, the executive management team and Council by maintaining an efficient, effective and transparent system of financial, performance and risk management that complies with the applicable legislation. The sub-programme also serves the Audit and

Risk Committee, Internal Auditors, National Department of Health, National Treasury and Auditor-General by making available to them information and reports that allow them to carry out their statutory responsibilities. By doing this, the sub-programme helps Council to be a reputable regulator.

Sub-programme 1.3: Information and Communication Technology (ICT) and Knowledge Management (KM)

The purpose of the sub-programme is to serve the CMS business units and external stakeholders by providing technology enablers and making information available and accessible.

Sub-programme 1.4: Human Resources

The purpose of the sub-programme is to provide high quality service to internal and external customers by assessing their needs and proactively addressing those needs through developing, delivering, and continuously improving human resources programmes that promote and support Council's vision.

We will fulfil this mission with professionalism, integrity, and responsiveness by:

- Treating all our customers with respect
- Providing resourceful, courteous, and effective customer service
- Promoting teamwork, open and clear communication, and collaboration
- Demonstrating creativity, initiative, and optimism

By doing this, the sub-programme helps the Council for Medical Schemes by supporting its administration and staff through human resources management advice and assistance, enabling them to make decisions that maximise its most important asset: its people and to continue the development of CMS as an employer of choice.

Sub-programme 1.5: Legal Services

The purpose of the sub-programme is to provide legal advice and representation to the CMS and business units to ensure the integrity of regulatory decisions.

The core programmes of CMS are mainly concerned with the regulation and stability of the industry. They comprise the following:

Programme 2: Strategy Office

The purpose of this programme is to engage in projects to provide information to the Ministry on strategic health reform matters to achieve government's objective of an equitable and sustainable healthcare financing system in support of universal access and to provide support to the office on clinical matters. The purpose of the Clinical Unit is to ensure that access to good quality medical scheme cover is maximised and that regulated entities are properly governed, through prospective and retrospective regulation.

Programme 3: Accreditation

The purpose of the programme is to ensure brokers and broker organisations, administrators and managed care organisations are accredited in line with the accreditation requirements as set out in the Medical Schemes Act, including whether applicants are fit and proper, have the necessary resources, skills, capacity, and infrastructure and are financially sound.

Programme 4: Research and Monitoring

The purpose of the programme is to serve beneficiaries of medical schemes and members of the public by collecting and analysing data to monitor, evaluate and report on trends in medical schemes, measure risk in medical schemes and develop recommendations to improve regulatory policy and practice. By doing this, the programme helps the Council for Medical Schemes to contribute to the development of policy that enhances the protection of the interests of beneficiaries and members of public.

Programme 5: Stakeholder Relations

The purpose of the programme is to create and promote optimal awareness and understanding of the medical schemes environment by all regulated entities, the media, Council members and staff, through communication, education, training and customer care interventions.

Programme 6: Compliance and Investigation

The purpose of the programme is to serve members of medical schemes and the public in general by taking appropriate action to enforce compliance with the Medical Schemes Act.

Programme 7: Benefit Management

The purpose of the programme is to serve beneficiaries of medical schemes and the public in general by reviewing and approving changes to contributions paid by members and benefits offered by schemes. The programme analyses and approve all other rules to ensure consistency with the Medical Schemes Act. This ensures that the beneficiaries have access to affordable and appropriate quality healthcare. By doing this, the programme helps the Council for Medical Schemes ensure that the rules of medical schemes are fair to beneficiaries and are consistent with the Act.

Programme 8: Financial Supervision

The purpose of the programme is to serve the beneficiaries of medical schemes, the Registrar's Office and Trustees by analysing and reporting on the financial performance of medical schemes and ensuring adherence to the financial requirements of the Act. By doing this, the programmes helps the Council for Medical Schemes monitor and promote the financial performance of schemes in order to achieve an industry that is financially sound.

Programme 9: Complaints Adjudication

The purpose of the programme is to serve the beneficiaries of medical schemes and the public by investigating and resolving complaints in an efficient and effective manner. By doing this, the programme ensures that beneficiaries are treated fairly by their medical schemes.

2. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

There have been no significant changes to the Council for Medical Schemes legislation.

Other mandates

Strategic Policy Initiatives

The CMS's mandate includes collaborating with the National Health Ministry on various strategic policy initiatives in order to ensure that the health sector achieves its vision of a "healthy life for all" in South Africa. The CMS is currently collaborating with NDoH on the following policy initiatives, the duration of which is expected to extend beyond 2018/19:

- National Health Insurance (NHI)
- Health Market Inquiry (HMI)
- Low Cost Benefit Option Framework (LCBO)
- Beneficiary Registry List
- Prescribed Minimum Benefits (PMBs)
- Demarcation
- Solvency Framework.

NHI

The CMS has continued to make significant contributions to the NHI policy debate through various submissions, circulars and presentations. The CMS has now been nominated in three of the seven NHI Implementation Advisory Committees and will make the necessary contributions as and when these committees are operational. The main focus for CMS in 2018/19 with respect to the NHI is the development and consultation with key stakeholders on the following:

- Consolidation of options
- Consolidation of schemes
- Alignment of the PMB review with the NHI Benefit Services.

HMI

The CMS was identified as one of the key stakeholders in the Health Market Inquiry that is in process under the auspices of the Competition Commission. The various information requests, invitations to public hearings and written submission requests were honoured by the CMS. The inquiry is on-going and is expected to conduct further public hearings and request for further inputs in 2018, before they produce their final report and recommendations. Our collaboration with this process will continue until it is completed. There is now an expectation that through this extended consultative process, the final recommendations will be published in 2018/19.

LCBO and Demarcation

The promulgation of the demarcation regulations by the Minister of Finance on 23 December 2016 refers to the LCBO. The release of the regulations also resulted in an amendment to the definition of doing business as a medical scheme, which would require the primary healthcare insurance policies provided by insurers to be regulated under the MSA. As for the LCBO, the Minister of Health has requested that the CMS grant a two-year exemption, subject to certain conditions, for primary healthcare insurance policies, while further research is being led by the NDoH into the development of an LCBO. These regulations came into effect in April 2017,

and the CMS is busy with the implementation of the exemption process, which will extend into 2018/19. The development of the low-cost benefit guidance framework will be dealt with during the process of the PMB review process outlined below.

Beneficiary Registry List

The CMS has been tasked with establishing a central repository called the National Beneficiary Registry (NBR) containing all funded (medical scheme) patients in South Africa, by the Minister of Health. This activity is also aligned with the NDP 2030 goals and NHI to identify members with supplementary cover.

Once implemented, the NBR can be used by provincial health departments to verify the membership status of patients that have medical aid cover who are visiting state facilities. This system would enable both the CMS and Department of Health to derive demographic reports, which would aid in health and resource planning.

Further benefits of the system include the following:

- Improved and direct communication with members
- Data verification and quality improvement by schemes and administrators
- Aid in the monitoring of membership history and behaviour over time
- And eventually future linkage to the NHI's Health Patient Registration System (HPRS).

PMBs

The CMS, in close collaboration with the NDoH, has embarked on a process to review the current PMBs. This process is to ensure compliance with the MSA and its regulations, which dictates a review every two years. This is to ensure that PMBs regulations remain relevant and keep up with the technological developments; are affordable and sustainable and are in line with national policy developments. This review will seek to redesign the services benefit package and includes a primary healthcare component, whilst ensuring that it is affordable, cost-effective and sustainable. The reviewed and recommended service package should also be aligned with National Health Insurance's intended service package. This important work, which will be continued in 2018/19, will be conducted with all key industry stakeholders on a consultative and collaborative basis and should enable the CMS to effectively regulate the industry in the transition period leading to the full implementation of the NHI.

The process of defining the current PMBs for their better understanding by all key stakeholders will be accelerated moving into 2018/19, through the appointment and use of a panel of clinical experts. The process for the update and adaptation of the code of conduct on the PMBs for stakeholder guidance will also continue into 2018/19.

Solvency Framework

The Medical Schemes Act (131 of 1998) (MSA) requires a medical scheme to maintain its business in a financially sound condition and it allows the Minister, in consultation with Council, to make regulations in relation to the assets to be held by the scheme.

Medical schemes are currently required to maintain accumulated funds expressed as a percentage of gross annual contributions, which may not be less than 25%.

Significant progress was made with the project, in 2017/18, and Council approved further research to be done on a proposed Risk Based Capital (RBC) model for 2018/19. A final decision on the implementation of the RBC model will only be made once the research is finalised in 2018/19, and stakeholder engagements are concluded. The CMS is currently engaging with all stakeholders (including Council and the NDoH) to improve the proposed RBC model at a technical level. The expected timeframes for the project are:

- Engagement with stakeholders and refinement of the RBC model: 2018/19: 1 year
- Testing and piloting of model: 2019/20: 1 year
- Shadow period (parallel implementation with current framework): 2020/21: 1 year
- Regulatory reforms: 2020/21: 1 year.

3. OVERVIEW OF 2018/19 BUDGET AND MTEF ESTIMATES

3.1 Expenditure Estimates

	Audited outcomes				Adjusted appropriation	Medium-term expenditure estimates		
	2014/2015	2015/2016	2016/2017	2017/2018		2018/2019	2019/2020	2020/2021
Administration								
Office of the CEO and Registrar	15,389,622	5,419,743	6,499,394	9,882,709	10,053,217	10,698,160	11,376,076	
Office of the CFO	24,641,623	27,586,202	29,569,388	30,545,142	32,685,997	34,634,293	36,716,894	
Information and Communication Technology and Knowledge Management	12,212,537	13,407,285	14,364,377	19,718,546	21,190,399	22,205,389	23,547,371	
Human Resources	5,473,200	6,140,697	6,047,397	7,709,135	7,875,331	8,363,622	8,874,063	
Legal Services	10,896,098	11,158,921	11,624,636	12,612,350	13,388,893	14,180,968	15,131,883	
Strategy Office	4,934,874	4,610,984	8,292,593	9,866,822	10,615,896	11,372,687	12,121,695	
Accreditation Unit	7,165,575	7,692,817	8,226,151	9,170,004	9,600,827	10,224,953	11,040,815	
Research and Monitoring Unit	6,044,616	6,794,444	6,710,420	7,005,711	7,339,247	7,711,287	8,205,336	
Stakeholder Relations Unit	8,596,417	9,008,807	12,523,978	10,564,326	11,181,630	11,888,906	12,629,345	
Compliance and Investigation	6,719,225	6,706,963	8,768,530	8,621,547	10,214,636	10,794,229	11,489,996	
Benefit Management	4,757,882	5,124,739	5,636,652	6,332,461	7,110,180	7,726,878	8,144,382	
Financial Supervision	9,742,148	10,277,975	11,097,985	11,822,380	12,648,897	13,362,512	14,302,183	
Complaints Adjudication Unit	5,010,223	5,227,482	5,955,870	6,689,489	7,250,262	7,726,159	8,225,676	
Operating cash expenditure	121,584,039	119,157,060	135,317,371	150,540,621	161,155,412	170,890,043	181,805,714	
Capital expenditure	7,612,000	5,147,000	2,424,248	3,536,023	3,781,117	3,992,859	4,212,467	
Total cash requirement	129,196,039	124,304,060	137,741,619	154,076,644	164,936,529	174,882,902	186,018,181	
Levy on medical schemes	(107,841,009)	(120,107,336)	(126,469,173)	(134,276,052)	(144,245,863)	(153,033,559)	(162,967,124)	
Accreditation fees	(5,612,000)	(6,228,000)	(6,351,800)	(9,315,016)	(7,504,000)	(7,924,224)	(8,360,056)	
Registration fees	(335,600)	(369,800)	(430,835)	(366,383)	(45,385)	(47,926)	(50,562)	
Interest received	(2,208,542)	(2,835,878)	(4,483,382)	(2,835,878)	(4,483,382)	(4,734,451)	(4,994,846)	
Government grant	(4,856,431)	(456,072)	(740,767)	(5,496,000)	(5,815,000)	(6,140,640)	(6,478,375)	
Other income	(1,424,766)	(2,536,847)	(2,126,499)	(1,787,315)	(2,842,899)	(3,002,102)	(3,167,217)	
Total income including levy income	(122,278,348)	(132,533,933)	(140,602,456)	(154,076,644)	(164,936,529)	(174,882,902)	(186,018,181)	

	Audited outcomes				Adjusted appropriation	Medium-term expenditure estimates			
	Audited outcomes					Medium-term expenditure estimates			
	2014/2015	2015/2016	2016/2017	2017/2018		2018/2019	2019/2020	2020/2021	
Compensation of employees	73,883,503	78,061,920	87,342,787	98,174,780	106,702,173	113,387,422	121,140,449		
Salaries and wages	72,055,903	76,100,920	85,165,831	96,048,613	103,845,523	110,352,896	117,919,280		
Social contributions	1,827,600	1,960,999	2,176,956	2,126,166	2,856,650	3,034,526	3,221,169		
Goods and service	47,700,536	41,095,141	47,974,584	52,365,841	54,453,240	57,502,621	60,665,265		
Agency and support/outsourced services	70,226	47,938	63,256	81,703	68,400	72,230	76,203		
Communication	773,777	571,842	493,361	881,567	684,544	722,879	762,637		
Computer services	1,371,585	1,704,916	1,944,850	5,024,736	5,500,309	5,808,326	6,127,784		
Consultants	5,313,954	4,242,152	5,338,330	7,034,741	7,657,906	8,086,749	8,531,520		
Lease payments	9,553,087	10,862,156	11,906,429	11,837,288	11,790,725	12,451,006	13,135,811		
Other - Advertising and marketing	335,822	843,271	3,397,180	662,800	700,580	739,812	780,502		
Other - Allocation by function	7,409,786	48,000	-	308,871	-	-	-		
Other - Audit costs	803,407	968,783	580,761	1,093,846	900,000	950,400	1,002,672		
Other - Bank charges	46,100	55,372	99,910	51,604	100,000	105,600	111,408		
Other - Board costs	1,489,066	794,356	1,358,304	1,707,030	1,776,014	1,875,471	1,978,622		
Other - Legal fees	7,699,181	7,459,286	7,887,920	8,496,004	8,980,276	9,483,172	10,004,746		
Other - Non-life insurance	295,217	332,921	410,253	359,092	379,560	400,815	422,860		
Other - Other unclassified expenditure	3,564,223	4,194,888	4,857,585	5,355,998	5,765,920	6,088,812	6,423,696		
Other - Printing and publication	920,618	642,279	1,095,399	901,851	928,305	980,290	1,034,206		
Other - Property payments	2,133,858	3,110,742	2,509,763	2,172,970	2,375,020	2,508,021	2,645,962		
Other - Staff cost note	1,741,222	1,615,064	1,746,036	1,782,591	1,543,411	1,629,842	1,719,483		
Other - Venue and facilities	759,636	711,618	877,925	957,292	976,059	1,030,719	1,087,408		
Repairs and maintenance	171,759	162,431	222,128	191,506	249,676	263,658	278,159		
Training and staff development	1,484,271	1,012,906	1,510,154	1,129,191	1,557,200	1,644,403	1,734,845		
Travel and subsistence	1,763,742	1,714,219	1,675,040	2,335,161	2,519,335	2,660,417	2,806,740		
Total	121,584,039	119,157,060	135,317,371	150,540,621	161,155,412	170,890,043	181,805,714		

3.2 Relating expenditure trends to strategic outcome oriented goals

The financial year 2018/19 is going to be an interesting and challenging year for the Council for Medical Schemes. One of the most important objectives of government's 2014–2019 Medium Term Strategic Framework, the introduction of the National Health Insurance (NHI), is taking shape. The White Paper on NHI was released on 28 June 2017. Following the release of the White Paper on NHI, the Ministry issued very clear directives as to what needs to be done to reorganise the private sector industry:

- Introduction of Single Service Benefit Framework with effect from April 2018
- Reform of Prescribed Minimum Benefits (PMBs) and alignment of NHI service benefits, including common protocols
- Price regulation for all services included in the NHI comprehensive benefit framework
- Have a standard price for services
- Removal of differential pricing of services based on diagnosis
- Removal of co-payment and balanced billing
- Governance and non-healthcare
- Reserves and solvency changes
- Consolidation of 29 medical aid schemes that do not meet the threshold of minimum members required to establish a scheme
- Consolidation of public sector schemes into one medical aid scheme, Government Employee Medical Aid Scheme (GEMS).

The above directives impact the CMS as a regulator of the private health sector. The directives have also come at an opportune time as the CMS prepared its the Annual Performance Plan for 2018/19. CMS need to factor these in its development of the plans and the budget for the financial year 2018/19 in order to contribute more meaningfully to the successful implementation of the NHI. The NHI policy is aimed at promoting access to quality healthcare for all and also aims to address the problems of inequities in the provision of healthcare.

The other important challenge for the CMS is to successfully implement the Demarcation Regulations which came into effect on 1 April 2017. The Demarcation Regulation require insurance companies to submit application for exemption to CMS. The application for exemption is a two-stage process. First, an exemption applicant is required to submit basic application information before 31 March 2017. In the second stage of the process, exemption applicants are required to submit extensive application information. The extensive application information should, in addition to the requirements of the Demarcation Framework, provide information indicating fair treatment and best interests of the product-holder, and set out a case for exceptional circumstances to justify a need for exemption.

CMS will, however, continue to strengthen the monitoring and compliance activities of accredited entities to ensure compliance with fit and proper requirements, which requires the Board of Trustees to exercise their fiduciary duties and responsibilities. The resolution of complaints, and more importantly complex clinical complaints, continues to receive heightened attention to achieve the objective of protecting beneficiaries of medical aid schemes.

On the PMB front, CMS will continue with the revision to align with the NHI benefit package. The CMS will be exploring alternative mechanisms, including collaborations with academic institutions as well as experts in this field to fast-track the project. The completion of this project is very important in that it will assist in the reduction of complex clinical complaints, which are currently a challenge in our operations. This project will be dealt with in phases and is expected to span over a period of a multiple financial years. The budget of CMS will be adjusted going forward to accommodate this objective.

CMS will be working on ensuring that the appeals process becomes more efficient, there may be a need for more sittings of the Appeals Board and Committee in order to clear the backlog of matters.

The other key focus area is to promote the visibility and brand of CMS. CMS has run outreach programmes and advertisements during the financial year and will continue to do so.

Government recognises the importance and need for a central repository containing all funded (medical scheme) patients in South Africa. For this reason, the Minister of Health has conferred the function of establishing and administering a Beneficiary Registry on the CMS. The data collected will be used for health resource planning and claim verification amongst other regulatory functions.

Information to be collected by the CMS will include but not be limited to:

- Basic demographic details of members, including their domicile
- The verification of membership of patients that have medical scheme cover, visiting state facilities
- The join date of a new beneficiary and the date on which he/she is eligible to receive benefits
- The relationship between principal members and dependents
- The movement of beneficiaries between different benefit options
- The termination date of the beneficiary.

An ITAG Committee was established on 25 October 2016 with a view to:

- Advising the Council for Medical Schemes (CMS) on improving existing Information Technology (IT) platforms currently deployed to medical schemes, administrators and relevant stakeholders
- Advising and assisting the CMS in identifying and developing new IT platforms aimed at improving the interaction between the CMS and its stakeholders and the overall regulatory function and effectiveness of the CMS
- Assisting the CMS in the collection and dissemination of information about private health to the Health Ministry, as required by Sections 42 and 7 of the Medical Schemes Act.

Governance in medical schemes continues to be a challenge in the regulatory framework. As a consequence, the CMS is always faced with a number of investigations into areas of irregularities in the governance of medical schemes. The results of these investigation sometimes lead to the appointment of curators in medical schemes in order to stabilise the governance in schemes. The process attracts high legal costs, but is necessary to ensure that the beneficiaries are protected. As a result, the Legal Services Unit is a key cost driver in the *administration programme*, the entity's largest programme.

The CMS discharges its mandate in an increasingly litigious healthcare environment. The 2010 high court judgment that set aside the reference price list regulations has left a void in the regulation of healthcare prices, this meant that there were no guidelines on the prices that service providers could refer in charging for the services they provide, leaving many medical scheme beneficiaries unprotected.

The recent Supreme Court of Appeal ruling on the *Genesis v CMS (Joubert)* and the ruling by the Pretoria High Court in the matter of *Genesis v CMS* shows that CMS has been interpreting the PMB legislation correctly and that the rules of medical schemes must be registered accordingly. In the matter of *Genesis v CMS* the Supreme Court of Appeal ruled that medical schemes are obliged by law to pay PMBs in full in the private and public sector and that a medical scheme may not seek to limit the payment of expenses for treatment of PMBs to expenses incurred at a public or state institution in its rules.

In *Bonitas v CMS*, the ruling by the Pretoria High Court is important as it confirms the position of the CMS with regards to Section 44 of the Medical Schemes Act in that medical schemes cannot appeal an order of the Registrar to commission an inspection into the affairs of a medical scheme. If schemes were allowed to do so, it would mean that every inspection could be blocked by an appeal, thereby defeating the purpose of Section 44.

CMS will work with the National Department of Health in ensuring that a pricing authority is established. This is also re-enforced by the developments in the NHI implementation process, as outlined by the Ministry. The Competition Commission Market Inquiry will also potentially provide insight into some of the structural challenges the industry faces, improving access to the current risk pool of beneficiaries and making access more affordable to those who do not have medical scheme cover. The CMS has participated and made presentation in proceedings of this Commission and is awaiting the report.

The Medical Schemes Amendment Bill will have to be reworked in order to align with the NHI objectives (paragraph 322 of NHI policy document has reference).

Over the years CMS has identified resource constraints in as far as executing its regulatory mandate. As part of its strategic planning process CMS will be reassess its strategic risks, taking into account the change in the environment as occasioned by policy shift on NHI.

The above activities of Council is almost wholly funded from revenue derived from levies collected from medical schemes based on the number of scheme members. It is expected that 87.6% of income in 2020/21 will be derived from levy income, 8.9% from other non-tax income and 3.5% from transfers/grants received from NDoH.

As CMS is a service-driven organisation, compensation of employees is still the main cost driver, expected to make up 65.1% of total expenses. Goods and services are expected to make up 32.6% of total expenditure and investment in capital goods 2.3% of total expenditure.



3.3 Materiality and Significance Framework 2018/19

The proposed Materiality and Significance Framework for the CMS, in terms of Treasury Regulation 28.3.1 and National Treasury Practice Note on Applications under Section 54 of the Public Finance Management Act (PFMA), is as follows:

Section 50: Fiduciary duties of accounting authorities

1) The Accounting Authority for a public entity must –

PFMA Section	Quantitative [Amount]	Qualitative [Nature]
c) on request, disclose to the Executive Authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or action of the Executive Authority or that legislature;	Disclose all material facts.	The Council will disclose to the National Department of Health all material facts as requested and all material facts not requested, including those reasonably discoverable, which in any way may influence the decisions or action of the National Department of Health, at the discretion of the Council.

Section 51: General responsibilities of accounting authorities:

An Accounting Authority for a public entity –

PFMA Section	Quantitative [Amount]	Qualitative [Nature]
g) must promptly inform the National Treasury on any new entity which that public entity intends to establish or in the establishment of which it takes the initiative, and allow the National Treasury a reasonable time to submit its decision prior to formal establishment; and	Disclose all material facts timeously.	Full particulars to be disclosed to the Minister of Health for approval after which it is to be presented to Treasury.

Section 54: Information to be submitted by accounting authorities:

2) Before a public entity concludes any of the following transactions, the Accounting Authority for the public entity must promptly and in writing inform the relevant Treasury of the transaction and submit relevant particulars of the transaction to its Executive Authority for approval of the transaction:

PFMA Section	Quantitative [Amount]	Qualitative [Nature]
a) establishment of a company;	Any proposed establishment of a legal entity.	Full particulars to be disclosed to the Minister of Health and Minister of Finance (National Treasury) for approval (simultaneous submission).
b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;	Qualifying transactions exceeds R1.36 m (based on 1% of total CMS Revenue, as at 31 March 2017).	
c) acquisition or disposal of a significant shareholding in a company;	Greater than 20% of shareholding.	

PFMA Section	Quantitative [Amount]	Qualitative [Nature]
d) acquisition or disposal of a significant asset;	Qualifying transactions exceeds R1.36 m (based on 1% of total CMS revenue, as at 31 March 2017) including financial leases.	Any asset that would increase or decrease the overall operational functions of the CMS.
e) commencement or cessation of a significant business activity; and	Any activity not covered by the mandate/core business of the CMS and qualifying transactions exceeds R1.36 m (based on 1% of total CMS Revenue, as at 31 March 2017).	Full particulars to be disclosed to the Minister of Health and Minister of Finance (National Treasury) for approval (simultaneous submission).
f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.	Qualifying transactions exceeds R1.36 m (based on 1% of total CMS revenue, as at 31 March 2017).	

Section 55: Annual report and financial statements

- 1) The Annual Report and financial statements referred to in subsection (1)(d)(“financial statements”) must –
- fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned;
 - include particulars of –

PFMA Section	Quantitative [Amount]	Qualitative [Nature]
(i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;	All instances.	Report quarterly to the Minister of Health. Report annually in the Annual Financial Statements.
(ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;		
(iii) any losses recovered or written off;		
(iv) any financial assistance received from the state and commitments made by the state on its behalf; and		
(v) any other matters that may be prescribed.		

Section 56: Assignment of powers and duties by Accounting Authorities

PFMA Section	Quantitative [Amount]	Qualitative [Nature]
1) The Accounting Authority for a public entity may – (a) In writing delegate any of the powers entrusted or delegated to the Accounting Authority in terms of this Act, to an official in that public entity; (b) Instruct an official in that public entity to perform any of the duties assigned to the Accounting Authority in terms of this Act.	Values excluded from the Delegation of Authority Framework Policy.	Instances that are excluded from the Delegation of Authority Framework Policy.
2) A delegation or instruction to an official in terms of subsection (1) – (c) Is subject to any limitations and conditions the Accounting Authority may impose; (d) May either be to a specific individual or to the holder of a specific post in the relevant public entity; and (e) Does not divest the Accounting Authority of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.	Values excluded from the Delegation of Authority Framework Policy.	Instances that are excluded from the Delegation of Authority Framework Policy.

The materiality level mentioned above was calculated using the guidance practice note of the National Treasury. Using these parameters, the CMS materiality level calculation outcomes were as follows:

Element	Percentage (%) rand to be applied against R value	Audited value at 31 March 2017	Calculated materiality and significance value
Total revenue (0.5-1%)	1%	R136,075,000.00	R1,360,750.00

The CMS materiality and significant value will be R1.36m based on the highest percentage of the total revenue element and the significant fluctuations in the month-to-month total revenue value.

Treasury Circulars and Guidelines related to Supply Chain Management

National Department of Health and National Treasury are to be notified of procurement transactions above R500,000.

PLANNED PROCUREMENT FOR AMOUNTS ABOVE MATERIALITY LEVEL 2018/19

No	Programme	Project Description	Estimated Rand Value (incl. taxes)	Method of procurement
1.	Programme 1: Administrator (ITT)	Website	2,000,000.00	Tender
2.	Programme 1: Administrator (ITT)	Corporate identity revamp	1,000,000.00	Tender



PART B: PROGRAMME AND SUB-PROGRAMME PLANS

4. PROGRAMME 1 (ADMINISTRATION)

The administrative programmes of CMS are effectively focused on the efficient functioning of the office and provide support to the core programmes to efficiently carry out their mandates. The programme is made up of the five sub-programmes.

There has been no changes to the structure of the sub-programme.

4.1 Sub-Programme 1.1 (CEO and Registrar)

The CEO, as the executive officer of Council for Medical Schemes, is mandated to exercise the overall management of the office, and as Registrar, exercises legislated powers to regulate medical schemes, administrators, brokers, and managed care organisations.

4.1.1 Reconciling performance targets with the Budget and MTEF

Resource Requirements

Office of the CEO and Registrar	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	3,355,589	2,068,983	2,698,848	4,192,156	4,496,673	4,830,449	5,185,641
Goods and services							
Agency and support/outsourced services	70,226	42,383	63,256	81,703	68,400	72,230	76,203
Communication	55,216	51,294	62,778	64,475	68,150	71,967	75,925
Consultants	2,292,864	1,739,620	1,590,942	2,689,899	2,689,899	2,840,533	2,996,763
Other - Allocation by function	7,352,992	-	-	254,938	-	-	-
Other - Board costs	1,489,066	794,356	1,358,304	1,707,030	1,776,014	1,875,471	1,978,622
Other - Other unclassified expenditure	100,147	37,996	22,314	47,013	49,693	52,476	55,362
Other - Printing and publication	9,700	-	-	-	-	-	-
Other - Staff cost note	-	-	-	1,343	2,000	2,112	2,228
Other - Venue and facilities	192,910	182,550	279,427	250,738	265,030	279,871	295,264
Training and staff development	60,175	54,299	87,786	40,000	52,400	55,334	58,378
Travel and subsistence	410,739	448,261	335,739	553,414	584,958	617,716	651,690
Total	15,389,622	5,419,743	6,499,394	9,882,709	10,053,217	10,698,160	11,376,076

The Office of the CEO and Registrar is currently adequately resourced in order to meet its objectives for the financial year. There will be no need for further human resource requirements for the office.

4.2 Sub-Programme 1.2 (Office of the CFO)

The purpose of the sub-programme is to serve all business units in CMS, the executive management team and Council by maintaining an efficient, effective and transparent system of financial, performance and risk management that complies with the applicable legislation. The Internal Finance Unit also serves the Audit and Risk Committee, Internal Auditors, National Department of Health, National Treasury and Auditor-General by making available to them information and reports that allow them to carry out their statutory responsibilities. By doing this, we help Council to be a reputable regulator.

There has been no changes to the structure of the sub-programme.

4.2.1 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Goal 3: CMS is responsive to the environment by being a fair, transparent, effective and efficient organisation							
Strategic Objective 1.2.1: Ensure effective financial management and alignment of budget allocation with strategic priorities							
1.2.1.1	An unqualified opinion issued by the Auditor-General on the annual financial statements by 31 July each year	1	1	1	1	1	1
1.2.1.2	Produce an annual performance information report that is reliable, accurate and complete by 31 July each year	1	1	1	1	1	1
Strategic Objective 1.2.2: An effective, efficient and transparent system of risk management is maintained in order to mitigate the risks exposure of the CMS							
1.2.2.1	Number of strategic risk register reports submitted to Council for monitoring, per year	New indicator	4	4	4	4	4

4.2.2 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 1.2.1: Ensure effective financial management and alignment of budget allocation with strategic priorities							
1.2.1.1	An unqualified opinion issued by the Auditor-General on the annual financial statements by 31 July each year	Annually	1	n/a	1	n/a	n/a
1.2.1.2	Produce an annual performance information report that is reliable, accurate and complete by 31 July each year	Annually	1	n/a	1	n/a	n/a
Strategic Objective 1.2.2: An effective, efficient and transparent system of risk management is maintained in order to mitigate the risks exposure of the CMS							
1.2.2.1	Number of strategic risk register reports submitted to Council for monitoring, per quarter	Quarterly	4	1	1	1	1

4.2.3 Reconciling performance targets with the Budget and MTEF

Resource Consideration

Office of the CFO	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	7,280,330	7,833,158	8,769,755	9,441,155	10,221,343	10,893,714	11,650,840
Social contributions	1,827,600	1,960,999	2,176,956	2,126,166	2,856,650	3,034,526	3,221,169
Goods and services							
Communication	33,940	14,591	14,955	42,000	44,394	46,880	49,458
Consultants	1,190,587	1,117,411	993,179	1,430,009	1,511,519	1,596,164	1,683,954
Lease payments	9,304,905	10,668,402	11,507,657	11,540,658	11,391,965	12,029,915	12,691,561
Other - Audit costs	803,407	968,783	580,761	1,093,846	900,000	950,400	1,002,672
Other - Bank charges	46,100	55,372	99,910	51,604	100,000	105,600	111,408
Other - Non-life insurance	295,217	332,921	410,253	359,092	379,560	400,815	422,860
Other - Other unclassified expenditure	1,642,697	1,927,412	2,426,523	2,473,273	2,767,079	2,922,035	3,082,747
Other - Printing and publication	89,414	61,491	187,220	70,000	99,903	105,498	111,300
Other - Property payments	1,832,884	2,246,319	2,078,611	1,570,864	1,911,020	2,018,037	2,129,029
Other - Staff cost note	-	-	-	3,350	2,000	2,112	2,228
Other - Venue and facilities	7,840	15,188	18,821	32,700	34,564	36,499	38,507
Repairs and maintenance	143,894	135,568	163,822	158,700	215,000	227,040	239,527
Training and staff development	140,223	233,595	107,265	145,800	221,000	233,376	246,212
Travel and subsistence	2,584	14,990	33,700	5,925	30,000	31,680	33,422
Total	24,641,623	27,586,202	29,569,388	30,545,142	32,685,997	34,634,293	36,716,894

The organisation is growing and the volume of transactions is increasing concomitantly. In order to strengthen the unit to deal with the demands of supply chain management, a Supply Chain Officer was appointed in 2014/15. The unit has noted that the area of supply chain management will need further capacity. This will be considered in the financial year 2018/19. The area of risk and performance management would also need further capacity in the next financial year. Currently there is only one person responsible for both risk and performance management in the organisation.

The unit has implemented a risk management software tool which allows for more effective tracking of CMS risks. This helps CMS manage the critical elements of the entity, compliance, financial and operational risk management initiatives in a more effective and efficient way. The unit will also be utilising the compliance module of the risk management tool later in the year. The office would need to purchase all legislation applicable to CMS and load this onto the system. This will incur costs on an annual basis.

4.3 Sub-Programme 1.3 (Information and Communication Technology (ICT) and Knowledge Management (KM))

The purpose of the sub-programme is to serve the CMS business units and external stakeholders by providing technology enablers and making information available and accessible.

There has been no changes to the structure of the sub-programme.

4.3.1 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 3: CMS is responsive to the environment by being a fair, transparent, effective and efficient organisation								
Strategic Objective 1.3.1: An established ICT infrastructure that ensures information is available, accessible and protected								
1.3.1.1	Percentage of network and server uptime, per year	97.05%	99.5%	99.7%	97%	99%	99%	99%
1.3.1.2	Percentage of IT security incidents, per year	New indicator	New indicator	1.1%	0%	0%	0%	0%
Strategic Objective 1.3.2: Provide software applications that serve both internal as well as external stakeholders, that improve business operations and performance								
1.3.2.1	Percentage of uptime, of all installed application systems where network access exists, per year	98.23%	99%	99.7%	99%	99%	99%	99%
Strategic Objective 1.3.3: Effectively provide information management services and organise and manage organisational knowledge with a view to enhance knowledge sharing								
1.3.3.1	Percentage of physical requests for information received and finalised within 30 days	274	350	98%	80%	90%	95%	95%

4.3.2 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 1.3.1: An established ICT infrastructure that ensures information is available, accessible and protected							
1.3.1.1	Percentage of network and server uptime, per quarter	Quarterly	99%	99%	99%	99%	99%
1.3.1.2	Percentage of IT security incidents, per quarter	Quarterly	0%	0%	0%	0%	0%
Strategic Objective 1.3.2: Provide software applications that serve both internal as well as external stakeholders, that improve business operations and performance							
1.3.2.1	Percentage of uptime, of all installed application systems where network access exists, per quarter	Quarterly	99%	99%	99%	99%	99%
Strategic Objective 1.3.3: Effectively provide information management services and organise and manage organisational knowledge with a view to enhance knowledge sharing							
1.3.3.1	Percentage of physical requests for information received and finalised within 30 days	Quarterly	90%	90%	90%	90%	90%

4.3.3 Reconciling performance targets with the Budget and MTEF

Resource Considerations

Information and Communication and Technology and Knowledge Management	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	7,535,772	7,699,486	8,294,768	10,595,179	11,733,906	12,219,332	13,012,081
Goods and services							
Communication	628,811	472,407	406,697	710,531	572,000	604,032	637,254
Computer services	1,371,585	1,704,916	1,944,850	5,024,736	5,500,309	5,808,326	6,127,784
Consultants	200,699	289,688	221,602	211,036	230,000	242,880	256,238
Lease payments	248,182	193,754	398,772	296,629	398,760	421,091	444,251
Other - Allocation by function	6,270	-	-	-	-	-	-
Other - Other unclassified expenditure	1,495,847	1,772,019	1,823,039	2,165,856	2,080,124	2,196,611	2,317,425
Other - Printing and publication	6,347	4,633	7,932	6,741	7,000	7,392	7,799
Other - Property payments	300,973	864,423	431,153	602,106	464,000	489,984	516,933
Other - Staff cost note	287,702	302,441	595,361	3,600	2,000	2,112	2,228
Other - Venue and facilities	-	13,093	27,435	-	-	-	-
Training and staff development	106,687	40,891	187,139	90,000	170,300	179,837	189,728
Travel and subsistence	23,662	49,534	25,629	12,132	32,000	33,792	35,651
Total	12,212,537	13,407,285	14,364,377	19,718,546	21,190,399	22,205,389	23,547,371

The main focus of the CMS going forward will be to produce user friendly application systems that not only meet the needs of the various business units within the CMS, but also the needs of external stakeholders, such as the National Department of Health. In order to fulfil this mandate, additional software development skills will need to be obtained. To this effect, a process has been set in motion to fill two additional Senior Software Developer positions over the next two years, the first of which was advertised and filled 2016. Unfortunately, a moratorium on the filling of all other positions for 2016/17 will only see the second senior developer position filled at the earliest in 2017/18. This will negatively impact the ability of the CMS to deliver on its software development mandate.

The software application systems need a solid and dependable IT infrastructure on which to run. End-users also require a dependable IT Helpdesk as part of the IT infrastructure support function. An IT Helpdesk Technician is required to complement the IT Helpdesk and to facilitate the execution of specific Standard Operating Procedures aimed at maintaining the IT infrastructure. A position of IT Helpdesk was therefore motivated to be filled during 2015/16. Unfortunately the filling of the position had to be held in abeyance due to budget constraints. A moratorium was placed on filling of positions in the 2016/17 financial year. This may hurt service delivery of the IT Helpdesk going forward, as obtaining the services of temporary staff members have also effectively been banned due to changes in labour legislation.

Finally, the ongoing drive to digitise all our paper based documentation in an effort to enhance knowledge sharing in the CMS will be enhanced by the addition of a Registry Clerk position which will lessen our reliance on external bureau scanning services. Due to budget constraints, as well as the moratorium placed on the filling of positions, this position has been placed on hold until further notice. Until the services of such a resource can be obtained, we will have to budget separately for ongoing use of bureau scanning consulting services.

Human Resource Requirements

In order to meet the demands outlined above, the following human resource requirements will have to be met:

Objective & Position	Current	Proposed
IT Helpdesk Technician	Vacant and not on post establishment	This position has been requested since 2012/13, but to date has not been filled. Instead either temporary or intern appointments have been done which is everything but the ideal solution. The filling of this position on a permanent basis is critical as the current Helpdesk support only has one official to deal with over 120 end users.
Registry Clerk	Vacant and not on post establishment	This position has been requested since 2012/13. To date the position has not been filled. Recently, an intern position was approved as a temporary stop gap for what is clearly a required position to enable a properly functioning records management function.

4.4 Sub-Programme 1.4 (Human Resources Management)

The purpose of the sub-programme is to provide high quality service to internal and external customers by assessing their needs and proactively addressing those needs through developing, delivering, and continuously improving human resources programmes that promote and support Council's vision.

We will fulfil this mission with professionalism, integrity, and responsiveness by:

- Treating all our customers with respect
- Providing resourceful, courteous, and effective customer service
- Promoting teamwork, open and clear communication, and collaboration
- Demonstrating creativity, initiative, and optimism.

By doing this, we help the Council for Medical Schemes in supporting its administration and staff through Human Resources Management advice and assistance, enabling them to make decisions that maximise its most important asset: its people and to continue the development of CMS as an employer of choice.

There has been no changes to the structure of the sub-programme.

4.4.1 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20	2020/21
Strategic Goal 3: CMS is responsive to the environment by being a fair, transparent, effective and efficient organisation								
Strategic Objective 1.4.1: Build competencies and retain skilled employees								
1.4.1.1	Minimise staff turnover rate to less than 10% per annum	3.88%	9%	4.42%	<10%	<10%	<10%	<10%
1.4.1.2	Turnaround time to fill a vacancy (turnaround time of 120 working days for each vacancy that exists during the year), excluding position of CEO	There were 7 out of 10 positions that took longer than the 90 days to fill	There were 3 out of 9 positions that took longer than the 90 days to fill	There were 5 out of 14 positions that took longer than the 90 days to fill	120 days	120 days	120 days	120 days
1.4.1.3	Achievement of employment equity targets (according to the B-BEE Act), per annum	88%	94%	91.45%	85%	85%	85%	90%
Strategic Objective 1.4.2: Maximise performance to improve organisational efficiency and maintain high performance culture								
1.4.2.1	100% of employee performance agreements are signed by no later than 31 May of each year	New indicator	New indicator	100%	100%	100%	100%	100%

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
1.4.2.2 Percentage of employee performance assessment concluded, bi annually	New indicator	New indicator	100%	100%	100%	100%	100%

4.4.2 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic objective 1.4.1: Build competencies and retain skilled employees							
1.4.1.1	Minimise staff turnover rate to less than 10% per annum	Annual	<10%	n/a	n/a	n/a	<10%
1.4.1.2	Turnaround time to fill a vacancy (Turnaround time of 120 working days to fill a vacancy that exists during the year), excluding position of CEO	Quarterly	120 days	120 days	120 days	120 days	120 days
1.4.1.3	Achievement of Employment equity targets (according to B-BBEE Act targets), annually	Annual	85%	n/a	n/a	n/a	85%
Strategic Objective 1.4.2: Maximise performance to improve organisational efficiency and maintain high performance culture							
1.4.2.1	100% of employee performance agreements are signed by no later than 31 May of each year	Annual	100%	100%	n/a	n/a	n/a
1.4.2.2	Percentage of employee performance assessment concluded, bi annually*	Bi annually	100%	100%	n/a	100%	n/a

*The target for quarter 1 will be the assessments concluded for the previous financial year (2017/18)

*The target for quarter 3 will be the assessments concluded for the first half of the current year (2018/19)

4.4.3 Reconciling performance targets with the Budget and MTEF

Resource Considerations

Human Resources	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	3,390,115	3,836,232	4,123,494	4,572,984	4,797,884	5,113,837	5,445,541
Goods and services							
Agency and support/outsourced services	-	5,554	-	-	-	-	-
Consultants	216,413	530,645	286,259	947,492	990,000	1,045,440	1,102,939
Other - Allocation by function	44,796	48,000	-	53,933	-	-	-
Other - Legal fees	15,714	-	-	-	-	-	-
Other - Other unclassified expenditure	72,642	176,205	191,319	129,553	273,587	288,908	304,797
Other - Staff cost note	1,453,519	1,306,623	1,137,525	1,744,783	1,519,411	1,604,498	1,692,745
Other - Venue and facilities	99,104	107,770	131,173	148,932	157,421	166,237	175,380
Repairs and maintenance	27,865	26,863	58,306	32,806	34,676	36,618	38,632
Training and staff development	141,956	80,072	106,542	56,180	78,600	83,002	87,567
Travel and subsistence	11,075	22,733	12,779	22,472	23,753	25,083	26,463
Total	5,473,200	6,140,697	6,047,397	7,709,135	7,875,331	8,363,622	8,874,063

A new approach has been adopted by the organisation to look into repurposing all employees in the organisation to allow for rotation within the units and across units. This will improve on skills development and career pathing. Resource requirements will therefore be looked into in the year after this decision has been revised. A principal in sharing the Executive Assistant was adopted by the organisation.

It has now become a reality that funding has been reduced by the National Treasury, which has a direct impact on our budget, and this we have seen through the increases in our levies. In order to be able to cope with less, EMC took a strategic decision to place a moratorium the creation/addition of new positions whilst acknowledging that we still need to deliver on key new and old projects but within funding constraints in 2017/18.

And to compensate for this, the CMS need to change in the way in which it operates and find the most optimal use for current resources in an efficient and effective manner. Until the CMS is able to assess the impact of the demarcation and low-cost benefit option processes, it needs to be strategic in the way in which it acquires and utilises human capital.

Policy Review

The HR function facilitated a comprehensive review of the HR Policy Manual to ensure that HR policies are compliant and aligned with labour legislation based on codes of good practices in line with the CMS's philosophy to promote the organisation as an employer of choice. The unit is in the process of incorporating amendments into the HR Policy Manual. Consultations with all stakeholders will resume in August 2016 once comments from the CMS Nehawu branch have been received.

Staff Turnover Rates

During 2016/17, CMS experienced a staff turnover rate of 4.42%; not only in key strategic areas, but across the organisation. The below tables illustrate staff turnover across the organisation.

Resignations 2014/15 Occupational Levels	Males				Females				Total
	A	C	I	W	A	C	I	W	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	1	0	0	0	0	0	1
Professionally qualified	2	0	0	1	0	0	0	0	3
Skilled Technical & Associated Professionals	0	0	0	0	0	0	0	0	0
Semi-skilled & discretionary decision-making	0	0	0	0	0	0	0	0	0
Total Permanent	2	0	1	1	0	0	0	0	4

Resignations 2015/16 Occupational Levels	Males				Females				Total
	A	C	I	W	A	C	I	W	
Top Management	1								1
Senior Management									
Professionally qualified	1	1			2			1	5
Skilled Technical & Associated Professionals							1	1	2
Semi-skilled & discretionary decision-making					1				1
Total Permanent	2	1	0	0	3	0	1	2	9

Resignations 2016/17 Occupational Levels	Males				Females				Total
	A	C	I	W	A	C	I	W	
Top Management	1								1
Senior Management									0
Professionals	1								1
Technicians & Associated Professionals	1				1	1			3
Clerks									0
Total Permanent	3	0	0	0	1	1	0	0	5
Non-permanent employees	0	0	0	0	0	0	0	0	0
Grand Total	3	0	0	0	1	1	0	0	5

Resignations 2014/15	Males				Females				Total
	A	C	I	W	A	C	I	W	
Senior Researcher	1								1
Senior Strategist								1	1
Legal Advisor							1		1
Senior Investigator					1				1
Total Permanent	1				1				2
Non-permanent employees		1							1
Grand Total					1				1

Resignations 2015/16	Males				Females				Total
	A	C	I	W	A	C	I	W	
CEO & Registrar	1								1
Senior Manager: Risk and Performance Management								1	1
Clinical Analyst: MCO							1		1
Senior Manager: Clinical					1				1
Health Economist	1				1				2
Communications Manager		1							1
Administrator					1				1
Senior Legal Adjudication Officer								1	1
Total Permanent	2	1	0	0	3	0	1	2	9

Resignations 2016/17	Males				Females				Total
	A	C	I	W	A	C	I	W	
CE & Registrar	1	0	0	0	0	0	0	0	1
Legal Advisor	1	0	0	0	0	0	0	0	1
Clinical Analyst	1	0	0	0	0	0	0	0	1
Executive Assistant	0	0	0	0	0	1	0	0	1
Legal Adjudication Officer	0	0	0	0	1	0	0	0	1
Total Permanent	3	0	0	0	1	1	0	0	5

4.5 Sub-Programme 1.5 (Legal Services)

The purpose of the sub-programme is to provide legal advice and representation to the CMS and business units to ensure the integrity of regulatory decisions.

There has been no changes to the structure of the sub-programme.

4.5.1 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 3: CMS is responsive to the environment by being a fair, transparent, effective and efficient organisation								
Strategic Objective 1.5.1: Legal advisory service for effective regulation of the industry and operations of the office								
1.5.1.2	Number of written and verbal legal opinions provided to internal and external stakeholders, per year	New indicator	205	100% (175)	190	200	210	210

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Objective 1.5.2: Support CMS mandate by defending decisions of Council and the Registrar								
1.5.2.1	Percentage of court and tribunal appearances in legal matters received and handled by the unit, per year	24	21	100% (25)	100%	100%	100%	100%

4.5.2 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 1.5.1: Legal advisory service for effective regulation of the industry and operations of the office							
1.5.1.1.	Number of written and verbal legal opinions provided to internal and external stakeholders, per quarter	Quarterly	200	40	60	60	40
Strategic Objective 1.5.2: Support CMS mandate by defending decisions of Council and the Registrar							
1.5.2.1	Percentage of court and tribunal appearances in legal matters received and handled by the unit, per quarter	Quarterly	100%	100%	100%	100%	100%

4.5.3 Reconciling performance targets with the Budget and MTEF

Resource Considerations

There has been an upward trend in unplanned litigation against the CMS, in reaction to our regulatory interventions. This has placed strain on the legal fees budget and available resources. This trend is expected to continue going forward, with the resultant upward expenditure on legal fees. The staff complement in the unit will need to be increased going forward, to accommodate this trend.

Legal Services	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	3,092,838	3,529,459	3,575,120	3,999,146	4,276,857	4,558,658	4,980,346
Goods and services							
Other - Legal fees	7,683,467	7,459,286	7,887,920	8,496,004	8,980,276	9,483,172	10,004,746
Other - Other unclassified expenditure	9,046	8,392	7,796	12,500	10,240	10,813	11,408
Other - Venue and facilities	-	2,392	890	3,500	3,700	3,907	4,122
Other - Staff cost note	-	-	-	1,200	2,000	2,112	2,228
Training and staff development	69,980	66,470	73,630	40,000	52,400	55,334	58,378
Travel and subsistence	40,767	92,922	79,280	60,000	63,420	66,972	70,655
Total	10,896,098	11,158,921	11,624,636	12,612,350	13,388,893	14,180,968	15,131,883

5. PROGRAMME 2 (STRATEGY OFFICE)

The purpose of this programme is to engage in projects to provide information to the Ministry on strategic health reform matters to achieve government's objective of an equitable and sustainable healthcare financing system in support of universal access and to provide support to the office on clinical matters. The purpose of the Clinical Unit is to ensure that access to good quality medical scheme cover is maximised and that regulated entities are properly governed, through prospective and retrospective regulation.

There has been no changes to the structure of the programme.

5.1 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 1: Access to good quality medical scheme cover is promoted								
Strategic Objective 2.1: Formulate Prescribed Minimum Benefits definitions to ensure members are adequately protected								
2.1.1	The number of benefit definitions published, per year	11	12	10 CMScripts and 7 PMB definitions	10	10	10	15
2.1.2	Conduct a review of the prescribed minimum benefits (PMB), every two years	New indicator	New indicator	New indicator	Submit a draft costed PMB benefit package to Council	1. Submit final costed PMB benefit package to the Executive Authority 2. Once approved, publish new regulations and code of conduct	n/a	Review and publish new costed benefit package
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 2.2: Provide clinical opinions with a view to resolve complaints and enquiries								
2.2.1	Percentage of category 1* clinical opinions provided within 30 working days of receipt from Complaints Adjudication	623	938	40%	90%	90%	90%	90%
2.2.2	Percentage of category 2* clinical opinions provided within 60 working days of receipt from Complaints Adjudication	New indicator	New indicator	New indicator	95%	95%	95%	95%
2.2.3	Percentage of category 3* clinical opinions provided within 90 working days of receipt from Complaints Adjudication	New indicator	New indicator	New indicator	98%	98%	98%	98%
2.2.4	Percentage of clinical enquiries received via e-mail or telephone and responded to within 7 days	New indicator	New indicator	99%	95%	96%	98%	98%

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 4: CMS provides strategic advice to influence and support the development and implementation of national health policy								
Strategic Objective 2.3: Conduct research to inform appropriate national health policy interventions								
2.3.1	Number of research projects and support projects published in support of national health policy, per year	New indicator	New indicator	New indicator	5	5	5	5

*Category 1 clinical opinion will be an uncomplicated clinical opinion that will be expected to be analysed and 90% expected to be completed within 30 working days of referral/receipt from the Complaints Adjudication Unit.

*Category 2 clinical opinion will be a more complex clinical opinion compared to a category 1 requiring more in-depth analysis and time less than 60 working days for full completion.

*Category 3 will be allocated to a clinical opinion of a very complex nature requiring extensive inputs, additional documentations and research. These will require experts/specialist consultation before a conclusion can be reached. 100% of clinical opinions of this nature will be aimed for completion within 90 days of receipt from the Complaints Adjudication Unit.

5.2 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 2.1: Formulate Prescribed Minimum Benefits definitions to ensure members are adequately protected							
2.1.1	The number of benefit definitions published, per year	Annual	10	n/a	n/a	n/a	10
2.1.2	Conduct a review of the prescribed minimum benefits (PMB), every two years	Annual	1. Submit final costed PMB benefit package to the Executive Authority 2. Once approved, publish new regulations and code of conduct	n/a	n/a	n/a	1. Submit final costed PMB benefit package to the Executive Authority 2. Once approved, publish new regulations and code of conduct
Strategic Objective 2.2: Provide clinical opinions to resolve complaints and enquiries							
2.2.1	Percentage of category 1* clinical opinions provided within 30 working days of receipt from Complaints Adjudication	Quarterly	90%	90%	90%	90%	90%
2.2.2	Percentage of category 2* clinical opinions provided within 60 working days of receipt from Complaints Adjudication	Quarterly	95%	95%	95%	95%	95%
2.2.3	Percentage of category 3* clinical opinions provided within 90 working days of receipt from Complaints Adjudication	Quarterly	98%	98%	98%	98%	98%
2.2.4	Percentage of clinical enquiries received via e-mail or telephone reviewed within 7 days	Quarterly	96%	96%	96%	96%	96%

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Goal 4: CMS provides strategic advice to influence and support the development and implementation of national health policy							
Strategic Objective 2.3: Conduct research to inform appropriate national health policy interventions							
2.3.1	Number of research projects and support projects published in support of national health policy, per quarter	Quarterly	5	1	1	2	1

*Category 1 clinical opinion will be an uncomplicated clinical opinion that will be expected to be analysed and 90% expected to be completed within 30 working days of referral/receipt from the Complaints Adjudication Unit.

*Category 2 clinical opinion will be a more complex clinical opinion compared to a category 1 requiring more in-depth analysis and time less than 60 working days for full completion.

*Category 3 will be allocated to a clinical opinion of a very complex nature requiring extensive inputs, additional documentations and research. These will require experts/specialist consultation before a conclusion can be reached. 100% of clinical opinions of this nature will be aimed for completion within 90 days of receipt from the Complaints Adjudication Unit.

5.3 Reconciling performance targets with the Budget and MTEF

Resource Consideration

Strategy Office	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	4,785,622	4,321,926	7,540,503	9,008,605	9,638,405	10,340,456	11,032,692
Goods and services							
Consultants	-	219,796	348,612	534,819	565,304	596,961	629,794
Other - Other unclassified expenditure	5,836	8,592	23,782	11,236	29,326	30,969	32,672
Other - Venue and facilities	9,070	-	29,855	-	30,000	31,680	33,422
Other - Staff cost note	-	-	-	3,034	2,000	2,112	2,228
Training and staff development	118,339	39,331	198,286	101,124	131,000	138,336	145,944
Travel and subsistence	16,007	21,338	151,555	208,005	219,861	232,173	244,943
Total	4,934,874	4,610,984	8,292,593	9,866,822	10,615,896	11,372,687	12,121,695

The Clinical Unit is part of the Strategy Office. Its main objective is to ensure access to quality healthcare for members of medical schemes, as well the funding and protection thereof. It incorporates the 2010 constituted Clinical Review Committee (CRC).

The unit saw a substantial rise in the complexity of clinical requests that require clinical adjudication per year.

There is an inevitable increased demand to analyse new technologies as part of the clinical enquiries referred to the team producing clinical opinions and to the team developing PMB definitions. Thus, there is a need to consolidate the skills set within the unit with pharmacology, medical technology, pharmaco-economics or health technology assessment experience. These cases are typically intensive and require time-consuming analysis.

There are increasing demands to support the Stakeholder Relations Unit with training on PMBs. This forms a critical part of prospective regulation and ensures that the CMS objective to ensure access to quality healthcare is realised. The unit is receiving increasing requests for, among others, support in the review of the PMB review process, ad hoc projects and the development of low-cost benefit options. This has significantly increased the unit's workload to the extent where additional capacity is required.

Requests for additional staff will be based on the workload of the Clinical Unit during the period leading up to 2020. Resources that would be required includes:

1. Additional Clinical Analyst to staff (Professional Nurse)
2. Additional Clinical Analyst (Pharmacologist/Post-graduate Scientist)
3. Medical Advisor (Medical Doctor)
4. Public Health Specialist.

6. PROGRAMME 3 (ACCREDITATION)

The purpose of the programme is to ensure brokers and broker organisations, administrators and managed care organisations are accredited in line with the accreditation requirements, as set out in the Medical Schemes Act, including whether applicants are fit and proper, have the necessary resources, skills, capacity, and infrastructure and are financially sound.

There has been no changes to the structure of the programme.

6.1 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected							
Strategic Objective 3.1: Accredite brokers based on their compliance with the requirements for accreditation in order to provide broker services							
3.1.1 Number of broker and broker organisation applications accredited on receipt of complete applications and relevant information, per year	5 027	5 634	4 854	4 045	4 980	5 450	4 911
Strategic Objective 3.2: Accredite Managed Care Organisations (MCOs) based on their compliance with the accreditation requirements in order to provide managed care services as defined							
3.2.1 Number of MCO applications, accredited within 3 months of receipt of all relevant information	26	16	21	15	25	16	24
Strategic Objective 3.3: Accredite administrators and issue Compliance Certificates to self-administered schemes based on their compliance with the accreditation requirements in order to provide administration services							
3.3.1 Number of applications by administrators and self-administered schemes accredited within 3 months of receipt of all relevant information	9	13	14	8	14	13	11

6.2 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
				2018/19	2018/19	1 st	2 nd
Strategic Objective 3.1: Accredite brokers based on their compliance with the requirements for accreditation in order to provide broker services							
3.1.1	Number of brokers and broker organisations that comply with the accreditation requirements accredited on receipt of complete applications and relevant information, per quarter	Quarterly	4 980	1 355	1 593	1 020	1 012
Strategic Objective 3.2: Accredite Managed Care Organisations (MCOs) based on their compliance with the accreditation requirements in order to provide managed care services as defined							
3.2.1.	Number of MCO applications accredited within 3 months of receipt of all relevant information	Quarterly	25	2	2	19	2
Strategic Objective 3.3: Accredite administrators and issue Compliance Certificates to self-administered schemes based on their compliance with the accreditation requirements in order to provide administration services							
3.3.1	Number of applications by administrators and self-administered schemes accredited within 3 months of receipt of all relevant information	Quarterly	14	6	n/a	7	1

6.3 Reconciling performance targets with the Budget and MTEF

Resource Considerations

Accreditation	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	6,603,587	7,120,608	7,817,319	8,340,554	8,765,818	9,343,184	10,110,548
Goods and services							
Other - Other unclassified expenditure	49,255	107,450	121,789	221,400	231,400	244,358	257,798
Other - Venue and facilities	3,615	3,874	2,266	106,750	50,000	52,800	55,704
Other - Staff cost note	-	-	-	3,300	2,000	2,112	2,228
Training and staff development	28,060	22,937	38,364	100,000	131,000	138,336	145,944
Travel and subsistence	481,057	437,947	246,414	398,000	420,609	444,163	468,592
Total	7,165,575	7,692,817	8,226,151	9,170,004	9,600,827	10,224,953	11,040,815

The unit currently accommodates ten members of staff in terms of the approved structure.

Accreditation Analysts perform desk-based analyses of all applications received in the unit and evaluate compliance by applicants in terms of relevant legal requirements, as well as accreditation standards applicable to the relevant entities. This includes a detailed analysis of all administration and managed care agreements by the entities in place and steps are taken to ensure full compliance with legal requirements and applicable standards. Financial soundness is a critical component incorporated in all criteria for accreditation. On-site evaluations are carried out in respect of administrators and managed care organisations to assess their compliance with pre-determined standards to assess infrastructure, skills, capacity and performance.

There are currently two persons responsible for evaluating the fitness and propriety of administrators. The responsible Manager and one Senior Analyst conduct extensive and detailed analysis of the process to perform on-site and desk based evaluations and all related functions to conclusion of such applications. The complexity and time spent on these tasks and workload warrant an additional Senior Accreditation Analyst post to be provided for in the structure. This

will allow the Manager to spend quality time in overseeing the processes and to ensure continuity in the unit. On-site evaluations will have to be reconsidered and scaled down to meet demands and objectives in the absence of fulfilling the identified need.

Measures introduced to ensure that strategic objectives are realised, include the introduction of a system to verify that brokers applying for accreditation comply with legislation, as overseen by the Financial Services Board, including that financial services providers are required to be licensed. Should they fail to do so, accreditation is refused with the result that brokers are accredited only if they are licensed to be fit and proper in terms of relevant legislation. Similarly, if either office suspends or withdraws accreditation or license to practice, the other office is notified and steps are taken to invoke similar penalty clauses against the perpetrators. This is essential to prevent disqualified brokers to operate whilst not accredited or licensed. The mechanism introduced to verify the qualifications of persons applying for accreditation as brokers is both cost-effective and highly efficient, as a number of applicants failed accreditation following their failure to have qualifications verified independently. This continues to strengthen our ability to prevent accreditation of persons who are not fit and proper or who defraud the system. The unit will embark on implementing a guide for broker contracts and determine standards to provide guidance for the industry as it relates to what is required in terms of performance and services rendered. We will similarly strengthen the service level agreements between brokers and medical schemes in order to monitor and ensure brokers comply with the provisions of the Act. The office also plans to initiate and monitor the results from dedicated inspections into their affairs to be executed by the Compliance Unit.

The additional workload as a result of more involved administrative tasks warrant an Administrator position to maintain turnaround times and additional functions associated with evaluating broker agreements.

7. PROGRAMME 4 (RESEARCH AND MONITORING)

The purpose of the programme is to serve beneficiaries of medical schemes and members of the public by collecting and analysing data to monitor, evaluate and report on trends in medical schemes, measure risk in medical schemes and develop recommendations to improve regulatory policy and practice. By doing this, we help the Council for Medical Schemes to contribute to development of policy that enhances the protection of the interests of beneficiaries and members of public.

There has been no changes to the structure of the programme.

7.1 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 4: CMS provides strategic advice to influence and support the development and implementation of national health policy								
Strategic Objective 4.1: Conduct research to inform appropriate policy interventions								
4.1.1	Number of research projects and support projects finalised, per year	11	10	10	7	8	8	8
Strategic Objective 4.2: Monitoring trends to improve regulatory policy and practice								
4.2.1	Non-financial report submitted for inclusion in the Annual Report	1	1	1	1	1	1	1

7.2 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
				2018/19	2018/19	1 st	2 nd
Strategic Objective 4.1: Conduct research to inform appropriate policy interventions							
4.1.1	Number of research projects and support projects finalised, per quarter	Quarterly	8	n/a	1	3	4
Strategic Objective 4.2: Monitoring trends to improve regulatory policy and practice							
4.2.1	Non-financial report submitted for inclusion in the Annual Report	Annual	1	n/a	1	n/a	n/a

7.3 Reconciling performance targets with the Budget and MTEF

Resource Considerations

Research and monitoring	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	5,598,811	6,609,394	6,416,577	6,449,297	6,735,746	7,073,990	7,532,987
Goods and services							
Consultants	250,800	-	9,856	294,094	310,858	328,266	346,320
Other - Allocation by function	366	-	-	-	-	-	-
Other - Other unclassified expenditure	3,314	12,482	14,132	14,462	18,356	19,384	20,450
Other - Venue and facilities	19,368	14,421	43,508	27,745	29,326	30,968	32,672
Other - Staff cost note	-	-	-	2,663	2,000	2,112	2,228
Training and staff development	129,916	121,787	159,297	74,344	91,700	96,835	102,161
Travel and subsistence	42,041	36,359	67,050	143,105	151,261	159,732	168,517
Total	6,044,616	6,794,444	6,710,420	7,005,711	7,339,247	7,711,287	8,205,336

The Research and Monitoring Unit will need to maintain existing capacity and consider some adjustments in other areas to strengthen its ability to make a contribution in the health systems reforms process. The appointment of a Junior Data Analyst will assist the Senior Researchers in the unit to focus more on research activities and limit time spend on data cleaning activities. The appointment of a Senior Researcher with strong actuarial and/or health economist skill will assist the unit with the implementation of the proposed Risk-Based Capital Model and to take the analysis of health quality outcomes to a next level.

The appointment of the additional resources will be discussed and motivated through the work study project headed by the Human Resources Unit. Other needs may arise to employ specialised research experts from time to time and the unit will engage external consultants to support implementation of key objectives.

8. PROGRAMME 5 (STAKEHOLDER RELATIONS)

The purpose of the programme is to create and promote optimal awareness and understanding of the medical schemes environment by all regulated entities, the media, Council members and staff, through communication, education, training and customer care interventions.

There has been no changes to the structure of the programme.

8.1 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 5.1: Create awareness and provide training in order to enhance the visibility and reputation of CMS								
5.1.1	Percentage of member awareness of CMS resulting from the survey, in alternate years	New indicator	New indicator	40.3%	n/a	50%	n/a	60%
5.1.2	Number of stakeholder training and awareness sessions, per year	New indicator	46	55	20	45	50	60
Strategic Objective 5.2 Communication and engagement to inform and empower stakeholders								
5.2.1	Submission of CMS's Annual Report by 31 August to the Executive Authority	1	1	1	1	1	1	1
5.2.2	Percentage of positive or neutral feedback received on CMS reputation through a media monitoring tool, per year	72.9%	94%	97%	75%	75%	80%	85%

8.2 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 5.1: Create awareness and provide training in order to enhance the visibility and reputation of CMS							
5.1.1	Percentage of member awareness of CMS resulting from the survey, in alternate years	Annual	50%	n/a	50%	n/a	n/a
5.1.2	Number of stakeholder training and awareness sessions, per quarter	Quarterly	45	12	10	10	13
Strategic Objective 5.2: Communication and engagement to inform and empower stakeholders							
5.2.1	Submission of CMS's Annual Report by 31 August to the Executive Authority	Annual	1	n/a	1	n/a	n/a
5.2.2	Percentage of positive or neutral feedback received on CMS reputation through a media monitoring tool, per quarter	Quarterly	75%	75%	75%	75%	75%

8.3 Reconciling performance targets with the Budget and MTEF

Resource Considerations

Stakeholder relations	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	5,948,752	6,729,432	7,205,168	7,811,326	8,240,002	8,782,546	9,352,136
Goods and services							
Communication	9,321	-	-	11,100	-	-	-
Consultants	146,861	33,433	42,030	-	50,000	52,800	55,704
Other - Advertising and marketing	335,822	843,271	3,397,180	662,800	700,580	739,812	780,502
Other - Other unclassified expenditure	100,632	69,469	124,472	123,100	147,277	155,524	164,078
Other - Printing and publication	810,763	570,819	873,248	820,000	812,000	857,472	904,633
Other - Venue and facilities	427,729	337,369	329,749	318,000	350,000	369,600	389,928
Other - Staff cost note	-	6,000	13,151	7,000	2,000	2,112	2,228
Training and staff development	227,278	87,580	146,445	115,000	144,100	152,170	160,539
Travel and subsistence	587,142	331,436	392,536	696,000	735,672	776,870	819,597
Total	8,596,417	9,008,807	12,523,978	10,564,326	11,181,630	11,888,906	12,629,345

Education and Training

The new direction the Education and Training Sub-unit has embarked on resulted in more training programmes offered to Board of Trustees and other stakeholders. The unit offers the following programmes as part of consumer awareness and education initiatives:

- Capacity building workshops
- General public awareness drives
- Awareness presentations.

Often members of the public and other stakeholders and consumer groups complain that not many consumers, especially medical scheme members, know their rights and obligations and many more are not aware of the existence of CMS. The challenge also remains that more stakeholder groups get added to the unit's list of stakeholders that require training and which result in a need for additional human resources in order to perform the unit's functions.

The Education and Training Sub-unit offers the following trustee training interventions:

- Induction Trustee Training (mandatory)
- In-Depth Trustee Training
- Accredited Trustee Training
- Response-upon-request Training
- CPD bearing Broker Training.

Due to the increased number of training programmes and the high demand from stakeholders for training, a Senior Educator is required to assist with the increasing workload. The resource required should have an OD ETDP qualification and be a registered assessor and moderator with the INSETA.

The appointment of such a senior Education and Training Specialist will alleviate the workload and will result in a cost saving for CMS, since outside service providers for the accredited programme will no longer be required. However, due to the moratorium on new appointments, the Education and Training Sub-unit will continue working smarter to accommodate all requests for training.

Communication

The Communication Sub-unit has currently only a manager responsible for communication issues, such as media releases, proofreading and editing of communication documentation and publications and the Annual Report project. Due to the moratorium on appointments, no additional positions are requested for the Communication Sub-unit at this stage.

Customer Care Service Centre (CCSC)

The CMS Customer Care Service Centre is different to other call centres where answers are provided on screen. The CMS consultants render a consulting service, interpreting the MSA and attending to frontline calls on behalf of units such as the Accreditation and Complaints Units. They therefore take longer to finalise calls than would a simpler call centre, resulting in high volumes for three available consultants.

The increase in call volumes means that we will need to beef up the CCSC's function to keep our other indicators (average talk time and abandon rate) within permissible limits. We will therefore need an additional Call Centre Consultant in order to effectively deal with all incoming calls and to give the Call Centre Manager the opportunity to monitor calls for quality, ongoing training and improvement and to intervene where difficult calls are experienced. Currently, the manager also deals with calls during peak times, whilst also attending to incoming written enquiries directed to information@medicalschemes.com and support@medicalschemes.com.

In instances where existing staff have to take leave, we are normally compelled to utilise temping services, which compromise the quality of our service as time to train them is limited. It is also not cost-effective. Furthermore, Labour Law has placed restrictions on the duration of utilising temps over a certain period of time, meaning that we often have to rotate temp staff.

Lastly, in line with servicing all our callers, there is an identified ongoing need to bridge the language gap (preferably, an Afrikaans proficient consultant) to fully complement our staff.

Provision was made for one more customer care consultant, which we urgently require to improve our services to customers. However, due to the moratorium on new appointments, the sub-unit will seek alternative solutions, such as utilising staff members from other units to gain experience in the call centre and short-term experience gaining programmes for newly graduated students.

Stakeholder Relations

Stakeholder relations remain a critical component to building relationships with all stakeholders in the medical scheme industry and to ensure a positive reputation of the CMS. Currently only the Customer Relations Officer is assisting with the responsibilities in ensuring the reputation and brand of CMS are maintained.

Additional demands are being placed on the unit due to the increased use of the CMS website, social media and the subscription to Hellopeter.com. In order to build and maintain a positive CMS reputation, very quick responses to social media are required. Therefore, a resource to manage the content of the website, social media sites and Hellopeter.com queries are urgently required. Although a social media resource is critical to enhance the CMS's awareness on these platforms, the unit will seek other alternatives to cope with the workload during the period of the moratorium placed on new appointments.

9. PROGRAMME 6 (COMPLIANCE AND INVESTIGATION)

The purpose of the programme is to serve members of medical schemes and the public in general by taking appropriate action to enforce compliance with the Medical Schemes Act.

There has been no changes to the structure of the programme.

9.1 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 6.1: Regulated entities comply with legislation								
6.1.1	Percentage of non-compliance cases against regulated entities undertaken, per year	52	82	100% (39)	100% (35)	100%	100%	100%
Strategic Objective 6.2: Strengthen and monitor governance systems								
6.2.1	Number of governance interventions implemented, per year	88	55	100% (105)	100% (82)	85	85	85

9.2 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 6.1: Regulated entities comply with legislation							
6.1.1	Percentage of non-compliance cases against regulated entities undertaken, per quarter	Quarterly	100%	100%	100%	100%	100%
Strategic Objective 6.2: Strengthen and monitor governance systems							
6.2.1	Number of governance interventions implemented, per quarter	Quarterly	85	35	25	10	10

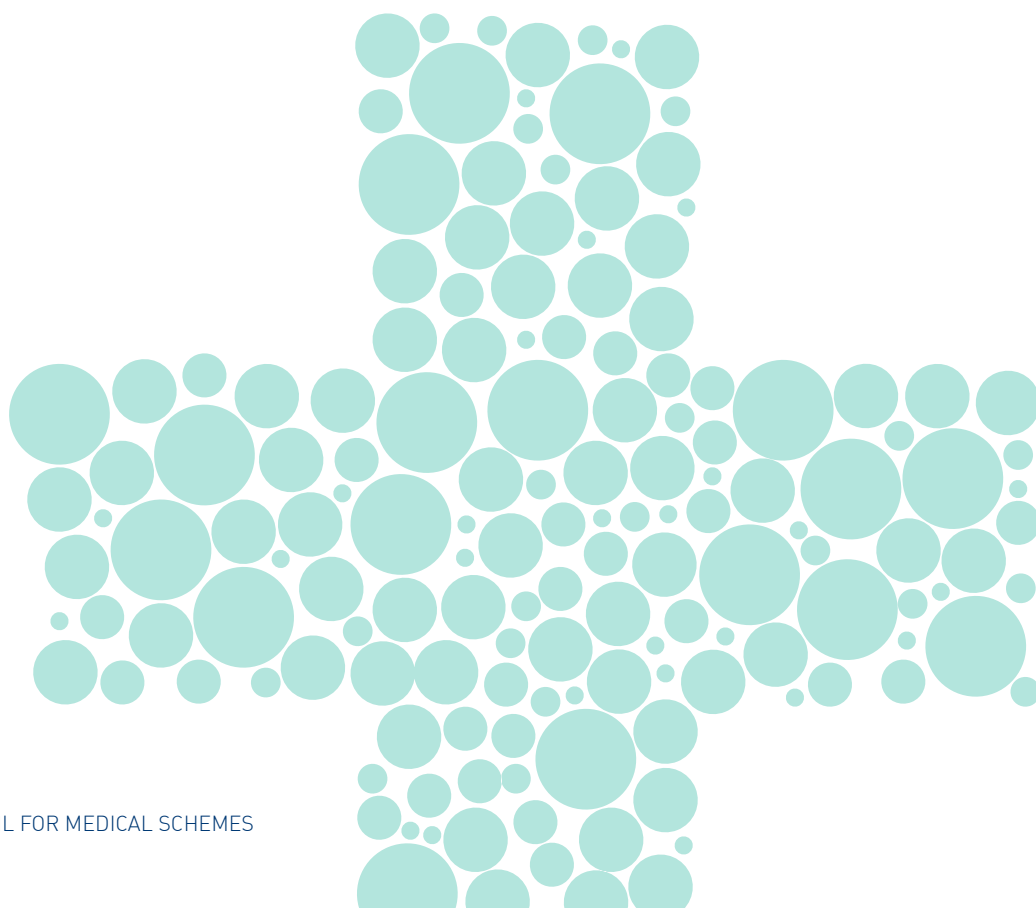
9.3 Reconciling performance targets with the Budget and MTEF

Resource Consideration

Compliance and investigation	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	5,353,975	6,068,773	6,624,265	7,337,896	8,610,199	9,099,944	9,702,524
Goods and services							
Communication	46,489	33,550	8,931	53,460	-	-	-
Consultants	1,015,730	311,559	1,788,850	874,292	1,230,326	1,299,225	1,370,682
Other - Allocation by function	2,070	-	-	-	-	-	-
Other - Other unclassified expenditure	30,633	20,758	27,112	82,925	79,902	84,377	89,017
Other - Printing and publication	-	1,314	12,000	-	4,000	4,224	4,456
Other - Venue and facilities	-	170	416	15,930	-	-	-
Other - Staff cost note	-	-	-	2,663	2,000	2,112	2,228
Training and staff development	148,992	60,260	133,766	85,000	104,800	110,669	116,756
Travel and subsistence	121,335	210,579	173,190	169,382	183,409	193,679	204,332
Total	6,719,225	6,706,963	8,768,530	8,621,547	10,214,636	10,794,229	11,489,996

Budget allowances in respect of inspections or investigations are a concern for the unit. Inspections and investigations are usually unpredictable and as a result it becomes difficult to indicate expenditure trends.

In addition to inspections/investigation costs, there are those costs that arise from expert advice sought and advanced technological expert assistance. This includes instances where specialised skills are required to download information from computers or electronic material. The costs have to date been funded out of investigation/inspection costs.



10. PROGRAMME 7 (BENEFITS MANAGEMENT)

The purpose of the programme is to serve beneficiaries of medical schemes and the public in general by reviewing and approving changes to contributions paid by members and benefits offered by schemes. We analyse and approve all other rules to ensure consistency with the Medical Schemes Act. This ensures that the beneficiaries have access to affordable and appropriate quality healthcare. By doing this, we help the Council for Medical Schemes ensure that the rules of medical schemes are fair to beneficiaries and are consistent with the Act.

There has been no changes to the structure of the programme.

10.1 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 7.1: To ensure that rules of the schemes are fair and compliant with the Medical Schemes Act								
7.1.1	Percentage interim rule amendments processed within 14 working days of receipt of all information per year	New indicator	New indicator	87%	80%	80%	80%	80%
7.1.2	Percentage of annual rule amendments processed before 31 December of each year	New indicator	New indicator	98.9%	100%	90%	90%	90%

10.2 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objectives 7.1: To ensure that rules of the schemes are fair and compliant with the Medical Schemes Act							
7.1.1	Percentage interim rule amendments processed within 14 working days of receipt of all information, per quarter	Quarterly	80%	80%	80%	80%	80%
7.1.2	Percentage of annual rule amendments processed before 31 December of each year	Quarterly	90%	n/a	n/a	90%	n/a

10.3 Reconciling performance targets with the Budget and MTEF

Resource Considerations

Benefit Management	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	4,694,972	5,069,222	5,522,691	6,196,798	6,943,852	7,551,236	7,959,079
Goods and services							
Other - Other unclassified expenditure	24,032	17,823	28,251	27,556	29,126	30,757	32,449
Other - Printing and publication	4,394	4,022	15,000	5,110	5,402	5,704	6,018
Other - Venue and facilities	-	763	-	-	-	-	-
Other - Staff cost note	-	-	-	2,996	2,000	2,112	2,228
Training and staff development	34,484	18,627	47,792	80,000	104,800	110,669	116,756
Travel and subsistence	-	14,281	22,918	20,000	25,000	26,400	27,852
Total	4,757,882	5,124,739	5,636,652	6,332,461	7,110,180	7,726,878	8,144,382

The largest part of the unit's budget is its salaries (94% of total budget). The activities of the unit do not require any specific projects that require separate budgeting. The unit has increased its focus on training and hence increased its training budget to accommodate the areas of skills identified.

The unit comprises a General Manager, four Senior Analysts and three Analysts. One vacancy exists for a Senior Analyst, and this position will be filled once the Demarcation Regulations are promulgated.

The trend in the expenditure of the unit comprises mainly salary inflation as this is the unit's major expenditure item. The trend over the next five years is expected to remain stable in terms of the salary increases applied.

There are four Senior Analysts and three Analysts responsible for the registration of schemes and scheme rules/options, management of amalgamations/liquidations and monitoring of marketing material. The unit is also involved in developing guidance to the industry on communication to members, treating customers fairly, content of rules and implementing low-cost benefit options and demarcation.

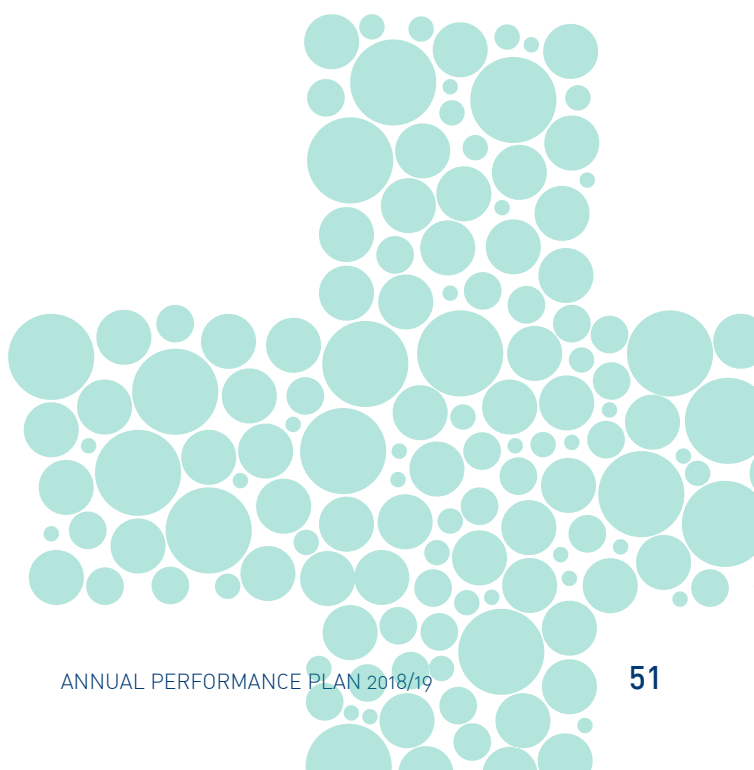
11. PROGRAMME 8 (FINANCIAL SUPERVISION)

The purpose of the programme is to serve the beneficiaries of medical schemes, the Registrar's Office and trustees by analysing and reporting on the financial performance of medical schemes and ensuring adherence to the financial requirements of the Act. By doing this, we help the Council for Medical Schemes monitor and promote the financial performance of schemes in order to achieve an industry that is financially sound.

There has been no changes to the structure of the programme.

11.1 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected							
Strategic Objective 8.1: Monitor and promote the financial soundness of medical schemes							
8.1.1	Recommendations in respect of Regulation 29 (which requires all schemes below statutory solvency to submit nature and causes of failure to the Registrar) for 100% of Business Plan received, per year	100%	100%	100%	100%	100%	100%
8.1.2	Recommendations on action plans for schemes with rapidly reducing solvency (but above statutory minimum) for 100% of schemes identified, per year	New indicator	100%	-	100%	100%	100%
8.1.3	Percentage of auditor applications authorised or rejected, per year	New indicator	New indicator	New indicator	100%	100%	100%
8.1.4	Number of quarterly financial return reports published (excluding quarter 4), per year	3	3	3	3	3	3
8.1.5	Number of financial sections prepared for the Annual Report	1	1	1	1	1	1



11.2 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 8.1: Monitor and promote the financial soundness of medical schemes							
8.1.1	Recommendations in respect of Regulation 29 (which requires all schemes below statutory solvency to submit nature and causes of failure to the Registrar) for 100% of Business Plan received, per quarter	Quarterly	100%	100%	100%	100%	100%
8.1.2	Recommendations on action plans for schemes with rapidly reducing solvency (but above statutory minimum) for 100% of schemes identified, per quarter	Quarterly	100%	100%	100%	100%	100%
8.1.3	Percentage of auditor applications authorised or rejected, per quarter	Quarterly	100%	100%	100%	100%	100%
8.1.4	Number of quarterly financial return reports published (excluding quarter 4), per quarter	Quarterly	3	n/a	1	1	1
8.1.5	Number of financial sections prepared for the Annual Report	Annual	1	n/a	1	n/a	n/a

11.3 Reconciling performance targets with the Budget and MTEF

Resource Consideration

Financial Supervision	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	9,505,182	10,034,908	10,831,382	11,523,224	12,278,801	12,971,691	13,889,867
Goods and services							
Consultants	-	-	57,000	53,100	80,000	84,480	89,126
Other - Allocation by function	1,175	-	-	-	-	-	-
Other - Other unclassified expenditure	29,007	34,536	43,391	45,000	47,565	50,229	52,991
Other - Venue and facilities	-	34,028	14,385	52,998	56,019	59,156	62,410
Other - Staff cost note	-	-	-	3,662	2,000	2,112	2,228
Training and staff development	179,452	151,211	104,868	106,164	144,100	152,170	160,539
Travel and subsistence	27,333	23,293	46,960	38,232	40,411	42,674	45,021
Total	9,742,148	10,277,975	11,097,985	11,822,380	12,648,897	13,362,512	14,302,183

The biggest expenditure items for the unit are salaries and training. This can be expected to increase over the next five years to cater for the specialised skills required in the unit to carry out our functions. As the industry, and accounting standards continue to evolve and become more complex, more specialised training will be required, resulting in an increase of the expenditure in relation to training. Specifically, there is a lot of specialised finance/accounting work that the unit is unable to carry out due to current excessive workloads.

There are also fairly large pieces of legislation which directly impact on the work carried out by the Financial Supervision Unit which will need to be revised, e.g. Annexure B of the regulations which deals with investments by medical schemes. As this is an area outside of our ordinary scope of work, the unit will need to consult investment

experts in this regard. Further, the CMS is increasingly being challenged by schemes in respect of decisions made regarding technical aspects of their financial statements. Consequently, consultation with various technical accounting and auditing experts is increasing. The amount of money spent on consultancy can therefore be expected to increase over the five-year period.

In providing an oversight function over medical schemes, the unit has to, amongst other things; ensure that reporting by medical schemes is in line with international accounting and reporting standards. However, some of the standards are proving to be quite onerous and/or impractical for medical schemes, suggesting that there may be a need to look into developing our own set of standards, as is the case with other regulators.

Other areas that need to be explored to strengthen our regulation and interventions include non-healthcare expenditure (NHE) (industry wide in-depth analysis and recommendations) and overall analysis on sustainability of medical schemes. Both these matters are aligned with the regulatory objective of understanding cost drivers and responding appropriately, i.e. cost containment.

The unit may require an additional resource in the form of senior analysts to respond to increasing complexity and emerging trends. This will have the resultant increase on salaries in the unit.

12. PROGRAMME 9 (COMPLAINTS ADJUDICATION)

The purpose of the programme is to serve the beneficiaries of medical schemes and the public by investigating and resolving complaints in an efficient and effective manner. By doing this, we ensure that beneficiaries are treated fairly by their medical schemes.

There has been no changes to the structure of the programme.

12.1 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets					
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21			
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected										
Strategic Objective 9.1: Resolve complaints with the aim of protecting beneficiaries of medical schemes										
9.1.1	Percentage of complaints adjudicated within 120 working days and in accordance with complaints procedure, per year			73%	75.31%	84%	79%	83%	85%	85%

12.2 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 9.1: Resolve complaints with the aim of protecting beneficiaries of medical schemes							
9.1.1	Percentage of complaints adjudicated within 120 working days and in accordance with complaints procedure, per quarter	Quarterly	83%	83%	83%	83%	83%

12.3 Reconciling performance targets with the Budget and MTEF

Resource Considerations

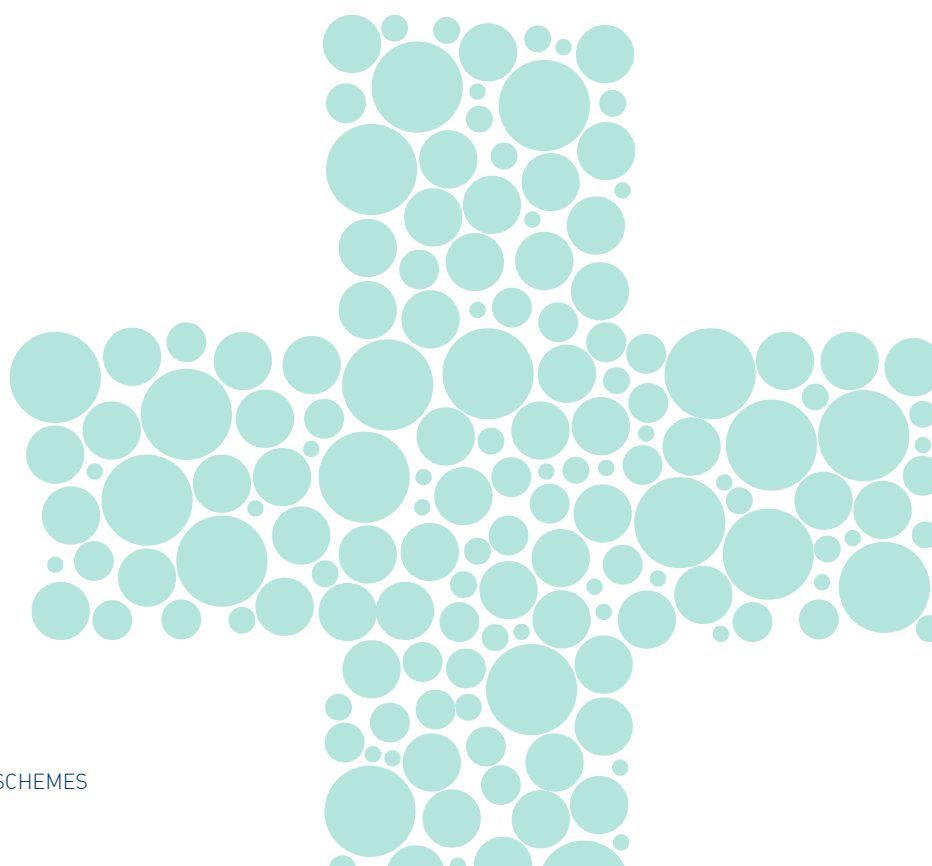
Complaints and adjudication	Audited outcomes			Adjusted appropriation	Medium-term expenditure estimates		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R	R	R	R	R	R	R
Compensation of employees							
Salaries and wages	4,910,359	5,179,339	5,745,942	6,580,293	7,106,037	7,573,857	8,064,998
Goods and services							
Other - Other unclassified expenditure	1,134	1,753	3,665	2,124	2,245	2,371	2,501
Other - Staff cost note	-	-	-	2,996	2,000	2,112	2,228
Training and staff development	98,730	35,846	118,974	95,580	131,000	138,336	145,944
Travel and subsistence	-	10,544	87,289	8,496	8,980	9,483	10,005
Total	5,010,223	5,227,482	5,955,870	6,689,489	7,250,262	7,726,159	8,225,676

Measures have been put in place to improve the complaints process. The alternative dispute resolution process has gone a long way to alleviate the backlog in respect of complaints resolution. This will require further resourcing in the ensuing MTE years. The unit was further restructured to allocate more responsibilities to promoted Senior Legal Officers in order to improve the internal processes. Further improvements was to have regular meeting with schemes to emphasise their obligations towards complaints resolution prior to referral to the CMS.

QUESTIONS RAISED BY PORTFOLIO COMMITTEE OF HEALTH 2017/18

Questions raised by Portfolio Committee on CMS 2017/18 APP	CMS response
1. How it can assist with the increase in complaints about high medical aid contributions?	<p>CMS is aware of the increase in the number of complaints, including those related to increased member contributions. We have increased our capacity and systems to deal with complaints, the key question though is how do we deal with these issue before they degenerate into complaints? In relation to contribution increases, this is dealt with in detail in the answer to question 3. In addition to this, member education and increased stakeholder engagement is a more effective and proactive manner of dealing with these complaints.</p>
2. What should happen if the savings account is depleted by June, yet you still have to continue paying the contribution until year-end?	<ul style="list-style-type: none"> • Firstly, members need to be careful in their choice of scheme and specific options • If members have chronic conditions, it is wise to declare and register these with the scheme • Members should as far as possible choose the network-based DSP options and stick to those providers. This will substantially reduce the co-payments made from savings • Members need to regularly monitor the expenditure that comes off the savings to ensure that these are justified.
3. What can be done about the unsustainability of medical schemes? How can the NHI assist in this process?	<p>The unsustainability of schemes is due to:</p> <ul style="list-style-type: none"> • Increasing contributions • Increasing costs • Fraud and wastage • Shrinking benefits. <p>The NHI support current scheme members through:</p> <ul style="list-style-type: none"> • Consolidation of risk pools • Increased cross-subsidisation • Strategic procurement • Strategic contracting with service providers • Price regulation • Management of fraud and waste.
4. Are the exorbitant increases in contributions fair?	<p>No, these are not fair. CMS keeps contribution increases in check through:</p> <ul style="list-style-type: none"> • Recommends benchmark contribution increases for schemes each year • Demanding an explanation for any contribution increase that is at variance with the recommendations made by CMS • Rejecting proposed unreasonable and unsubstantiated increases • Regular monitoring of non-health expenditure.
5. Are they not negating the implementation of the NHI?	<p>The implementation of the NHI Policy is supported by some industry players and opposed by others. There is, however, a substantial number of stakeholders that are caught in the middle of these two extremes. With a more in-depth and focused consultative process, the support for the NHI will increase.</p>
6. Are the schemes properly regulated and governed? Are beneficiaries informed and protected when benefits are exhausted six months into the year?	<p>Schemes are optimally regulated within the capacity and resources placed at CMS's disposal. There are 82 schemes, ideally these should be inspected for compliance, measured against accreditation standards, investigated for non-compliance, monitored for good governance and good conduct as often as possible. This is limited by our capacity: A budget of R150m and 120 employees in total. This should be measured against the member contribution of R163bn per annum that the regulated entities control.</p>

Questions raised by Portfolio Committee on CMS 2017/18 APP	CMS response
7. Members noted that people have to cancel medical aid because they can no longer afford it. If the budget controlled by CMS was injected into the public healthcare system, would everyone not have access to healthcare considering the amount in question?	CMS as an entity is funded through member levies, grant and surpluses. Its budget is only a measly R150m. The contribution by members in 2016, stood at R163bn. This amount is what constitutes the 4.4% of the health contribution to the GDP. It is this latter amount that would make a significant difference in the lives of all South Africans if it was added to the public health spend and used to provide quality healthcare services to ALL.
8. The cost of the rented building by CMS and the amount spent on consultants – what is being done to reduce this?	<p>The CMS has entered into a ten-year lease agreement with the landlord and payments are paid according to the lease agreement that was negotiated during the tender process. The escalation rate was negotiated at a fixed rate of 8.5% for the entire lease period.</p> <p>The CMS does not have the required expertise internally in other areas of our operations and as a result CMS is required to use external expertise:</p> <ol style="list-style-type: none"> 1. PMB review - need for clinical specialists, actuaries, health economists, 2. Commissioned inspections - Forensic expertise.
9. There was litigation against interventions, what is being done about this?	<p>CMS attempts to resolve all its issues with stakeholders through non-litigation interventions as far as possible. Where these have not succeeded, we litigate. Where we have succeeded, which is the majority of cases at this stage, we have sought financial relief through the court orders and have recovered some of these costs.</p> <p>We anticipate that there will be an increase in litigation rates and costs as we move towards the implementation of the NHI. We therefore need to be well prepared for this eventuality by advocating for increased resources.</p>





ANNEXURE:
2018/19

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VISION

Promote vibrant and affordable healthcare cover for all

MISSION

The **CMS regulates** the **medical schemes industry** in a fair and transparent manner and achieves this by:

- **Protecting** the **public** and informing them about their rights, obligations and other matters, in respect of medical schemes
- Ensuring that **complaints raised by members** of the public are handled appropriately and speedily
- Ensuring that all entities conducting the business of medical schemes, and other regulated entities, **comply with the Medical Schemes Act**
- Ensuring the improved management and **governance** of medical schemes
- **Advising the Minister of Health** of appropriate regulatory and policy interventions that will assist in attaining national health policy objectives
- Ensuring **collaboration** with other entities in executing our regulatory mandate.

VALUES

The values of the CMS stem from those underpinning the Constitution, as well as Council's specific vision and mission. Being an organisation that subscribes to a rights-based framework where everyone is equal before the law, where the right of access to healthcare must be protected and enhanced, where access must be simplified in a transparent manner, the values below are key requirements of all employees in the office:

- "Ubuntu" – we need each other to achieve our goals
- We strive to be consistent in our regulatory approach
- We approach challenges with a "Can do" attitude
- We are proud with our achievements
- We are occupied by doing something which is of value.

STRATEGIC OUTCOME ORIENTED GOALS

Strategic Outcome Oriented Goal 1	Access to good quality medical scheme cover is promoted
Goal Statement	<p>The aim of this goal is to ensure that beneficiaries of medical schemes receive adequate and quality healthcare cover. To grow membership of medical schemes and increase the percentage of the population covered by medical schemes. As CMS we create an enabling environment that is conducive for schemes to grow membership. Currently only about 17% of the population is covered by medical schemes. If membership of schemes is increased, the burden in public sector facilities will be alleviated.</p> <p>CMS will ensure that at all times barriers to scheme access are minimised and that coverage provided by schemes is of a high standard. Improved risk pooling is achieved through enhanced community rating, open enrolment, and prescribed minimum benefits.</p> <p>The process of evaluating the clinical effectiveness and value proposition of managed care activities provided to medical schemes is in the process of being strengthened by introducing entry level criteria, process indicators and outcomes for treatment of patients with one or more chronic disease condition. The process provides for participation by role-players and once introduced, will significantly enhance the ability to evaluate the health outcomes in terms of resources employed and price paid for such services.</p> <p>CMS will publish Prescribed Minimum Benefit definitions and CMScript articles as guidelines to inform the industry and members of appropriate treatment plans. These guidelines will clarify what PMB entitlements entail, and as such will provide guidance to the healthcare industry on funding of PMBs with the resultant effect that complaints with regards to these conditions are minimised.</p> <p>CMS must ensure that scheme rules are registered to cover the required healthcare benefits and contribution increases and are reviewed to ensure cost-effectiveness and affordability. CMS will collect process and outcomes indicator data through the Annual Statutory System for various chronic diseases at benefit option level. The analysis of the data will aim to measure health quality outcomes at benefit option level that could be linked to the performance of specific managed care entities.</p> <p>CMS will also continue to put measures in place to measure and monitor financial soundness of medical schemes. This ensures that schemes will be able to meet their financial obligations.</p>

Strategic Outcome Oriented Goal 2	Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected
Goal Statement	<p>Ensure that at all times medical schemes are governed in the interests of beneficiaries by ensuring that the principles of good corporate governance are fully adhered to and that appropriate action is taken against corporate governance failures. Ensure that Medical Schemes and other regulated entities are compliant with the Medical Schemes Act and other relevant legislation. Create an environment where members actively participate in the affairs of their scheme.</p> <p>By 2020, amendments to the Medical Schemes Act must be in place to strengthen governance provisions, appeals processes, enforcement powers and complaints resolution processes.</p> <p>Ensure that at all times medical schemes are sensitive to the specific needs of beneficiaries, are financially sound, offers protection against catastrophic financial incidents. Schemes must also be sensitive to broader social considerations through the introduction of appropriate regulatory measures such as fair treatment of beneficiaries.</p> <p>CMS is looking at a risk based solvency framework that will go a long way in changing the landscape in medical scheme environment. Medical schemes are currently required to maintain accumulated funds expressed as a percentage of gross annual contributions which may not be less than 25%. There have often been debates and challenges to this regulation and the somewhat undesirable effects of the manner in which the solvency ratio is calculated. In order to fully understand the matter and related consequences, the CMS will undertake a research project that would begin to respond to these challenges.</p> <p>By 2020 the Council must have a well-functioning system to cater for the electronic filing of scheme rules, and a well-functioning composite risk index system.</p> <p>Through the control and coordination of the availability of information emanating from regulated entities, their education and training activities, participation in public discussions, and the publication of material in lay and official publications, the CMS will contribute to ensure that members, their dependents, and the public are informed of their rights.</p>

Strategic Outcome Oriented Goal 2	Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected
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Goal Statement
(continued)

Enhance visibility of CMS as a brand through campaigns and advertising.

The **communication guidelines** and **model rules** have been developed are continuously being **enhanced to ensure that schemes are aware of the information** that must be sent to members. The model rules are a guide to the form and structure of the rule which schemes are encouraged to adhere to; to ensure the protection of member's rights through clarity of disclosure. The communication guidelines will ensure that there is improved communication between CMS and the schemes such that **information is disseminated with ease to members**.

CMS has issued **trustee remuneration guidelines**, this will go a long way to guide trustees in their fiduciary responsibilities. CMS further conducts investigations where governance irregularities are identified and in some instances this leads to some schemes being put under curatorship.

CMS will have to ensure that a **Practice Code Numbering System** is administered by an approved entity in order to facilitate claims payment and resource planning.

CMS will ensure that **brokers and broker organisations, administrators and managed care organisations are accredited in line with the accreditation requirements** as set out in the Medical Schemes Act, ensuring that applicants are fit and proper, have the necessary resources, skills, capacity, and infrastructure and are financially sound. **Protection of beneficiaries is key to our regulatory function** and the **complaints resolution** process must be improved continuously to instill confidence in beneficiaries that their complaints will be resolved timeously. A system of **alternative dispute resolution** has been put in place to assist in complaints resolution. This will be monitored in the MTE years to ascertain the impact on the complaints resolution process.

Strategic Outcome Oriented Goal 3	CMS is responsive to the environment by being a fair, transparent, effective and efficient organisation
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Goal Statement

Through the improvement of:

- **Business processes and business process automation,**
- **Information** collection and dissemination,
- **Financial** and other best practice **monitoring systems,**
- Information technology (IT) **systems,**
- **Human resource** policies and procedures and strategies developed for staff retention and human capital investment,
- **Financial** management,
- **Legal advisory** services,
- **Operational** efficiency,

the CMS will constantly adapt to the ever changing environment and will improve its way of doing business.

To improve its efficiency over the MTE period, the CMS will invest in its IT infrastructure. The area of supply chain management will be strengthened. CMS will ensure that it applies corporate governance principles in its operations. CMS will ensure that it deals with stakeholders in a fair and transparent manner.

Strategic Outcome Oriented Goal 4	CMS provides strategic advice to influence and support the development and implementation of national health policy
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Goal Statement

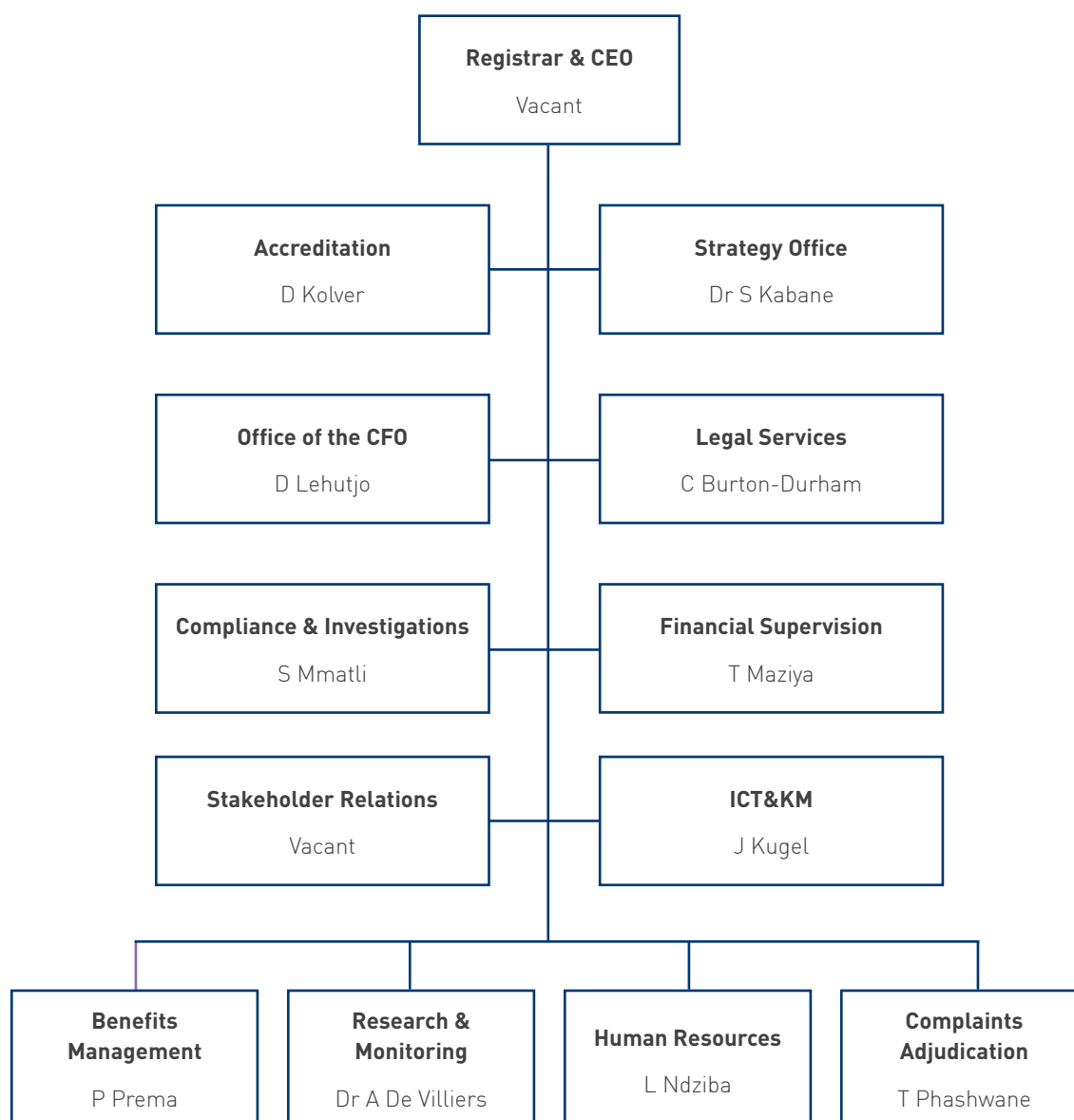
Through **reviewing the needs of the environment**, the CMS, will constantly **collect and upgrade the collection of information** for the purposes of ongoing and **strategic review of the private health system, including advising on relevant legislative reform**.

Research is conducted on **aspects of the health system** that have an **impact on medical schemes and beneficiaries**. CMS collects and analyses **healthcare utilisation data** through the Annual Statutory Returns and makes **recommendations to the Registrar** on **significant trends** in the industry which may have an **impact on national health policy**.

Through the development of application systems, such as the **Single Exit Price (SEP) and Beneficiary Registry**, the CMS will assist **NDoH to attain its objective** of an efficient health management information system for improved decision-making, planning and policy implementation.

Through its strategic position in the health system, the CMS will form **strategic relations** with **regional and international institutions, consult, research, and collate information** for the purposes of **influencing** stakeholders and to provide **strategic advice to government**; as well as provide **technical assistance** to major strategic health reforms, such as the **NHI**.

CMS ORGANOGRAM



The Administrative Programmes of CMS are effectively focused on the efficient functioning of the office and providing support to the core programmes to efficiently carry out their mandates. The programme is made up of the following sub-programmes:

Sub-programme 1.1: Registrar and CEO

The CEO, as the executive officer of Council for Medical Schemes, is mandated to exercise the overall management of the office, and as Registrar, exercising legislated powers to regulate medical schemes, administrators, brokers, and managed care organisations.

Dr Humphrey Zokufa was appointed as the new CEO and Registrar on 1 November 2016. Dr Zokufa passed away on 22 January 2017. The Human Resources Unit together with the NDoH have started the process for the appointment of a new CEO and Registrar.

Sub-programme 1.2: Office of the CFO

The purpose of the sub-programme is to serve all business units in CMS, the executive management team and Council by maintaining an efficient, effective and transparent system of financial, performance and risk

management that complies with the applicable legislation. The sub-programme also serves the Audit and Risk Committee, Internal Auditors, National Department of Health, National Treasury and Auditor-General by making available to them information and reports that allow them to carry out their statutory responsibilities. By doing this, the sub-programme helps Council to be a reputable regulator.

Sub-programme 1.3: Information and Communication Technology (ICT) and Knowledge Management (KM)

The purpose of the sub-programme is to serve the CMS business units and external stakeholders by providing technology enablers and making information available and accessible.

Sub-programme 1.4: Human Resources

The purpose of the sub-programme is to provide high quality service to internal and external customers by assessing their needs and proactively addressing those needs through developing, delivering, and continuously improving human resources programmes that promote and support Council's vision.

We will fulfil this mission with professionalism, integrity, and responsiveness by:

- Treating all our customers with respect
- Providing resourceful, courteous, and effective customer service
- Promoting teamwork, open and clear communication, and collaboration
- Demonstrating creativity, initiative, and optimism.

By doing this, the sub-programme helps the Council for Medical Schemes by supporting its administration and staff through Human Resources Management advice and assistance, enabling them to make decisions that maximise its most important asset – its people, and to continue the development of CMS as an employer of choice.

Sub-programme 1.5: Legal Services

The purpose of the sub-programme is to provide legal advice and representation to the CMS and business units to ensure the integrity of regulatory decisions.

The legal services sub-programme was moved to fall under administration as this forms part of our support programmes.

The core programmes of CMS are mainly concerned with the regulation and stability of the industry, and comprise the following:

Programme 2: Strategy Office

The purpose of this programme is to engage in projects to provide information to the Ministry on strategic health reform matters to achieve government's objective of an equitable and sustainable healthcare financing system in support of universal access and to provide support to the office on clinical matters. The purpose of the Clinical Unit is to ensure that access to good quality medical scheme cover is maximised and that regulated entities are properly governed through prospective and retrospective regulation.

Programme 3: Accreditation

The purpose of the programme is to ensure brokers and broker organisations, administrators and managed care organisations are accredited in line with the accreditation requirements as set out in the Medical Schemes Act, including whether applicants are fit and proper, have the necessary resources, skills, capacity, and infrastructure, and are financially sound.

Programme 4: Research and Monitoring

The purpose of the programme is to serve beneficiaries of medical schemes and members of the public by collecting and analysing data to monitor, evaluate and report on trends in medical schemes, measure risks in medical schemes and develop recommendations to improve regulatory policy and practice. By doing this, the

programme helps the Council for Medical Schemes to contribute to development of policy that enhances the protection of the interests of beneficiaries and members of public.

Programme 5: Stakeholder Relations

The purpose of the programme is to create and promote optimal awareness and understanding of the medical schemes environment by all regulated entities, the media, Council members and staff, through communication, education, training and customer care interventions.

Programme 6: Compliance and Investigation

The purpose of the programme is to serve members of medical schemes and the public in general by taking appropriate action to enforce compliance with the Medical Schemes Act.

Programme 7: Benefit Management

The purpose of the programme is to serve beneficiaries of medical schemes and the public in general by reviewing and approving changes to contributions paid by members and benefits offered by schemes. The programme analyses and approve all other rules to ensure consistency with the Medical Schemes Act. This ensures that the beneficiaries have access to affordable and appropriate quality healthcare. By doing this, the programme helps the Council for Medical Schemes ensure that the rules of medical schemes are fair to beneficiaries and are consistent with the Act.

Programme 8: Financial Supervision

The purpose of the programme is to serve the beneficiaries of medical schemes, the Registrar's Office and trustees by analysing and reporting on the financial performance of medical schemes and ensuring adherence to the financial requirements of the Act. By doing this, the programmes helps the Council for Medical Schemes to monitor and promote the financial performance of schemes and achieve an industry that is financially sound.

Programme 9: Complaints Adjudication

The purpose of the programme is to serve the beneficiaries of medical schemes and the public by investigating and resolving complaints in an efficient and effective manner. By doing this, the programme ensures that beneficiaries are treated fairly by their medical schemes.

BUDGET PROGRAMMES

1. PROGRAMME 1 (ADMINISTRATION)

The Administration programme consists of five sub-programmes, each of these sub-programmes provide support services to the core business units of CMS. These sub-programmes allow CMS to carry out its operations in an efficient and effective manner.

1.1 Sub-Programme 1.1 (CEO and Registrar)

1.1.1 Purpose

The CEO, as the accounting officer, exercises overall control over the office of the Council for Medical Schemes, and as Registrar, exercises legislated powers to regulate medical schemes, administrators, brokers, and managed care organisations.

1.2 Sub-Programme 1.2 (Office of the CFO)

1.2.1 Purpose

The purpose of the sub-programme is to serve all business units in CMS, the senior management team and Council, by maintaining an efficient, effective and transparent system of financial, performance and risk management that complies with the applicable legislation. The Internal Finance Unit also serves the Audit and Risk Committee, Internal Auditors, National Department of Health, National Treasury and Auditor-General by making available to them information and reports that allow them to carry out their statutory responsibilities. By doing this, we help Council to be a reputable regulator.

1.2.2 Strategic Objectives

Strategic Objective 1.2. 1	Ensure effective financial management and alignment of budget allocation with strategic priorities
Objective statement	Ensure that internal controls are always adhered to in the financial management processes. An effective performance and budgeting management environment is maintained in the Council.
Baseline	Achieved unqualified audit opinion for 2014/15
Links	PFMA, Treasury Regulations, CMS policies and procedures, supply chain management, CMS Performance Information Framework
Strategic Objective 1.2. 2	An effective, efficient and transparent system of risk management is maintained in order to mitigate the risks exposure of the CMS
Objective statement	An effective, efficient and transparent system of risk management is maintained to ensure that CMS achieves its strategic goals by economic application of resources to minimise, monitor, and control the probability and/or impact of adverse events.
Baseline	A Risk Management Framework was approved by Council during 2014/15 A new indicator has been developed for this objective for 2015/16
Links	PFMA, King III Corporate Governance Guidelines, CMS Risk Management Framework

1.2.3 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Goal 3: CMS is responsive to the environment by being a fair, transparent, effective and efficient organisation							
Strategic Objective 1.2.1: Ensure effective financial management and alignment of budget allocation with strategic priorities							
1.2.1.1	An unqualified opinion issued by the Auditor-General on the annual financial statements by 31 July each year	1	1	1	1	1	1
1.2.1.2	Produce an annual performance information report that is reliable, accurate and complete by 31 July each year	1	1	1	1	1	1
Strategic Objective 1.2.2: An effective, efficient and transparent system of risk management is maintained in order to mitigate the risks exposure of the CMS							
1.2.2.1	Number of strategic risk register reports submitted to Council for monitoring, per year	New indicator	4	4	4	4	4

1.2.4 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 1.2.1: Ensure effective financial management and alignment of budget allocation with strategic priorities							
1.2.1.1	An unqualified opinion issued by the Auditor-General on the annual financial statements by 31 July each year	Annually	1	n/a	1	n/a	n/a
1.2.1.2	Produce an annual performance information report that is reliable, accurate and complete by 31 July each year	Annually	1	n/a	1	n/a	n/a
Strategic Objective 1.2.2: An effective, efficient and transparent system of risk management is maintained in order to mitigate the risks exposure of the CMS							
1.2.2.1	Number of strategic risk register reports submitted to Council for monitoring, per quarter	Quarterly	4	1	1	1	1

1.3 Sub-Programme 1.3 (Information and Communication Technology (ICT) and Knowledge Management (KM))

1.3.1 Purpose

The purpose of the sub-programme is to serve the CMS business units and external stakeholders by providing technology enablers and making information available and accessible

1.3.2 Strategic Objectives

Strategic Objective 1.3.1	An established ICT infrastructure that ensures information is available, accessible and protected
Objective statement	Diligently maintain, renew and secure the computer network, systems, operating system software and hardware of the organisation to ensure the availability of ICT infrastructure. The unit will achieve a network and server uptime of 99% whilst reducing security incidents to 0% per annum by 2020.
Baseline	This was a new indicator from 2015/16, therefore there will be no baseline for security incidents for 2014/15
Links	Information Technology Infrastructure Library (ITIL) and Control Objectives for Information Technology (COBIT)
Strategic Objective 1.3.2	Provide software applications that serve both internal as well as external stakeholders, that improve business operations and performance
Objective statement	Focus development responsibilities on creating, editing, and maintaining the custom software applications in use at CMS, as well as procuring off-the-shelf applications. In performing this function, the unit will render business analysis and advisory services according to enterprise architecture principles to CMS units, as well as external stakeholders where applicable. This objective will enable business units to improve their processes and ultimately their performance. The unit will increase the uptime percentage of all installed applications to 99% by 2020.
Baseline	98.23% uptime in 2014/15
Links	COBIT, Protection of Personal Information (POPI) Act, The Open Group Architecture Framework (TOGAF)
Strategic Objective 1.3.3	Effectively provide information management services and organise and manage organisational knowledge with a view to enhance knowledge sharing
Objective statement	Create and maintain an environment where information, knowledge and records are effectively managed, and easily accessible to our stakeholders. The unit will respond to 100% (400) of all requests for information received within 30 days, by 2020.
Baseline	274 requests for information received and attended to in 2014/15
Links	PAIA, POPI, South African National Archives and Record Services Act

1.3.3 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance				Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2017/18	2018/19	2019/20	2020/21
Strategic Goal 3: CMS is responsive to the environment by being a fair, transparent, effective and efficient organisation								
Strategic Objective 1.3.1: An established ICT infrastructure that ensures information is available, accessible and protected								
1.3.1.1	Percentage of network and server uptime, per year	97.05%	99.5%	99.7%	97%	99%	99%	99%
1.3.1.2	Percentage of IT security incidents, per year	New indicator	New indicator	1.1%	0%	0%	0%	0%

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Objective 1.3.2: Provide software applications that serve both internal as well as external stakeholders, that improve business operations and performance								
1.3.2.1	Percentage of uptime of all installed application systems where network access exists, per year	98.23%	99%	99.7%	99%	99%	99%	99%
Strategic Objective 1.3.3: Effectively provide information management services and organise and manage organisational knowledge with a view to enhance knowledge sharing								
1.3.3.1	Percentage of physical requests for information received and finalised to within 30 days	274	350	98%	80%	90%	95%	95%

1.3.4 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 1.3.1: An established ICT infrastructure that ensures information is available, accessible and protected							
1.3.1.1	Percentage of network and server uptime, per quarter	Quarterly	99%	99%	99%	99%	99%
1.3.1.2	Percentage of IT security incidents, per quarter	Quarterly	0%	0%	0%	0%	0%
Strategic Objective 1.3.2: Provide software applications that serve both internal as well as external stakeholders, that improve business operations and performance							
1.3.2.1	Percentage of uptime, of all installed application systems where network access exists, per quarter	Quarterly	99%	99%	99%	99%	99%
Strategic Objective 1.3.3: Effectively provide information management services and organise and manage organisational knowledge with a view to enhance knowledge sharing							
1.3.3.1	Percentage of physical requests for information received and finalised to within 30 days	Quarterly	90%	90%	90%	90%	90%

1.4 Sub Programme 1.4 (Human Resources Management)

1.4.1 Purpose

The purpose of the sub-programme is to provide high quality service to internal and external customers by assessing their needs and proactively addressing those needs through developing, delivering, and continuously improving human resources programmes that promote and support Council's vision.

We will fulfil this mission with professionalism, integrity, and responsiveness by:

- Treating all our customers with respect
- Providing resourceful, courteous, and effective customer service
- Promoting teamwork, open and clear communication, and collaboration
- Demonstrating creativity, initiative, and optimism.

By doing this, we help the CMS by supporting its administration and staff through human resources management advice and assistance, enabling them to make decisions that maximise its most important asset – its people, and to continue the development of CMS as an employer of choice.

1.4.2 Strategic Objectives

Strategic Objective 1.4.1		Build competencies and retain skilled employees	
Objective statement	Effective and efficient development and retention of employees to enable CMS to meet its objectives by retaining scarce, critical, professional and technical skills and maintaining a staff turnover rate of less than 5% by 2020. CMS shall ensure continuous development of staff in line with its Succession Planning Framework. Staff are continuously engaged to assess the levels of commitment and motivation to CMS. This will be conducted through a survey, and findings will be implemented upon completion of survey. CMS will ensure that vacancies are filled within 90 working days.		
Baseline	Staff turnover rate was reduced to 3.88% in 2014/15 Turnaround time to fill vacancy: 7 vacancies out of the 10 took longer than the 90 days to fill in 2014/15 88% of employment equity targets were achieved during 2014/15		
Link	Employment Equity Act; Recruitment, Selection and Retention Policy; Succession Planning Strategy		
Strategic Objective 1.4.2		Maximise performance to improve organisational efficiency and maintain high performance culture	
Objective statement	Measure 100% of organisational efficiency by aligning employee performance contracts and reviewing performance against achievement of organisational objectives. The unit shall ensure that 95% of employees participate in training in accordance with Personal Development Plans that are aligned with outcomes of performance assessments where specific skills and abilities have been identified. By 2020 the unit will implement a 360-degree assessment tool		
Baseline	100% of performance agreements were signed by 30 May 2015 Conclusion of employee performance assessments is a new indicator for 2016/17		
Link	Skills Development Act; Skills Development Levies Act; Education and Training Policy		

1.4.3 Programme performance indicators and annual targets for 2018/19

Strategic Objective		Audited/Actual performance			Estimated performance	Medium-term targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Goal 3: CMS is responsive to the environment by being a fair, transparent, effective and efficient organisation								
Strategic Objective 1.4.1: Build competencies and retain skilled employees								
1.4.1.1	Minimise staff turnover rate to less than 10% per annum	3.88%	9%	4.42%	<10%	<10%	<10%	<10%
1.4.1.2	Turnaround time to fill a vacancy (turnaround time of 120 working days for each vacancy that exists during the year), excluding position of CEO	There were 7 out of 10 positions that took longer than the 90 days to fill	There were 3 out of 9 positions that took longer than the 90 days to fill	There were 5 out of 14 positions that took longer than the 90 days to fill	120 days	120 days	120 days	120 days
1.4.1.3	Achievement of employment equity targets (according to the B-BBEE Act), per annum	88%	94%	91.45%	85%	85%	85%	90%
Strategic Objective 1.4.2: Maximise performance to improve organisational efficiency and maintain high performance culture								
1.4.2.1	100% of employee performance agreements are signed by no later than 31 May of each year	New indicator	New indicator	100%	100%	100%	100%	100%
1.4.2.2	Percentage of employee performance assessment concluded, biannually	New indicator	New indicator	100%	100%	100%	100%	100%

1.4.4 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic objective 1.4.1: Build competencies and retain skilled employees							
1.4.1.1	Minimise staff turnover rate to less than 10% per annum	Annual	<10%	n/a	n/a	n/a	<10%
1.4.1.2	Turnaround time to fill a vacancy (Turnaround time of 120 working days to fill a vacancy that exists during the year), excluding position of CEO	Quarterly	120 days	120 days	120 days	120 days	120 days
1.4.1.3	Achievement of employment equity targets (according to B-BBEE Act targets), per annum	Annual	85%	n/a	n/a	n/a	85%
Strategic Objective 1.4.2: Maximise performance to improve organisational efficiency and maintain high performance culture							
1.4.2.1	100% of employee performance agreements are signed by no later than 31 May of each year	Annual	100%	100%	n/a	n/a	n/a
1.4.2.2	Percentage of employee performance assessment concluded, biannually*	Biannually	100%	100%	n/a	100%	n/a

*The target for quarter 1 will be the assessments concluded for the previous financial year (2017/18)

*The target for quarter 3 will be the assessments concluded for the first half of the current year (2018/19)

1.5 Sub-Programme 1.5 (Legal Services)

1.5.1 Purpose

The purpose of the sub-programme is to provide legal advice and representation to the CMS and business units to ensure the integrity of regulatory decisions.

1.5.2 Strategic Objectives

Strategic Objective 1.5.1	Legal advisory service for effective regulation of the industry and operations of the office
Objective statement	To provide written and verbal legal opinions and representations to the Office of the Registrar, Council and external stakeholders to protect the integrity of regulatory decisions. The unit will provide 85% (200) written and verbal legal opinions generated internally by 2019.
Baseline	227 written and verbal legal opinions were provided to the CMS or business units in 2014/15
Link	Medical Schemes Act, FI Act, PAJA, PAIA
Strategic Objective 1.5.2	Support CMS mandate by defending decisions of Council and the Registrar
Objective statement	To provide a legal support service to the Office of the Registrar, Council and external stakeholders to ensure the integrity of regulatory decisions taken in terms of the Act and other relevant legislation and to ensure that schemes are properly governed in terms of scheme rules, good governance and tribunal decisions. The unit will attend to all court and tribunal cases referred to it.
Baseline	In 24 cases papers were filed in court and other tribunals in 2014/15
Link	Medical Schemes Act, FI Act, PAJA, PAIA

1.5.3 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 3: CMS is responsive to the environment by being a fair, transparent, effective and efficient organisation								
Strategic Objective 1.5.1: Legal advisory service for effective regulation of the industry and operations of the office								
1.5.1.1	Number of written and verbal legal opinions provided to internal and external stakeholders, per year	new indicator	205	100% (175)	190	200	210	210
Strategic Objective 1.5.2: Support CMS mandate by defending decisions of Council and the Registrar								
1.5.2.1	Percentage of court and tribunal appearances in legal matters received and handled by the unit, per year	24	21	100% (25)	100%	100%	100%	100%

1.5.4 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 1.5.1: Legal advisory service for effective regulation of the industry and operations of the office							
1.5.1.1	Number of written and verbal legal opinions provided to internal and external stakeholders, per quarter	Quarterly	200	40	60	60	40
Strategic Objective 1.5.2: Support CMS mandate by defending decisions of Council and the Registrar							
1.5.2.1	Percentage of court and tribunal appearances in legal matters received and handled by the unit, per quarter	Quarterly	100%	100%	100%	100%	100%



2. PROGRAMME 2 (STRATEGY OFFICE)

2.1 Purpose

The purpose of this programme is to engage in projects to provide information to the Ministry on strategic health reform matters to achieve government's objective of an equitable and sustainable healthcare financing system in support of universal access, and to provide support to the office on clinical matters. The purpose of the Clinical Unit is to ensure that access to good quality medical scheme cover is maximised and that regulated entities are properly governed through prospective and retrospective regulation.

2.2 Strategic Objectives

Strategic Objective 2.1	Formulate Prescribed Minimum Benefit definitions to ensure members are adequately protected
Objective statement	The formulation of new and revision of existing PMB definitions in consultation with stakeholders to ensure that members are adequately protected. The unit will publish 4 benefit definitions for PMB conditions and 10 CMScripts per year by 2020.
Baseline	There were 3 PMB definitions published in 2014/15
Link	Explanatory Note 2 of Annexure A of the Regulations to the Medical Schemes Act (131 of 1998)
Strategic Objective 2.2	Provide clinical opinions to resolve complaints and enquiries
Objective statement	The formulation of clinical opinions on formal complaints received from the Complaints Adjudication Unit and via e-mail and telephonic enquiries to ensure that member's complaints and enquiries are resolved so that members and providers receive rightful payment of claims.
Baseline	623 clinical opinions were completed in 2014/15
Link	Regulation 15D 2(d)(ii) - where provision is made by a managed care provider for complaints or appeals procedures or mechanisms, such provision shall in no way impact upon the entitlement of a beneficiary to— (ii) lodge a complaint with Council;

2.3 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 1: Access to good quality medical scheme cover is promoted								
Strategic Objective 2.1: Formulate Prescribed Minimum Benefit definitions to ensure members are adequately protected								
2.1.1	The number of benefit definitions published, per year	11	12	10 CMScripts and 7 PMB definitions	10	10	10	15
2.1.2	Conduct a review of the PMB, every two years	New indicator	New indicator	New indicator	Submit a draft costed PMB benefit package to Council	1. Submit final costed PMB benefit package to the Executive Authority 2. Once approved, publish new regulations and code of conduct	n/a	Review and publish new costed benefit package

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 2.2: Provide clinical opinions with a view to resolve complaints and enquiries								
2.2.1	Percentage of category 1* clinical opinions provided within 30 working days of receipt from Complaints Adjudication	623	938	40%	90%	90%	90%	90%
2.2.2	Percentage of category 2* clinical opinions provided within 60 working days of receipt from Complaints Adjudication	New indicator	New indicator	New indicator	95%	95%	95%	95%
2.2.3	Percentage of category 3* clinical opinions provided within 90 working days of receipt from Complaints Adjudication	New indicator	New indicator	New indicator	98%	98%	98%	98%
2.2.4	Percentage of clinical enquiries received via e-mail or telephone and responded to within 7 days	New indicator	New indicator	99%	95%	96%	98%	98%
Strategic Goal 4: CMS provides strategic advice to influence and support the development and implementation of national health policy								
Strategic Objective 2.3: Conduct research to inform appropriate national health policy interventions								
2.3.1	Number of research projects and support projects published in support of national health policy, per year	New indicator	New indicator	New indicator	5	5	5	5

*Category 1 clinical opinion will be an uncomplicated clinical opinion that will be expected to be analysed and 90% expected to be completed within 30 working days of referral/receipt from the Complaints Adjudication Unit.

*Category 2 clinical opinion will be a more complex clinical opinion compared to a category 1 requiring more in-depth analysis and time less than 60 working days for full completion.

*Category 3 will be allocated to a clinical opinion of a very complex nature requiring extensive inputs, additional documentations and research. These will require experts/specialist consultation before a conclusion can be reached. 100% of clinical opinions of this nature will be aimed for completion within 90 days of receipt from the Complaints Adjudication Unit.

2.4 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 2.1: Formulate Prescribed Minimum Benefit definitions to ensure members are adequately protected							
2.1.1	The number of benefit definitions published, per year	Annual	10	n/a	n/a	n/a	10
2.1.2	Conduct a review of the PMB, every two years	Annual	1. Submit final costed PMB benefit package to the Executive Authority 2. Once approved, publish new regulations and code of conduct	n/a	n/a	n/a	1. Submit final costed PMB benefit package to the Executive Authority 2. Once approved, publish new regulations and code of conduct
Strategic Objective 2.2: Provide clinical opinions to resolve complaints and enquiries							
2.2.1	Percentage of category 1* clinical opinions provided within 30 working days of receipt from Complaints Adjudication	Quarterly	90%	90%	90%	90%	90%
2.2.2	Percentage of category 2* clinical opinions provided within 60 working days of receipt from Complaints Adjudication	Quarterly	95%	95%	95%	95%	95%
2.2.3	Percentage of category 3* clinical opinions provided within 90 working days of receipt from Complaints Adjudication	Quarterly	98%	98%	98%	98%	98%
2.2.4	Percentage of clinical enquiries received via e-mail or telephone reviewed within 7 days	Quarterly	96%	96%	96%	96%	96%
Strategic Goal 4: CMS provides strategic advice to influence and support the development and implementation of national health policy							
Strategic Objective 2.3: Conduct research to inform appropriate national health policy interventions							
2.3.1	Number of research projects and support projects published in support of national health policy, per quarter	Quarterly	5	1	1	2	1

*Category 1 clinical opinion will be an uncomplicated clinical opinion that will be expected to be analysed and 90% expected to be completed within 30 working days of referral/receipt from the Complaints Adjudication Unit.

*Category 2 clinical opinion will be a more complex clinical opinion compared to a category 1 requiring more in-depth analysis and time less than 60 working days for full completion.

*Category 3 will be allocated to a clinical opinion of a very complex nature requiring extensive inputs, additional documentations and research. These will require experts/specialist consultation before a conclusion can be reached. 100% of clinical opinions of this nature will be aimed for completion within 90 days of receipt from the Complaints Adjudication Unit.

3. PROGRAMME 3 (ACCREDITATION)

3.1 Purpose

The purpose of the programme is to ensure brokers and broker organisations, administrators and managed care organisations are accredited in line with the accreditation requirements as set out in the Medical Schemes Act, including whether applicants are fit and proper, have the necessary resources, skills, capacity, and infrastructure and are financially sound.

3.2 Strategic Objectives

Strategic Objective 3.1	Accredit brokers based on their compliance with the requirements for accreditation in order to provide broker services
Objective statement	<p>Ensure that the brokers that are accredited are compliant with the accreditation requirements. Accredit 100% (4 980) of individual brokers and broker organisation applications that meet the requirements of accreditation within 21 working days of receipt of all relevant information by 2019.</p> <p>100% of brokers and broker organisations that comply with the accreditation requirements accredited within 21 working days of receipt of complete applications.</p>
Baseline	A total of 5 027 broker and broker organisations were accredited during 2014/15
Link	Medical Schemes Act and FAIS Act, 2002
Strategic Objective 3.2	Accredit Managed Care Organisations (MCOs) based on their compliance with the accreditation requirements in order to provide managed care services, as defined
Objective statement	<p>Ensure that the MCOs that are accredited are compliant with the accreditation requirements. 26 new and renewal accreditation applications accredited within 3 months of receipt of all relevant information by 2019.</p> <p>Number of managed care organisation applications which meet the requirements for accreditation, accredited within 3 months of receipt of all relevant information</p>
Baseline	26 MCOs accredited in 2014/15
Link	Medical Schemes Act
Strategic Objective 3.3	Accredit administrators and issue Compliance Certificates to self-administered schemes based on their compliance with the accreditation requirements in order to provide administration services
Objective statement	<p>Ensure that the administrators that are accredited and self-administered schemes that are issued with Compliance Certificates are compliant with the requirements for accreditation.</p> <p>Accredit/approve 15 administrator accreditation and self-administered applications by 2019, within 3 months of receipt of all relevant information.</p> <p>Number of administrator and self-administered scheme applications accredited/ approved within 3 months of receipt of all relevant information.</p>
Baseline	9 applications accredited in 2014/15
Link	Medical Schemes Act

3.3 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 3.1: Accredite brokers based on their compliance with the requirements for accreditation in order to provide broker services								
3.1.1	Number of brokers and broker organisation applications accredited on of receipt of complete applications and relevant information, per year	5 027	5 634	4 854	4 045	4 980	5 450	4 911
Strategic Objective 3.2: Accredite Managed Care Organisations (MCOs) based on their compliance with the accreditation requirements in order to provide managed care services as defined								
3.2.1	Number of MCO applications, accredited within 3 months of receipt of all relevant information	26	16	21	15	25	16	24
Strategic Objective 3.3: Accredite administrators and issue Compliance Certificates to self-administered schemes based on their compliance with the accreditation requirements in order to provide administration services								
3.3.1	Number of applications by administrators and self-administered schemes accredited within 3 months of receipt of all relevant information	9	13	14	8	14	13	11

3.4 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 3.1: Accredite brokers based on their compliance with the requirements for accreditation in order to provide broker services							
3.1.1	Number of brokers and broker organisations that comply with the accreditation requirements accredited on of receipt of complete applications and relevant information, per quarter	Quarterly	4 980	1 355	1 593	1 020	1 012
Strategic Objective 3.2: Accredite Managed Care Organisations (MCOs) based on their compliance with the accreditation requirements in order to provide managed care services as defined							
3.2.1	Number of MCO applications accredited within 3 months of receipt of all relevant information	Quarterly	25	2	2	19	2
Strategic Objective 3.3: Accredite administrators and issue Compliance Certificates to self-administered schemes based on their compliance with the accreditation requirements in order to provide administration services							
3.3.1	Number of applications by administrators and self-administered schemes accredited within 3 months of receipt of all relevant information	Quarterly	14	6	n/a	7	1

4. PROGRAMME 4 (RESEARCH AND MONITORING)

4.1 Purpose

The purpose of the programme is to serve beneficiaries of medical schemes and members of the public by collecting and analysing data to monitor, evaluate and report on trends in medical schemes, measure risk in medical schemes and develop recommendations to improve regulatory policy and practice. By doing this, we help the CMS to contribute to development of policy that enhances the protection of the interests of beneficiaries and members of the public.

4.2 Strategic Objectives

Strategic Objective 4.1		Conduct research to inform appropriate policy interventions	
Objective statement	Research is conducted on aspects of the health system that have an impact on medical schemes and beneficiaries. The unit envisions doing 9 projects (research and support projects) by 2020. The research includes the evaluation of the solvency framework, measuring medical scheme inflation and health quality outcomes.		
Baseline	A total of 11 research projects were completed in 2014/15		
Link	CMS Annual Reports and Operational Plans of the unit.		
Strategic Objective 4.2		Monitoring trends to improve regulatory policy and practice	
Objective statement	The unit provides input into the Registrar's Review, compiles the Review of Operations and analyses demographic, geographic, expenditure and healthcare utilisation data for inclusion in the Annual Report of the Registrar of Medical Schemes. The analysis includes risk profiling of the medical schemes, classification of benefit options and costing of the PMBs.		
Baseline	In 2014/15 one non-financial report was submitted for inclusion in the Annual Report		
Link	CMS Annual Reports and Operational Plans of the unit.		

4.3 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 4: CMS provides strategic advice to influence and support the development and implementation of national health policy								
Strategic Objective 4.1: Conduct research to inform appropriate policy interventions								
4.1.1	Number of research projects and support projects finalised, per year	11	10	10	7	8	8	8
Strategic Objective 4.2: Monitoring trends to improve regulatory policy and practice								
4.2.1	Non-financial report submitted for inclusion in the Annual Report	1	1	1	1	1	1	1

4.4 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 4.1: Conduct research to inform appropriate policy interventions							
4.1.1	Number of research projects and support projects finalised, per quarter	Quarterly	8	n/a	1	3	4
Strategic Objective 4.2: Monitoring trends to improve regulatory policy and practice							
4.2.1	Non-financial report submitted for inclusion in the Annual Report	Annual	1	n/a	1	n/a	n/a

5. PROGRAMME 5 (STAKEHOLDER RELATIONS)

5.1 Purpose

The purpose of the programme is to create and promote optimal awareness and understanding of the medical schemes environment by all regulated entities, the media, Council members and staff, through communication, education, training and customer care interventions.

5.2 Strategic Objectives

Strategic Objective 5.1	Create awareness and provide training in order to enhance the visibility and reputation of CMS
Objective statement	Create consumer awareness and provide training to members to understand their rights and responsibilities. Provide training to trustees, schemes and brokers to enhance correct interpretation of the Medical Schemes Act, governance and compliance in the medical schemes environment.
Baseline	This is a revised indicator for 2016/17, therefore there is no baseline for 2014/15
Link	Medicals Schemes Act
Strategic objective 5.2	Communication and engagement to inform and to empower stakeholders
Objective statement	The SHR Unit aims to inform and empower stakeholders through the publication of the Annual Report, newsletters, advertisements and media engagement
Baseline	CMS's Annual Report published and launched by 31 August every year. Communication with stakeholders was revised and therefore there is no baseline for 2014/15. Baseline for media monitoring is 72.9% positive/neutral media reporting received in 2014/15.
Link	Medical Schemes Act

5.3 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 5.1: Create awareness and provide training in order to enhance the visibility and reputation of CMS								
5.1.1	Percentage of member awareness of CMS resulting from the survey, in alternate years	New indicator	New indicator	40.3%	n/a	50%	n/a	60%
5.1.2	Number of stakeholder training and awareness sessions, per year	New indicator	46	55	20	45	50	60
Strategic Objective 5.2 Communication and engagement to inform and empower stakeholders								
5.2.1	Submission of CMS's Annual Report by 31 August to the Executive Authority	1	1	1	1	1	1	1
5.2.2	Percentage of positive or neutral feedback received on CMS reputation through a media monitoring tool, per year	72.9%	94%	97%	75%	75%	80%	85%

5.4 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets				
		2018/19	2018/19	1 st	2 nd	3 rd	4 th	
Strategic Objective 5.1: Create awareness and provide training in order to enhance the visibility and reputation of CMS								
5.1.1	Percentage of member awareness of CMS resulting from the survey, in alternate years	Annual	50%	n/a	50%	n/a	n/a	
5.1.2	Number of stakeholder training and awareness sessions, per quarter	Quarterly	45	12	10	10	13	
Strategic Objective 5.2: Communication and engagement to inform and empower stakeholders								
5.2.1	Submission of CMS's Annual Report by 31 August to the Executive Authority	Annual	1	n/a	1	n/a	n/a	
5.2.2	Percentage of positive or neutral feedback received on CMS reputation through a media monitoring tool, per quarter	Quarterly	75%	75%	75%	75%	75%	

6. PROGRAMME 6 (COMPLIANCE AND INVESTIGATION)

6.1 Purpose

The purpose of the programme is to serve members of medical schemes and the public in general by taking appropriate action to enforce compliance with the Medical Schemes Act.

6.2 Strategic Objectives

Strategic Objective 6.1	Regulated entities comply with Legislation
Objective statement	To institute enforcement action of against regulated entities where non-compliance is identified, this is to ensure compliance with legislation
Baseline	52 enforcement actions were taken during 2014/15
Link	Medical Schemes Act and other relevant legislation
Strategic Objective 6.2	Strengthen and monitor governance systems
Objective statement	Ensure that good governance is maintained by medical schemes and other regulated entities
Baseline	88 governance interventions implemented during 2014/15
Link	Medical Schemes Act and other relevant legislation

6.3 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 6.1: Regulated entities comply with legislation								
6.1.1	Percentage of non-compliance cases against regulated entities undertaken, per year	52	82	100% (40)	100% (35)	100%	100%	100%
Strategic Objective 6.2: Strengthen and monitor governance systems								
6.2.1	Number of governance interventions implemented, per year	88	55	100% (75)	100% (82)	85	85	85

6.4 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 6.1: Regulated entities comply with legislation							
6.1.1	Percentage of non-compliance cases against regulated entities undertaken, per quarter	Quarterly	100%	100%	100%	100%	100%
Strategic Objective 6.2: Strengthen and monitor governance systems							
6.2.1	Number of governance interventions implemented, per quarter	Quarterly	85	35	25	10	10

7. PROGRAMME 7 (BENEFITS MANAGEMENT)

7.1 Purpose

The purpose of the programme is to serve beneficiaries of medical schemes and the public in general by reviewing and approving changes to contributions paid by members and benefits offered by schemes. We analyse and approve all other rules to ensure consistency with the Medical Schemes Act. This ensures that the beneficiaries have access to affordable and appropriate quality healthcare. By doing this, we help the CMS ensure that the rules of medical schemes are fair to beneficiaries and are consistent with the Act.

7.2 Strategic Objectives

Strategic Objective 7.1	To ensure that rules of the schemes are fair and compliant with the Medical Schemes Act
Objective statement	Percentage of rule (interim and annual rule amendments) by medical scheme are analysed within timeframes, to ensure that medical scheme rule amendments are fair and compliant with the Medical Schemes Act and to ensure that beneficiaries are protected.
Baseline	242 amendments analysed in 2014/15
Link	Section 31(3) requires that any rule amendment or rescission can only be approved such that it will not be unfair to members and will not render the rules inconsistent with the Medical Schemes Act.

7.3 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 7.1: To ensure that rules of the schemes are fair and compliant with the Medical Schemes Act								
7.1.1	Percentage interim rule amendments processed within 14 working days of receipt of all information, per year	New indicator	New indicator	87%	80%	80%	80%	80%
7.1.2	Percentage of annual rule amendments processed before 31 December of each year	New indicator	New indicator	98.9%	100%	90%	90%	90%

7.4 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objectives 7.1: To ensure that rules of the schemes are fair and compliant with the Medical Schemes Act							
7.1.1	Percentage interim rule amendments processed within 14 working days of receipt of all information, per quarter	Quarterly	80%	80%	80%	80%	80%
7.1.2	Percentage of annual rule amendments processed before 31 December of each year	Quarterly	90%	n/a	n/a	90%	n/a

8. PROGRAMME 8 (FINANCIAL SUPERVISION)

8.1 Purpose

The purpose of the programme is to serve and protect the beneficiaries of medical schemes, the Registrar's office and Trustees by analysing and reporting on the financial performance of medical schemes and ensuring adherence to the financial requirements of the Act. By doing this, we help the CMS monitor and promote the financial performance of schemes in order to achieve an industry that is financially sound.

8.2 Strategic Objectives

Strategic Objective 8.1	Monitor and promote the financial soundness of medical schemes
Objective statement	Secure an appropriate level of protection for beneficiaries of medical schemes by monitoring and analysing the financial performance and soundness of medical schemes.
Baseline	2 recommendations were made in respect of schemes with rapidly reducing solvencies (Suremed and Topmed) and Liberty was requested to submit a new revised Business Plan for 2014/15 3 quarterly reports published in 2014/15 1 set of input in respect of the financial sections of the Annual Return in 2014/15
Link	Medical Schemes Act

8.3 Programme performance indicators and annual targets 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected							
Strategic Objective 8.1: Monitor and promote the financial soundness of medical schemes							
8.1.1	Recommendations in respect of Regulation 29 (which requires all schemes below statutory solvency to submit nature and causes of failure to the Registrar) for 100% of Business Plan received, per year	100%	100%	100%	100%	100%	100%
8.1.2	Recommendations on action plans for schemes with rapidly reducing solvency (but above statutory minimum) for 100% of schemes identified, per year	New indicator	100%	-	100%	100%	100%
8.1.3	Percentage of auditor applications authorised or rejected, per year	New indicator	New indicator	New indicator	100%	100%	100%
8.1.4	Number of quarterly financial return reports published (excluding quarter 4), per year	3	3	3	3	3	3
8.1.5	Number of financial sections prepared for the Annual Report	1	1	1	1	1	1

8.4 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 8.1: Monitor and promote the financial soundness of medical schemes							
8.1.1	Recommendations in respect of Regulation 29 (which requires all schemes below statutory solvency to submit nature and causes of failure to the Registrar) for 100% of Business Plan received, per quarter	Quarterly	100%	100%	100%	100%	100%
8.1.2	Recommendations on action plans for schemes with rapidly reducing solvency (but above statutory minimum) for 100% of schemes identified, per quarter	Quarterly	100%	100%	100%	100%	100%
8.1.3	Percentage of auditor applications authorised or rejected, per quarter	Quarterly	100%	100%	100%	100%	100%
8.1.4	Number of quarterly financial return reports published (excluding quarter 4), per quarter	Quarterly	3	n/a	1	1	1
8.1.5	Number of financial sections prepared for the Annual Report	Annual	1	n/a	1	n/a	n/a

9. PROGRAMME 9 (COMPLAINTS ADJUDICATION)

9.1 Purpose

The purpose of the programme is to serve the beneficiaries of medical schemes and the public by investigating and resolving complaints in an efficient and effective manner. By doing this, we ensure that beneficiaries are treated fairly by their medical schemes.

9.2 Strategic Objectives

Strategic Objective 9.1	Resolve complaints with the aim of protecting beneficiaries of medical schemes
Objective statement	Increase the adjudication of complaints to 85% within 120 days in an efficient and effective manner by 2020.
Baseline	73% of complaints were resolved within 120 working days in 2014/15
Link	Medicals Schemes Act, Section 47

9.3 Programme performance indicators and annual targets for 2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected							
Strategic objective 9.1: Resolve complaints with the aim of protecting beneficiaries of medical schemes							
9.1.1 Percentage of complaints adjudicated within 120 working days and in accordance with complaints procedure, per year	73%	75.31%	84%	79%	83%	85%	85%

9.4 Quarterly targets for 2018/19

Strategic Objectives	Performance Indicator	Reporting period	Annual target	Quarterly targets			
		2018/19	2018/19	1 st	2 nd	3 rd	4 th
Strategic Objective 9.1: Resolve complaints with the aim of protecting beneficiaries of medical schemes							
9.1.1	Percentage of complaints adjudicated within 120 working days and in accordance with complaints procedure, per quarter	Quarterly	83%	83%	83%	83%	83%

ANNEXURE E:
TECHNICAL
INDICATOR
DESCRIPTIONS
2018/19



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1. PROGRAMME 1 (ADMINISTRATION)

1.1 Sub-programme 1.1 (CEO and Registrar)

The CEO, as the accounting officer, is mandated to exercise overall control over the office of the Council for Medical schemes, and as Registrar, exercising legislated powers to regulate medical schemes, administrators, brokers, and managed care organisations.

1.2 Sub-Programme 1.2 (Office of the CFO)

1.2.1 Strategic Objective 1.2.1: Ensure effective financial management and alignment of budget allocation with strategic priorities

Indicator title 1.2.1.1	An unqualified opinion issued by the Auditor-General on the annual financial statements by 31 July each year
Short definition	This means that our financials are prepared in accordance with GRAP and our internal policies and the information is presented to the public in the required framework and timeframes.
Purpose/importance	This is to ensure that a transparent financial management system is maintained
Source/collection of data	An audit opinion letter issued by the Auditor-General on 31 July of each year based on annual financial statements submitted for audit purposes. This is saved on Mfiles under CMS Vault > folder Performance information audit evidence.
Method of calculation	Count the audit opinion letter issued by Auditor-General on 31 July
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	An unqualified annual financial statement with no material findings by the Auditor-General
Indicator responsibility	Chief Financial Officer

Indicator title 1.2.1.2	Produce an annual performance information report that is reliable, accurate and complete by 31 July each year
Short definition	Reporting of actual performance against stated objectives and targets. To ensure that CMS operates in line with its approved plans.
Purpose/importance	To ensure that Council achieves its performance targets as set out in the Annual Performance Plan for the year.
Source/collection of data	An audit opinion letter issued by the Auditor-General on 31 July of each year. This is saved on Mfiles under CMS Vault > folder Performance information audit evidence.
Method of calculation	Count the audit opinion letter issued by Auditor-General by 31 July
Data limitations	Not applicable
Type of indicator	Outputs
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	An annual performance information report that is reliable, accurate and complete, with no material findings by the Auditor-General
Indicator responsibility	Chief Financial Officer

1.2.2 Strategic Objective 1.2.2: An effective, efficient and transparent system of risk management is maintained in order to mitigate the risks exposure of the CMS

Indicator title 1.2.2.1	Number of strategic risk register reports submitted to Council for monitoring, per year
Short definition	To ensure that the risks of Council are mitigated to an acceptable risk tolerance level
Purpose/importance	Risk management will ultimately help CMS to achieve: <ul style="list-style-type: none"> • Greater organisational clarity of purpose by clearly identifying policy needs and actions required to meet strategic objectives • More cohesiveness of effort through organisational consistency and clear role definition, better decisions through thorough consideration of issues • Faster reactions through concentration on key performance trends • Accountability by recording decisions in context and allocating responsibility for action.
Source/collection of data	Quarterly Strategic Risk Register Reports submitted to Council for monitoring. Council minutes are kept.
Method of calculation	Council minutes reflect the discussions on the Strategic Risk Report submitted and discussed at Council.
Data limitations	Not applicable
Type of indicator	Outputs
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To ensure that risks are at an acceptable risk tolerance level or are mitigated.
Indicator responsibility	Risk and Performance Manager

1.3 Sub-Programme 1.3 (Information and Communication Technology (ICT) and Knowledge Management (KM))

1.3.1 Strategic Objective 1.3.1: An established ICT Infrastructure that ensures information is available, accessible and protected

Indicator title 1.3.1.1	Percentage of network and server uptime, per year
Short definition	<p>This indicator measures the percentage of network uptime reported over a period. The more network incidents reported during the year, the lower the percentage uptime (Network Incidents/365 * 100). These network incidents include switch and router failures, failure in ISP connectivity and general line outages. This indicator also measures the % uptime experienced on all the server systems deployed in the CMS Server Farm. The higher the number of days where access to server systems was totally interrupted, the lower the % uptime (number of server incidents/365 * 100). This indicator does not take into account planned outages needed for purpose of maintenance. These planned outages will be recorded separately as part of the IT Change Management process on Mfiles.</p> <p>Days: Days of the year.</p> <p>Incidents: The number of incidents calculated in days. These exclude planned maintenance incidents.</p> <p>Formula: (Days minus Incidents)/days) multiplied by 100</p> <p>Annual: ((365 – Incidents)/365) * 100</p> <p>Q1: ((91 – Incidents)/91) * 100</p> <p>Q2: ((92 – Incidents)/92) * 100</p> <p>Q3: ((91 – Incidents)/91) * 100</p> <p>Q4: ((91 – Incidents)/91) * 100</p>
Purpose/importance	A reduced network uptime may be indicative of serious network/IT infrastructure related issues which need to be addressed to prevent connectivity issues and possible data loss. A reduced network uptime may seriously affect and compromise the ability of the CMS to run software application systems to support business operations.
Source/collection of data	Advent Net Helpdesk System Software and change management process on M-Files content management system. Data is collected by the Helpdesk Coordinator.

Method of calculation	System Generated Reports
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Higher. A 100 % uptime should be strived for.
Indicator responsibility	Network Manager

Indicator title	Percentage of IT security incidents, per year
1.3.1.2	
Short definition	<p>This indicator measures the percentage of IT security events reported over a period. The more security incidents reported during the year, the more the percentage of incidents (Security Incidents/365 * 100). These security incidents include external penetration attempts through the CMS firewall as well as attempts internally by both staff and visitors to access information which they are not entitled to access. This indicator does not take into account planned penetration attempts as part of annual security audits performed. These planned penetration attempts will be recorded separately as part of the IT Change Management process on M-Files.</p> <p>Incidents: The number of security incidents calculated in days. These do not include planned attempts.</p> <p>Formula: (Security incidents/days) multiplied by 100</p> <p>Annual: ((Security incidents/365) * 100</p> <p>Q1: (Security incidents)/91) * 100</p> <p>Q2: ((Security incidents)/92) * 100</p> <p>Q3: ((Security incidents)/91) * 100</p> <p>Q4: ((Security incidents)/91) * 100</p>
Purpose/importance	Security incidents may seriously affect and compromise the ability of the CMS to act as custodian of beneficiary and scheme data, which it is required to collect as part of its regulatory mandate. It may also cause the CMS to be in default in terms of current legislation aimed at protecting the privacy of information such as the Promotion of Personal Information (POPI) Act as well as the Electronic Communication and Transactions Act (ECT Act).
Source/collection of data	Firewall reports submitted monthly to CMS by the Security Service Provider. Data is collected by the Network Manager.
Method of calculation	System Generated Reports
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Lower. A zero percent (0 %) incident rate should be strived for.
Indicator responsibility	Network Manager

1.3.2 Strategic Objective 1.3.2: Provide software applications that serve both internal as well as external stakeholders, that improve business operations and performance

Indicator title 1.3.2.1	Percentage of uptime of all installed application systems where network access exists, per year
Short definition	<p>This indicator measures the % uptime of all installed applications deployed in CMS. This indicator does not take into account planned outages needed for purpose of maintenance. These planned outages will be recorded separately as part of the IT Change Management process on the Advent Net Helpdesk System. This indicator also assumes a 24/7 network availability.</p> <p>Incidents: The number of incidents calculated in days. Formula: (Days minus Incidents)/days) multiplied by 100 Annual: (365 – Incidents)/365) * 100 Q1: (91 – Incidents)/91) * 100 Q2: (92 – Incidents)/92) * 100 Q3: (91 – Incidents)/91) * 100 Q4: (91 – Incidents)/91) * 100</p>
Purpose/importance	A lowering of the total number of days during which interruptions occurred, will result in a higher % uptime, which may indicate that the application systems were developed using sound software development methodologies and that the software development environment produces stable applications which are able to support business processes and operations.
Source/collection of data	Advent Net Helpdesk System Software with built-in change management processes. Data is collected by the Helpdesk Administrator and the Manager: Software Development.
Method of calculation	System generated reports
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Higher. A 100% uptime should be strived for
Indicator responsibility	Manager: Software Development

1.3.3 Strategic Objective 1.3.3: Effectively provide information management services and organise and manage organisational knowledge with a view to enhance knowledge sharing

Indicator title 1.3.3.1	Percentage of physical requests for information received and finalised within 30 days
Short definition	<p>This indicator measures the percentage of requests for information received by the knowledge management officer for a specific period and dealt with successfully or resolved within a period of 30 days after receipt. These requests include requests received for PAIA material, books, articles, legislative research, case law research, interlibrary loan requests and off-site storage requests. This indicator does not measure self-help actions performed by stakeholders through the various e-portals on our website and elsewhere. The aim is to lower the number of physical requests and to steadily increase the resolution rate of such requests within 30 days.</p>
Purpose/importance	A decrease in requests for information is indicative of a well utilised and fully resourced electronic-based knowledge management function (through the various e-portals) as well as repository and a need for information contained therein. Increased access to explicit information stored on CMS systems will lead to better informed decision-making. A steady increase in the resolution rate within 30 days from 80% in 2017/18 to 95% in 2019/20 will be indicative of an improved customer experience and response time.
Source/collection of data	A register of physical access requests is maintained by the Knowledge Management Officer on Mfiles

Method of calculation	Requests will include both physical and online submissions made by stakeholders. Requests for information received by the Knowledge Management Officer for a specific period and dealt with successfully or resolved within a period of 30 days after receipt, these include both physical and online submissions This excludes self-help actions performed on the electronic portals. Formula: (physical and online submissions requests resolved <30 days/physical and online submissions requests received within the reporting period) multiplied by 100 Annual and quarterly: ((physical requests resolved <30 days//Physical requests received within the reporting period) * 100
Data limitations	The unit will not carry over requests not resolved at the end of the quarter to the next quarter, these will be counted as received in the quarter under consideration. These only apply to those requests that are still within the 30 day period of being resolved.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Lower the count for physical access requests to information, whilst steadily increasing the resolution rate within 30 days of receipt.
Indicator responsibility	Knowledge Management Officer

1.4 Sub-Programme 1.4 (Human Resources)

1.4.1 Strategic Objective 1.4.1: Build competencies and retain skilled employees

Indicator title	Minimise staff turnover rate to less than 10% per annum
1.4.1.1	
Short definition	The percentage rate at which an employer attracts and loses employees.
Purpose/importance	Ensure that CMS has the right talent with the right skills at the right time. Retain scarce, critical, professional and technical skills and maintaining a staff turnover rate of less than 10% by 2020.
Source/collection of data	Excel spreadsheet. List of key staff members as per Succession Planning Framework
Method of calculation	Divide the number of terminations by employees by the total number of employees at the end of the reporting period, expressed as a percentage (e.g. 2/20 x 100= XX)
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Retaining competent employees with the right skills at the right time
Indicator responsibility	General Manager: HR/Manager HR

Indicator title	Turnaround time to fill a vacancy (turnaround time of 120 working days for each vacancy that exists during the year), excluding position of CEO
1.4.1.2	
Short definition	Time spent in filling a vacancy
Purpose/importance	Ensuring that no gap exists for longer periods of time after resignation, thereby ensuring that units are able to achieve their objectives.
Source/collection of data	Council resolution for new positions. Annual Performance Plan and budget. Resignation and appointment letter.

Method of calculation	Existing Positions: Count the number of calendar days from resignation of the vacancy to the date the appointment is made (letter of appointment) (a vacancy should not take more than 120 working days to fill) New positions: Number of days from date of approval of new position or approval of budget should not be more than 120 working days. Vacancies that arise in the previous financial year will be carried over into the new financial year, this will be the actual number of days taken to fill the vacancy, irrespective of the financial year, from the date it arises to the date it is filled. The position of Registrar/CEO is outside the control of CMS as the appointment of this position is carried out by the Executive Authority.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Maintain continuity in employment
Indicator responsibility	General Manager: HR/Manager HR

Indicator title 1.4.1.3	Achievement of employment equity targets (according to the B-BBEE Act targets), per annum
Short definition	To ensure that CMS achieves its targets according to Section 9(5): Codes of Good Practice
Purpose/importance	To achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure equitable representation in all occupational categories and levels in the workforce.
Source/collection of data	Employment Equity Plan
Method of calculation	Vacancies are filled in accordance with under-representation within an occupational level. Where under-representation has been identified in the analysis, the numerical goals to achieve the equitable representation of suitably qualified people from designated groups across each level will be set. Numerical goals and targets will be set on each level in relation to the economically active population (EAP) statistics of Gauteng. As per Employment Equity Plan for CMS.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	Revised
Desired performance	Higher
Indicator Responsibility	General Manager: HR

1.4.1 Strategic Objective 1.4.2: Maximise performance to improve organisational efficiency and maintain high performance culture

Indicator title 1.4.2.1	100% of employee performance agreements are signed by no later than 31 May of each year
Short definition	Employee performance agreements signed by each employee to ensure achievement of CMS's objectives for the year.
Purpose/importance	Alignment of individual performance agreements to organisation's strategic objectives in improving organisational efficiency
Source/collection of data	Performance agreement and performance appraisal document agreed and signed between staff and line managers
Method of calculation	Count the number of performance contracts signed by 31 May of each year and divide by total number of employees
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Same as target
Indicator responsibility	HR Manager/HR Officer

Indicator title 1.4.2.2	Percentage of employee performance assessments concluded, biannually
Short definition	Employee are assessed for their key performance indicators biannually. Interviews are conducted between the supervisors and subordinates to agree on the performance scores these are signed by both and filed with the HR Unit.
Purpose/importance	Alignment of individual performance agreements to organisation's strategic objectives in improving organisational efficiency.
Source/collection of data	Performance agreement and performance review document agreed between employee and line managers. The biannual assessments are conducted and finalised by October and April of each year. The target for quarter 1 will be the assessments concluded for the previous financial year (2017/18) The target for quarter 3 will be the assessments concluded for the first half of the current year (2018/19)
Method of calculation	Number of employees eligible to participate in the appraisal cycle/number of all performance contract signed by employees. Only employees in the employment of CMS for at least a period on 9 months are eligible to participate in the performance assessment and rewards. Employees employed for less than 9 months (by the second assessment period) are considered too new to be assessed. Employees that resign during the first performance assessment cycle will not be included. Those employees who resign during the second assessment cycle and who have been here for the full period of 12 months will be considered and performance bonus will be pro-rated accordingly.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Biannually
New indicator	No
Desired performance	100%
Indicator responsibility	HR Manager/HR Officer

1.5 Programme 1.5 (Legal Services)

1.5.1 Strategic Objective 1.5.1: Legal advisory service for effective regulation of the industry and operations of the office

Indicator title 1.5.1.1	Number of written and verbal legal opinions provided to internal and external stakeholders, per year
Short definition	Render prompt, reliable written and verbal internal legal opinions and representations to Council and other business units as opposed to soliciting external legal opinions. The unit provides legal opinions to internal stakeholders (that is Council and business units of the CMS) and to external stakeholders (anyone who writes to the office and enquires about the medical schemes industry and the laws that govern same, in this instance we express an opinion on the law relating to the MSA).
Purpose/importance	The actions of Council and the Registrar are protected and take place within the context of sound legal advice
Source/collection of data	A register of all opinions is kept electronically on Mfiles.
Method of calculation	Count the number of legal opinions maintained on the register. The register is maintained electronically
Data limitations	Matters of a legal nature are unpredictable and therefore can only be estimated. Verbal opinions are noted after the fact Verbal opinions are recorded after the fact.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Higher
Indicator responsibility	General Manager: Legal Service Unit

1.5.2 Strategic Objective 1.5.2: Support CMS mandate by defending decisions of Council and the Registrar

Indicator title 1.5.2.1	Percentage of court and tribunal appearances in legal matters received and handled by the unit per year
Short definition	Take responsibility for litigation against the Registrar and the Council to enforce the Medical Schemes Act.
Purpose/importance	Decisions of Council and Registrar are protected and enforced in accordance with the Act
Source/collection of data	Files of all matters is kept electronically on MFiles.
Method of calculation	Percentage calculated by dividing the number of matters handled by the number of matters received *100.
Data limitations	Matters of a legal nature are unpredictable and therefore can only be estimated, therefore matters handled are being counted and not matters resolved as some matters may await an outcome for a long period of time or may be inconclusive. It is also very difficult to determine how many matters will be received in any given period of time as this will depend on enforcement action and initiatives by other units in the office, such as the Compliance Unit.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	100% of all matters received should be in a state of being handled for any given period.
Indicator responsibility	General Manager: Legal Service Unit

2. PROGRAMME 2 (STRATEGY OFFICE)

2.1 Strategic Objective 2.1 Formulate Prescribed Minimum Benefit definitions to ensure members are adequately protected

Indicator title 2.1.1	The number of benefit definitions published, per year
Short definition	Number of PMB reports and number of CMScript articles produced
Purpose/importance	Benefit definitions and CMScripts are provided in order to clarify member entitlements prospectively thereby reducing the number of complaints received by the Complaints and Adjudication Unit.
Source/collection of data	CMS website
Method of calculation	Count number of PMB definitions published on CMS website
Data limitations	Not applicable
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Publication of specified numbers of high quality of benefit definition documents
Indicator responsibility	Senior Manager: Clinical Unit

Indicator title 2.1.2	Conduct a review of the prescribed minimum benefits (PMB), every two years
Short definition	Publication of a revised PMB package
Purpose/importance	To ensure that members and beneficiaries of medical schemes are protected
Source/collection of data	Broad-based consultative PMB review process that will address the healthcare needs of the country in a sustainable manner
Method of calculation	Cumulative
Data limitations	Dedicated database for all clinical opinions exists on Mfiles
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	Publication of a revised costed PMB package as approved by the Minister of Health
Indicator responsibility	Senior Manager: Clinical Unit

2.2 Strategic Objective 2.2: Provide clinical opinions to resolve complaints and enquiries

Indicator title 2.2.1	Percentage of category 1* clinical opinions provided within 30 working days of receipt from Complaints Adjudication
Short definition	Provide clinical opinions on formal complaints received from the Complaints Adjudication Unit to ensure that members' complaints are resolved
Purpose/importance	To protect the members of the medical schemes, facilitate access to medical scheme benefits and ensure that members receive rightful cover.
Source/collection of data	Mfiles Complaints Database and Clinical Database

Method of calculation	<p>The clinical opinions are to be weighted on the basis of their complexity and allocated a category. This categorisation will be carried out by the most experienced Clinical Analysts in the unit.</p> <p>A category 1 clinical opinion is an uncomplicated clinical opinion that is expected to be analysed and 90% are expected to be completed within 30 working days of referral/receipt from the Complaints Adjudication Unit.</p> <p>A category 2 clinical opinion is a more complex clinical opinion compared to a category 1, requiring more in-depth analysis and time less than 60 working days for full completion.</p> <p>A category 3 clinical opinion is very complex in nature, requiring extensive inputs, additional documentations and research. These will require experts/specialist consultation before a conclusion can be reached. 100% of clinical opinions of this nature will be aimed for completion within 90 days of receipt from the Complaints Adjudication Unit.</p> <p>Count of clinical opinions: Electronically via the Complaints Database</p> <p>The calculations of the indicators will be according to the formula below:</p> <p>Completion 90% of clinical opinions referred within 30 working days calculated by:</p> $\text{Number of completed opinions in } \leq 30 \text{ working days} / \text{Total number of clinical opinions referred in } \leq 30 \text{ working days} \times 100$
Data limitations	Dedicated database for all clinical opinions exists on Mfiles
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To attend to 90% of all clinical opinions within the timeframes of the SOP
Indicator responsibility	Senior Manager: Clinical Unit

Indicator title 2.2.2	Percentage of category 2* clinical opinions provided within 60 working days of receipt from Complaints Adjudication
Short definition	Provide clinical opinions on formal complaints received from the Complaints Adjudication Unit with the view to ensure that members' complaints are resolved
Purpose/importance	To protect the members of medical schemes, facilitate access to medical scheme benefits and ensure that members receive rightful cover.
Source/collection of data	Mfiles Complaints Database
Method of calculation	<p>The clinical opinions are to be weighted on the basis of their complexity and allocated a category. This categorisation will be carried out by the most experienced Clinical Analysts in the unit.</p> <p>A category 1 clinical opinion is an uncomplicated clinical opinion that is expected to be analysed and 90% are expected to be completed within 30 working days of referral/receipt from the Complaints Adjudication Unit.</p> <p>A category 2 clinical opinion is a more complex clinical opinion compared to a category 1, requiring more in-depth analysis and time less than 60 working days for full completion.</p> <p>A category 3 clinical opinion is very complex in nature, requiring extensive inputs, additional documentations and research. These will require experts/specialist consultation before a conclusion can be reached. 100% of clinical opinions of this nature will be aimed for completion within 90 days of receipt from the Complaints Adjudication Unit.</p> <p>Count of clinical opinions: Electronically via the Complaints Database</p> <p>The calculations of the proposed indicators will be according to the formula below:</p> <p>Completion of 95% of clinical opinions referred within 60 working days calculated by:</p> $\text{Number of completed clinical opinions between 30-60 working days} / \text{Total number of clinical opinions referred in } \leq 60 \text{ working days} \times 100$
Data limitations	Dedicated database for all clinical opinions exists on Mfiles
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Monthly, quarterly and yearly

New indicator	No
Desired performance	To attend to 95% of all clinical opinions within the timeframes of the SOP
Indicator responsibility	Senior Manager: Clinical Unit

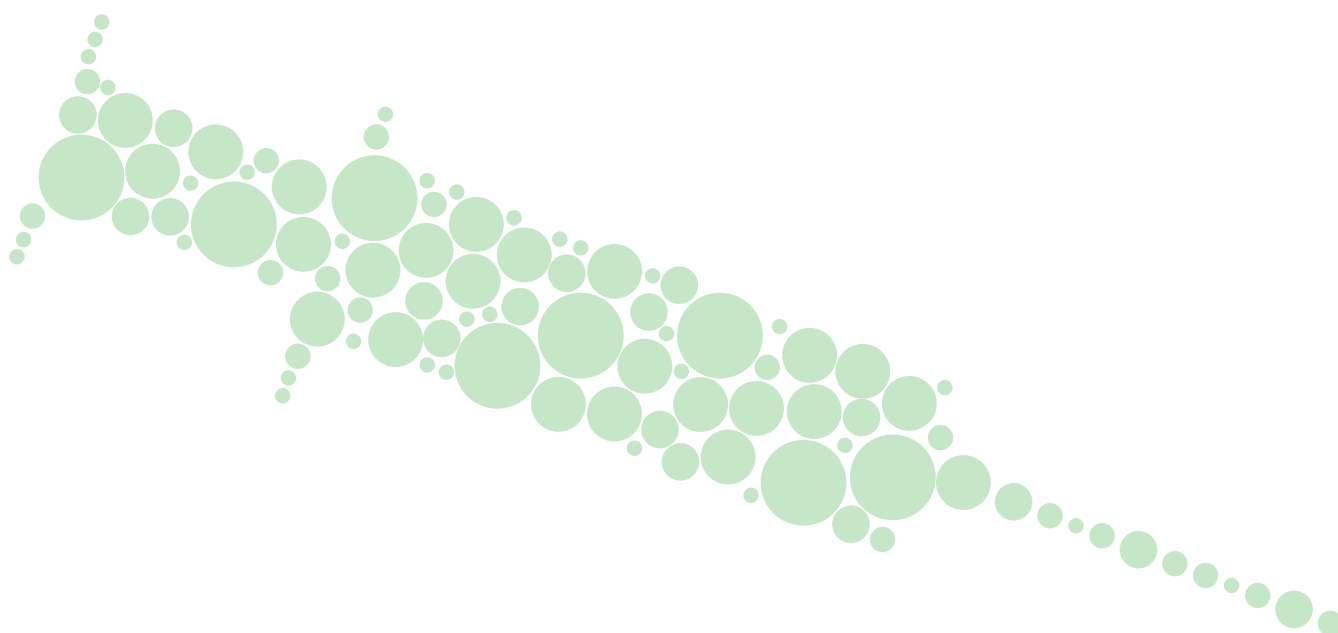
Indicator title 2.2.3	Percentage of category 3* clinical opinions provided within 90 working days of receipt from Complaints Adjudication
Short definition	Provide clinical opinions on formal complaints received from the Complaints Adjudication Unit with the view to ensure that members' complaints are resolved
Purpose/importance	To protect the members of medical schemes, facilitate access to medical scheme benefits and ensure that members receive rightful cover.
Source/collection of data	Mfiles Complaints Database
Method of calculation	<p>The clinical opinions are to be weighted on the basis of their complexity and allocated a category. This categorisation will be carried out by the most experienced Clinical Analysts in the unit.</p> <p>A category 1 clinical opinion is an uncomplicated clinical opinion that is expected to be analysed and 90% are expected to be completed within 30 working days of referral/receipt from the Complaints Adjudication Unit.</p> <p>A category 2 clinical opinion is a more complex clinical opinion compared to a category 1, requiring more in-depth analysis and time less than 60 working days for full completion.</p> <p>A category 3 clinical opinion is very complex in nature, requiring extensive inputs, additional documentations and research. These will require experts/specialist consultation before a conclusion can be reached. 100% of clinical opinions of this nature will be aimed for completion within 90 days of receipt from the Complaints Adjudication Unit.</p> <p>Count of clinical opinions: Electronically via the Complaints Database</p> <p>The calculations of the proposed indicators will be according to the formula below: Completion of 98% of clinical opinions referred within 90 working days calculated by: Number of completed clinical opinions between 60-90 working days / Total number of clinical opinions referred in ≤ 90 working days X 100</p>
Data limitations	Dedicated database for all clinical opinions exists on Mfiles
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Monthly, quarterly and yearly
New indicator	No
Desired performance	To attend to 98% of all clinical opinions within the timeframes of the SOP
Indicator responsibility	Senior Manager: Clinical Unit

Indicator title 2.2.4	Percentage of clinical enquiries received via e-mail or telephone and responded to within 7 days
Short definition	Provide clinical opinions on formal complaints received from the Complaints Adjudication Unit and via e-mail and telephonic enquiries with the view to ensure that member's complaints and enquiries are resolved
Purpose/importance	To protect the members of medical schemes, facilitate access to medical scheme benefits and ensure that members receive rightful cover.
Source/collection of data	Mfiles Complaints Database and Clinical Enquiries E-mail Database
Method of calculation	Sum of clinical opinions, electronically via the complaints database, register maintained by the unit for BMU, email and telephone enquiries and demarcation (manual count) (total number of clinical opinions completed/total number of clinical opinion received for the period)
Data limitations	Dedicated database for all clinical opinions does not exist. The current statistics are extracted from the Mfiles Document Centre. Communicated to IT and during operation planning session. The unit will be developing a spreadsheet to maintain evidence of all e-mail and telephonic enquiries.
Type of indicator	Output

Calculation type	Non-cumulative
Reporting cycle	Quarterly and yearly
New indicator	No
Desired performance	To attend to 100% of all clinical enquiries within the timeframes of the SOP
Indicator responsibility	Senior Manager: Clinical Unit

2.3 Strategic Objective 2.3: Conduct research to inform appropriate national health policy interventions

Indicator title 2.4.1	Number of research projects and support projects published in support of national health policy, per year
Short definition	Undertake strategic research to inform national health policy interventions like National Health Insurance and Health Market Inquiry.
Purpose/importance	Section 7 (b) of the Medical Schemes Act states that CMS needs to control and coordinate the business of the medical schemes in a manner that is complementary to national health policy. While Sections 7 (e) and (g) state that CMS must advise the minister on any matter concerning medical schemes, including collecting and disseminating information about private healthcare.
Source/collection of data	CMS website and Mfiles
Method of calculation	Sum of research projects completed. Research projects are undertaken for internal and external consumption. For internal projects the project is counted when sent to the unit it was intended for, this is sent via email. Email evidence will be kept. For external research projects carried out, these will be published within one of the following mechanisms: submission to the Department of Health, CMS website, conference paper submission, submission to a local or international journals for publication, publication through a circular and/or as part of a circular and CMS News publication
Data limitations	Industry response rate
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and yearly
New indicator	No
Desired performance	Publication of all research reports
Indicator Responsibility	Senior Health Economist



3. PROGRAMME 3 (ACCREDITATION)

3.1 Strategic Objective 3.1: Accredite brokers based on their compliance with the requirements for accreditation in order to provide broker services

Indicator title 3.1.1	Number of brokers and broker organisations that comply with the accreditation requirements are accredited on of receipt of complete applications and relevant information, per year
Short definition	Broker and broker organisation applications that meet the accreditation requirements are accredited
Purpose/importance	Brokers and brokerages must be accredited in order to provide broker services to members and potential members of medical schemes, as defined in the Medical Schemes Act.
Source/collection of data	Accreditation live database system updated online. Accreditation certificate available on the accreditation system.
Method of calculation	Sum of the number of processed and accredited applications that are recorded on the database and that meet the accreditation requirements (Applications must meet the following four key requirements for accreditation: Fit and proper requirement The qualification requirement including being licensed by the FSB The appropriate experience and the Financial soundness
Data limitations	The system figures could change depending on whether brokers and broker organisations are rejected or applications are withdrawn or disqualified due to incomplete information during a period
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To process 100% of all broker and broker organisation applications that meet the accreditation requirements within 21 working days of receipt of complete application. An increase or decrease in the number of applications accredited is merely an indication of the number of actual applications received and does not necessarily indicate a better or worse performance in terms of the stated objective.
Indicator responsibility	Accreditation Manager: Brokers and General Manager: Accreditation

3.2 Strategic Objective 3.2: Accredite Managed Care Organisations (MCOs) based on their compliance with the accreditation requirements in order to provide managed care services as defined

Indicator title 3.2.1	Number of MCO applications accredited, within 3 months of receipt of all relevant information
Short definition	Indicates the number of MCO applications accredited within 3 months of receipt of all relevant information, subject to approval by the Council's Executive Committee. New and renewal applications are included. Relevant information include: <ul style="list-style-type: none"> • Completed accreditation application form • Group structure • Copies of managed care agreements with medical schemes in place • Copies of sub-contracting agreements (where applicable) • Latest audited annual financial statements and most recent management accounts • Tax certificate • Copies of managed care protocols and formularies.

Short definition (continued)	Applications must meet the three key requirements for accreditation: <ul style="list-style-type: none"> • The applicant must be fit and proper • The applicant must have the necessary systems, resources, skills and capacity to provide the managed care services • The applicant must be financially sound. Once processed, applicants are either accredited for a period of two years, additional information is requested in respect of incomplete applications, or unsuccessful applicants are informed of the reasons for non-accreditation.
Purpose/importance	MCOs must be accredited in order to provided managed care services, as defined in the Medical Schemes Act to medical schemes.
Source/collection of data	Council Executive Committee minutes available from Secretariat of Council Accreditation Certificates for MCO accreditation are available on Mfiles and on the CMS website
Method of calculation	Sum of accredited applications recorded on minutes of Council Executive Committee
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To process 100% of all complete applications received that meet the accreditation requirements within 3 months of receipt. An increase or decrease in the number of MCO accreditation applications accredited is merely an indication of the workload and does not necessarily indicate a better or worse performance in terms of the stated objective.
Indicator responsibility	Accreditation Manager: Administrators & MCOs and General Manager of Unit

3.3 Strategic Objective 3.3: Accredit administrators and issue Compliance Certificates to self-administered schemes based on their compliance with the accreditation requirements in order to provide administration services

Indicator title 3.3.1	Number of applications by administrators and self-administered schemes accredited within 3 months of receipt of all relevant information
Short definition	Administrator applications accredited, and self-administered schemes approved for issuance of the compliance certificate, within 3 months of receipt of all relevant information, subject to approval by the Council's Executive Committee. New and renewal applications are included. Relevant information includes: <ul style="list-style-type: none"> • Completed accreditation application form • Group structure • Copies of administration agreements with medical schemes in place • Copies of sub-contracting agreements (where applicable) • Latest audited annual financial statements and most recent management accounts • Tax certificate. Applications must meet the three key requirements for accreditation: <ul style="list-style-type: none"> • The applicant must be fit and proper • The applicant must have the necessary systems, resources, skills and capacity to provide the services • The applicant must be financially sound. Once processed, applicants are either accredited for a period of two years, additional information is requested in respect of incomplete applications, or unsuccessful applicants are informed of the reasons for non-accreditation.
Purpose/importance	Administrators must be accredited in terms of the Medical Schemes Act in order to provided third party administration services to medical schemes
Source/collection of data	Council Executive Committee minutes available from Secretariat of Council Accreditation certificates of MCOs accredited are available on Mfiles and the CMS website
Method of calculation	Sum of accredited applications recorded on minutes of Council

Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To process 100% of all complete applications received that meet the requirements for accreditation within 3 months of receipt. An increase or decrease in the number of administrator and self-administered scheme new and renewal accreditation or compliance certificate applications accredited/approved is merely an indication of the workload and does not necessarily indicate a better or worse performance in terms of the stated objective.
Indicator responsibility	Accreditation Manager: Administrators & MCOs and General Manager of Unit

4. PROGRAMME 4 (RESEARCH AND MONITORING)

4.1 Strategic Objective 4.1: Conduct research to inform appropriate policy interventions

Indicator title	Number of research projects and support projects finalised, per year
4.1.1	
Short definition	The total number of research projects and technical support projects completed in a financial year
Purpose/importance	To ensure continuous improvement of policy and regulatory interventions by the CMS in influencing performance of the medical schemes industry
Source/collection of data	Research and support reports are approved at the EMC and Council. Most of the data is collected through the Annual Statutory Returns System, or ad-hoc requests for data from the industry. A file is maintained listing the final research projects and support projects. The file is maintained on Mfiles.
Method of calculation	Sum of research and support projects produced. Not all reports are published on the website. Internal reports are not published but are shared internally with relevant stakeholders.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All the approved projects completed on time with clear recommendations
Indicator responsibility	General Manager: Research & Monitoring

4.2 Strategic Objective 4.2: Monitoring trends to improve regulatory policy and practice

Indicator title	Non-financial report submitted for inclusion into the Annual Report
4.2.1	
Short definition	The analysis of clinical, demographic, utilisation and benefits paid data received through the Statutory Return by medical schemes
Purpose/importance	Monitor trends in the environment and also to provide influential strategic advice and support for the development and implementation of strategic health policy
Source/collection of data	The Annual Statutory Return System collects demographic and utilisation data from schemes. This data is analysed and a non-financial report is produced for the input into the Annual Report.

Method of calculation	The Annual Report contains the non-financial report submitted by the unit. Sum of the utilisation section in the CMS Annual Report
Data limitations	Data received from medical schemes are sometimes inaccurate or under reported
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	Report on the analysis of non-financial and demographic data is completed in time to be published in the Annual Report
Indicator responsibility	General Manager: Research & Monitoring

5. PROGRAMME 5 (STAKEHOLDER RELATIONS)

5.1 Strategic Objective 5.1: Create awareness and provide training in order to enhance the visibility and reputation of CMS

Indicator title	Percentage of member awareness of CMS resulting from the survey, in alternate years
5.1.1	
Short definition	To measure the awareness of members about the work of CMS
Purpose/importance	The purpose of the survey is to determine how many medical scheme members are aware of the CMS and its role. The results of the survey will determine what improvements can be implemented for further awareness.
Source/collection of data	A survey will be carried out by SHR, in collaboration with medical schemes and a service provider in marketing trends. Survey results will be stored on Mfiles.
Method of calculation	Survey results, scientifically calculated through the survey tool used.
Data limitations	Survey may not cover entire a larger percentage of the population. Members may choose not to partake in the survey.
Type of indicator	Impact
Calculation type	Non-cumulative
Reporting cycle	Every alternate year
New indicator	No
Desired performance	To have all members aware of CMS
Indicator responsibility	General Manager: Stakeholder Relations

Indicator title	Number of stakeholder training and awareness sessions, per year
5.1.2	
Short definition	To effectively create awareness and train stakeholders to understand their relevant roles and responsibilities in the medical scheme environment.
Purpose/importance	The indicator measures how effectively consumer awareness was created and stakeholders were trained to keep abreast of the legislative requirements needed to understand their roles and responsibilities.
Source/collection of data	Registers are kept for each consumer education sessions; trustee training sessions; Indabas and forum. This is stored in the form of registers kept for each session. Registers are signed by attendees.
Method of calculation	Simple count of number of sessions held through registers kept. Sessions held over a two-day period will be counted as one session.
Data limitations	None
Type of indicator	Output

Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Higher
Indicator responsibility	SHR Managers (Communication, Customer Care Centre, Education and Training)

5.2 Strategic Objective 5.2: Communication and engagement to inform and empower stakeholders

Indicator title	Submission of CMS's Annual Report by 31 August to the Executive Authority
5.2.1	
Short definition	The production and publication of the CMS Annual Report is produced to empower stakeholders to make informed decisions.
Purpose/importance	Reporting on CMS's financial year and industry trends through the Annual Report to better inform and empower stakeholders to fulfil their roles and thereby enhance the reputation of CMS.
Source/collection of data	Annual Report submitted to the Executive Authority by 31 August each year, letter sent with the submission as well as acknowledgement of receipt.
Method of calculation	The acknowledgement of receipt letter when the Annual Report is submitted to the NDoH.
Data limitations	Unavailability of required information and/or sources of information and/or human resources; non-compliance/non-adherence to production schedule and deadlines
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Revised
Desired performance	Timeously informed and empowered stakeholders to enhance reputation of CMS
Indicator responsibility	Communications Manager, Contact Centre Manager and General Manager of SHR

Indicator title	Percentage of positive or neutral feedback received on CMS's reputation through a media monitoring tool, per year
5.2.2	
Short definition	The media monitoring tool allows SHR to monitor, react and be pro-active in enhancing a positive image of CMS
Purpose/importance	To take corrective action in order to enhance service delivery and improve CMS's reputation amongst the general public and media.
Source/collection of data	Monthly media monitoring reports, which are received from the provider are stored on Mfiles. Percentages reported on the reputation scorecard are extracted from these reports and added for each month in the quarter (three months).
Method of calculation	The percentage of positive or neutral feedback is added and averaged over the reporting for the quarter (three months). The percentage calculation for each discipline is calculated using statistical data.
Data limitations	Unavailability of reports
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Engagement with all schemes, administrators, regulators and other industry stakeholders Increased awareness of the functions of CMS and enhanced reputation of CMS
Indicator responsibility	General Manager: Stakeholder Relations and relevant sub-units

6. PROGRAMME 6 (COMPLIANCE AND INVESTIGATION)

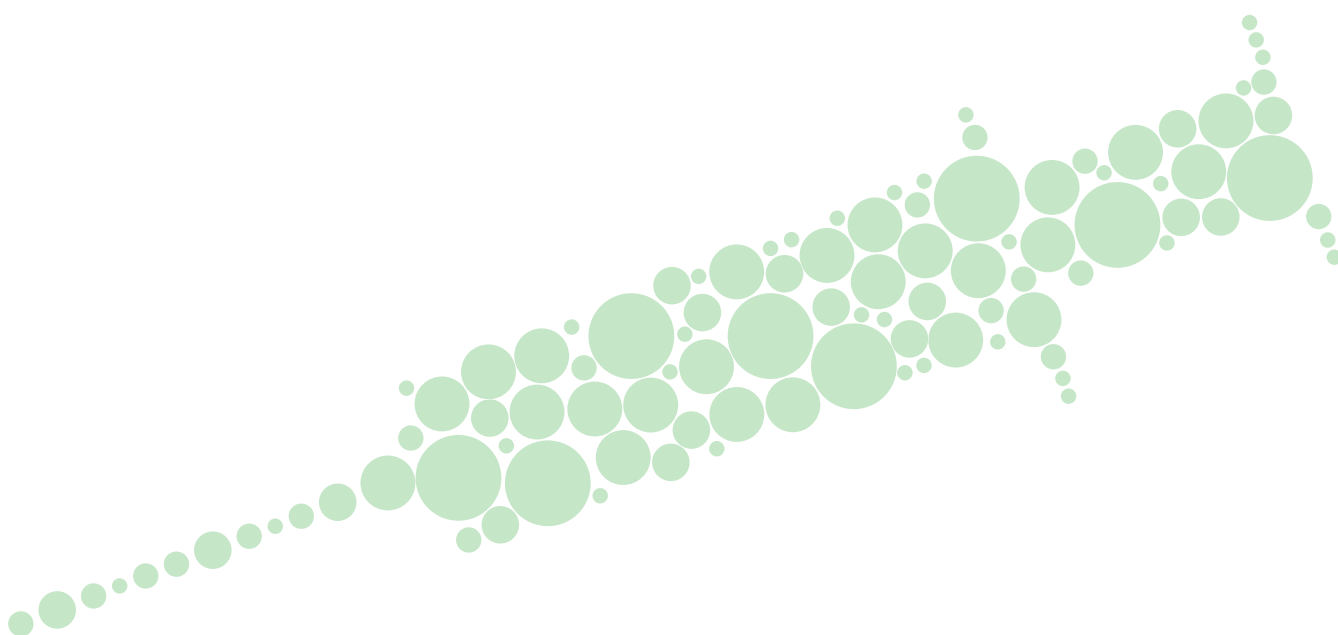
6.1 Strategic Objective 6.1: Regulated entities comply with legislation

Indicator title 6.1.1	Percentage of non-compliance cases against regulated entities undertaken, per year.
Short definition	When schemes or insured entities are found to be non-compliant the with the MSA, the unit will either conduct an inspection, impose penalties, issue rulings, request insurance entities to apply for demarcation exemption or issue directives to schemes to enforce compliance.
Purpose/importance	The purpose of the indicator is to ensure that medical schemes, insured entities and regulated entities are fully compliant with the Medical Schemes Act and its regulations. The unit will ensure that all matters received result in processed interventions.
Source/collection of data	Below are measures for possible non-compliance cases that could be undertaken: <ul style="list-style-type: none"> • Commissioned inspection in terms of Section 44(4)(a): Count letter of appointment sent to the scheme confirming an inspection • Section 43 enquiry: Count the letters sent to the scheme requesting information relation to any matter connected with the business or transactions of the medical scheme • Penalties in terms of Section 66(3): Count the letter sent to the scheme imposing the penalty • Rulings in terms of Section 47: Count the letter sent to the scheme enforcing the compliance with the ruling • Directives: Count the letter sent to the scheme enforcing compliance with a directive • Exemptions in terms of Section 8(h): Count the number of exemption letters sent to scheme communicating the result of an application • Demarcation exemptions: Count the exemption letter issued to insured entities communicating the result of an application.
Method of calculation	Number of non-compliance cases responded to/Number of non-compliance cases received X 100
Data limitations	Some cases may not be captured on the system. Some cases may not be captured in the report.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Lower - When fewer cases of non-compliance are received or identified, it indicates that the medical schemes and regulated entities are compliant with the Medical Schemes Act in terms of their understating of the interpretation of its statutes.
Indicator responsibility	Compliance Officer/Senior Investigator

6.2 Strategic Objective 6.2: Strengthen and monitor governance systems

Indicator title 6.2.1	Number of governance interventions implemented, per year
Short definition	This indicator is intended to show how many forms of governance intervention were instituted
Purpose/importance	This indicator is important to improve governance in medical schemes.

Source/collection of data	<p>The unit records intervention implemented during the month in the EMC Report submitted at each executive management meeting. Below are measures for possible interventions that could be undertaken:</p> <ul style="list-style-type: none"> • Annual general meetings, special general meetings and elections of Trustee meetings: Count the report issued after a scheme AGM, SGM or Trustee election meeting proceedings have been monitored • Vetting of scheme officers: Count the number of reports issued after the vetting of officer of the regulated entities • Curatorship monitoring: Count the number of meetings scheduled per quarter in order to monitor the performance of the curator • Trustee removal proceedings in terms of Section 46: Count the number of Section 46 notice letters issued • Routine inspections in terms of Section 44(4)(b): Count letter of appointment sent to the scheme confirming an inspection • Board Notice 73 of 2004: Count the number of Board notices issued to the scheme / industry.
Method of calculation	Count the number of governance interventions undertaken for the quarter/annually
Data limitations	<p>Limitations may arise where:</p> <ul style="list-style-type: none"> • Schemes fail to notify the office of the date of the annual general meeting or elections • Schemes fail to notify the office who their newly elected officers are • Non-attendance of monthly report meetings with the office by the curator /compliance officer • Lack of co-operation by the inspected regulated entities.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Lower – When fewer interventions are identified or undertaken, it indicates that the medical schemes and regulated entities are compliant with the Medical Schemes Act in terms of their understating of the interpretation of its statutes
Indicator responsibility	Senior Investigator/Compliance Officer



7. PROGRAMME 7 (BENEFITS MANAGEMENT)

7.1 Strategic Objective 7.1: To ensure that rules of the schemes are fair and compliant with the Medical Schemes Act

Indicator title 7.1.1	Percentage of interim rule amendments processed within 14 working days of receipt of all information per year
Short definition	The indicator measures the effectiveness of the processing of rule amendments received within the targets identified.
Purpose/importance	The purpose is to ensure that rules submitted by the schemes are efficiently and effectively analysed and approved with the stipulated timeframes. This ensures that all schemes operate according to the approved rules, which are aimed at protecting members and beneficiaries.
Source/collection of data	Submission of hardcopies of interim rule amendments are captured on a register and Excel spreadsheet. The capturing of the date submitted, received by the analyst, date of request of further information and the date processed and sent to the GM is captured for each rule submission. The spreadsheet will use the information captured to calculate the performance of the unit.
Method of calculation	The spreadsheet captures all the submission received per quarter and calculates the number of working days that it has taken for the processing of the amendments. The performance target of the unit is calculated in the following way: Number of amendments processed after receipt of all inform in 14 days or less/number of amendments processed in the period (excluding those with outstanding information) X 100
Data limitations	The indicator is only a measure of the percentage of submissions completed within 14 days. It is based on the number of submissions made by schemes during each quarter.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Revised
Desired performance	80% of submissions made to the office are processed within 14 working days.
Indicator responsibility	The General Manager of the unit is responsible for reporting.

Indicator title 7.1.2	Percentage of annual rule amendments processed before 31 December of each year
Short definition	The indicator measures the effectiveness of the processing of rule amendments received by the targeted deadline identified.
Purpose/importance	The unit ensures that annual rule amendments submitted during September/October that are effecting on 1 January the following year are processed after receipt of all info before 31 December of that year to enable schemes to operate the benefit year with approved rules. This ensures that the schemes have rules that are approved and are compliant with the Medical Schemes Act and are not unfair to members of medical schemes when they are effected.
Source/collection of data	Submission of hardcopies of annual rule amendments are captured on a register and Excel spreadsheet. The capturing of the date submitted, received by the analyst, date of request of further information and the date of processed and sent to the GM is captured for each rule submission. The spreadsheet will use the information captured to calculate the performance of the unit.
Method of calculation	The spreadsheet captures all the annual rule submissions received effective 1 January and also the date that they were processed to calculate the target of submissions processed by 31 December. The performance target of the unit is calculated in the following way: Number of amendments processed by 31 December/number of amendments received (excluding those with outstanding information) X 100.

Data limitations	The indicator is only a measure of the percentage of submissions completed by 31 December. It is based on the number of submissions made by schemes effective 1 January each year.
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	No
Desired performance	90% of submissions made to the office are processed before 31 December each year
Indicator responsibility	The General Manager of the unit is responsible for reporting.

8. PROGRAMME 8 (FINANCIAL SUPERVISION)

8.1 Strategic Objective 8.1: Monitor and promote the financial soundness of medical schemes

Indicator title 8.1.1	Recommendations in respect of Regulation 29 (which requires all schemes below statutory solvency to submit nature and causes of failure to the Registrar) for 100% of Business Plan received, per year
Short definition	The indicator measures the percentage of recommendations made in respect of schemes below statutory minimum solvency level where business plans are submitted
Purpose/importance	Is to measure monitoring actions in respect of schemes below solvency. This indicator measures the performance of medical schemes during the year, as part of the Early Warning System.
Source/collection of data	The recommendation is counted when a recommendation is either approved/rejected by Executive Management Committee. Content Management System on Mfiles - CMS Vault – FSU folder. Medical schemes submit quarterly returns as part of the CMS Early Warning System; from which analysis is undertaken to determine the cases requiring regulatory intervention. Further, the Act requires medical schemes to notify the Registrar should they not be in compliance with Regulation 29.
Method of calculation	Work out the percentage taking the number of recommendations made/number of cases identified x 100
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	100% of submissions received per year
Indicator responsibility	General Manager: Financial Supervision

Indicator title 8.1.2	Recommendations on action plans for schemes with rapidly reducing solvency (but above statutory minimum) for 100% of schemes identified, per year
Short definition	Percentage of recommendations in respect of identified schemes with rapidly reducing solvency
Purpose/importance	To measure monitoring actions in respect of schemes with rapidly reducing solvency. This indicator measures the performance of medical schemes during the year, as part of the Early Warning System.
Source/collection of data	The unit will identify schemes with rapidly reducing solvency Content Management System on Mfiles - CMS Vault – FSU folder
Method of calculation	Work out the percentage taking the number of recommendations made/number of cases received x 100

Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	100% of identified schemes per year
Indicator responsibility	General Manager: Financial Supervision

Indicator title 8.1.3	Percentage of auditor applications authorised or rejected, per year
Short definition	This indicator measures the percentage of applications for auditor authorisations analysed and finalised as per Section 36 of the MSA.
Purpose/importance	To measure the percentage of applications from auditors who applied for authorisation as statutory auditor by the CMS; processed and finalised. No auditor may undertake an audit of a medical scheme without the requisite authorisation and approval by the CMS.
Source/collection of data	Auditor applications authorised or rejected. Content Management System on Mfiles - CMS Vault – FSU folder. Auditors requiring authorisation submit application forms through the CMS web portal.
Method of calculation	Work out the percentage taking the number of applications analysed (this includes both authorised and rejected applications)/number of applications received x 100
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	100% of applications received per year
Indicator responsibility	General Manager: Financial Supervision

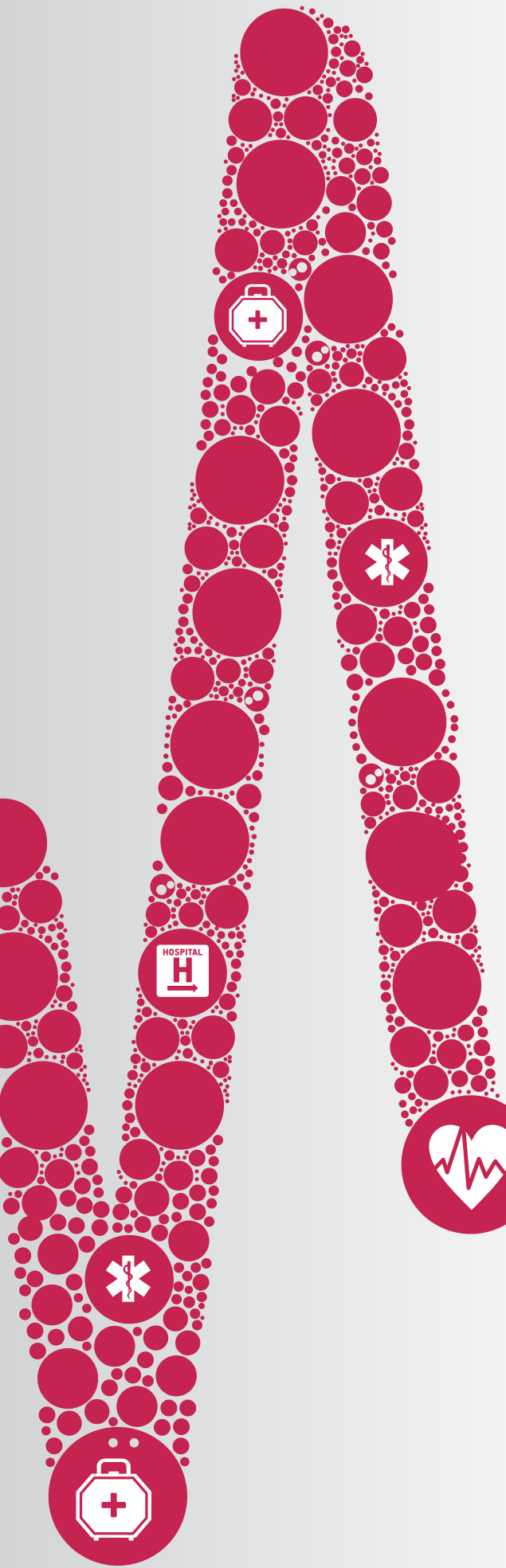
Indicator title 8.1.4	Number of quarterly financial return reports published (excluding quarter 4), per year
Short definition	This indicator measures the number of consolidated medical scheme financial quarterly reports published
Purpose/importance	This indicator measures the performance of medical scheme during the year, as part of the Early Warning System.
Source/collection of data	Publication of quarterly reports on CMS website. 1 quarterly report per quarter, except the last quarter of the year
Method of calculation	Sum of quarterly reports that are published on CMS website.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	1 quarterly report per quarter, except the last quarter of the year
Indicator responsibility	FSU Analyst (Project leader: Quarterly Returns Project)

Indicator title 8.1.4	Number of financial sections prepared for the Annual Report
Short definition	This indicator measures the number of financial sections prepared in respect of the Annual Report. The annual financial statements of schemes are analysed and a consolidated report is prepared as part of the industry report in the CMS Annual Report.
Purpose/importance	This indicator measures the performance of medical scheme based on the financial performance during the year.
Source/collection of data	Financial sections of the Annual Report submitted for inclusion in the Annual Report. Publication of Annual Report on the CMS website.
Method of calculation	Sum of financial section of the Annual Report submitted to Stakeholder Relations Unit
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	1 set of input in respect of the financial sections of the Annual Report in 2015/16
Indicator responsibility	General Manager: Financial Supervision

9. PROGRAMME 9 (COMPLAINTS ADJUDICATION)

9.1 Strategic Objective 9.1: Resolve complaints with the aim of protecting beneficiaries of medical schemes

Indicator title 9.1.1	Percentage of complaints adjudicated within 120 working days and in accordance with complaints procedure, per year
Short definition	As per the provisions of Section 47 (2) of the Medical Schemes Act (131 of 1998), complaints must be resolved as soon as possible after receipt of comments from parties complained against or referred to Council for resolution if they cannot be resolved by the Registrar's Office.
Purpose/importance	To ensure speedy resolution of complaints with the aim of protecting beneficiaries of medical schemes
Source/collection of data	CMS Complaints Adjudication IT System
Method of calculation	When a complaint is closed on the system the complaint is considered resolved. $\frac{\text{Total resolved within x number of days}}{\text{Total number resolved during the period}} * 100$
Data limitations	Requires improvement and this has been communicated to the IT developers
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	A higher percentage of resolved complaints indicates higher performance
Indicator responsibility	Senior Manager and Legal Adjudication Officers



ANNEXURE F:
CHANGES MADE TO
PERFORMANCE
INDICATORS 2018/19



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ANNEXURE ON CHANGES TO PERFORMANCE INDICATORS

The following changes have been made to the Annual Performance Plan 2018/19:

Numbering of performance indicators:

All performance indicators were not numbered in the Annual Performance Plan previously. All strategic objectives had to be re-numbered and all indicators were given numbers to correspond with the objective numbering.

Sub-Programme 1.2 (Office of the CFO)

Changes made to the wording of the indicator relating to performance information.

2017/18

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Strategic Goal 3: CMS is responsive to the environment by being a fair, transparent, effective and efficient organisation							
Strategic Objective 1.2.3.1: Ensure effective financial management and alignment of budget allocation with strategic priorities							
An unqualified opinion issued by the Auditor-General on the annual performance information by 31 July each year	New indicator	1	1	1	1	1	1

2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Goal 3: CMS is responsive to the environment by being a fair, transparent, effective and efficient organisation							
Strategic Objective 1.2.1: Ensure effective financial management and alignment of budget allocation with strategic priorities							
1.2.1.2 Produce an annual performance information report that is reliable, accurate and complete by 31 July each year	1	1	1	1	1	1	1

Sub-Programme 1.3 (Information and Communication Technology (ICT) and Knowledge Management (KM))

The indicator was refined to include the words "...and finalised...", the word responded to was removed. Only finalised physical requests within 30 days will be used to measure this performance indicator.

The estimated actual numbers were removed to only reflect the percentages, as per the Auditor-General findings for 2016/17.

2017/18

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Strategic Objective 1.3.3.3: Effectively provide information management services and organise and manage organisational knowledge with a view to enhance knowledge sharing							
1.3.3.3 Percentage of requests for information received and responded to within 30 days, per year	279	274	350	100% (300)	80% (200/250*100)	90% (180/200*100)	95% (190/200*100)

2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Objective 1.3. 3: Effectively provide information management services and organise and manage organisational knowledge with a view to enhance knowledge sharing							
1.3.3.1 Percentage of physical requests for information received and finalised within 30 days	274	350	98% (244/249)	80%	90%	95%	95%

Sub-programme 1.4 (Human Resources)

The sub-programme took a decision to revise the indicator to exclude the position of the Registrar/CEO from this indicator. The appointment of the CEO is done by the Executive Authority and therefore is outside the control of CMS.

2017/18

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Objective 1.4.3.1: Build competencies and retain skilled employees							
1.4.3.1 Average turnaround time to fill a vacancy (average turnaround time of 120 working days for each vacancy that exists during the year)	New indicator	There were 7 out of 10 positions that took longer than the 90 days to fill	There were 3 out of 9 positions that took longer than the 90 days to fill	90 days	120 days	120 days	120 days

2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Objective 1.4.1: Build competencies and retain skilled employees							
1.4.1.2	Turnaround time to fill a vacancy (turnaround time of 120 working days for each vacancy that exists during the year), excluding position of CEO	There were 7 out of 10 positions that took longer than the 90 days to fill	There were 3 out of 9 positions that took longer than the 90 days to fill	There were 5 out of 14 positions that took longer than the 90 days to fill	120 days	120 days	120 days

Programme 2 (Strategy Office)

Objective 2.2.1: The programme wanted to capture the backlogs they have relating to clinical opinions. Not all opinions are completed within 30 working days, they have therefore split the indicator showing 60 working days and 90 working days.

The clinical opinions are to be weighted on the basis of their complexity and allocated a category. This categorisation will be carried out by the most experienced Clinical Analysts in the unit.

Category 1 clinical opinions are an uncomplicated clinical opinion, which are expected to be analysed and 90% to be completed within 30 working days of referral/receipt from the Complaints Adjudication Unit.

Category 2 clinical opinions are more complex than a category 1, requiring more in-depth analysis and time, but less than 60 working days for full completion.

Category 3 clinical opinions are very complex in nature, requiring extensive inputs, additional documentations and research. These will require experts/specialist consultation before a conclusion can be reached. 100% of clinical opinions of this nature will be aimed for completion within 90 days of receipt from the Complaints Adjudication Unit.

The indicator was further refined to include the different categories being measured for each indicator. The word "reviewed" was replaced by the word "provided".

2017/18

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 1: Access to good quality medical scheme cover is promoted								
Strategic Objective 2.1.1: Formulate Prescribed Minimum Benefits definitions to ensure members are adequately protected								
2.1.1	The number of benefit definitions published, per year	New indicator	11	12	14	4	4	4
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 2.2.1: Provide clinical opinions with a view to resolve complaints and enquiries								
2.2.1	Percentage of clinical opinions reviewed within 30 working days of receipt from Complaints Adjudication	839	623	938	90% (550)	90% (500)	90% (450)	90% (400)
	Percentage of clinical opinions reviewed within 60 working days of receipt from Complaints Adjudication	New indicator	New indicator	New indicator	New indicator	95%	95%	95%

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
Percentage of clinical opinions reviewed within 90 working days of receipt from Complaints Adjudication	New indicator	New indicator	New indicator	New indicator	98%	98%	98%

2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Objective 2.2: Provide clinical opinions with a view to resolve complaints and enquiries								
2.2.1	Percentage of category 1* clinical opinions provided within 30 working days of receipt from Complaints Adjudication	623	938	40%	90%	90%	90%	90%
2.2.2	Percentage of category 2* clinical opinions provided within 60 working days of receipt from Complaints Adjudication	New indicator	New indicator	New indicator	95%	95%	95%	95%
2.2.3	Percentage of category 3* clinical opinions provided within 90 working days of receipt from Complaints Adjudication	New indicator	New indicator	New indicator	98%	98%	98%	98%

Programme 3 (Accreditation)

The unit enhanced its indicator by including the words "...and relevant information". The 21 days had to be taken off, as the accreditation system was not configured to add markers to when additional information was received by brokers.

2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 3.1: Accredite brokers based on their compliance with the requirements for accreditation in order to provide broker services								
3.1.1	Number of broker and broker organisation applications accredited within 21 working days on of receipt of complete applications and relevant information, per year	5 027	5 634	4 854	4 045	4 980	5 450	4 911

Programme 6 (Compliance and Investigation)

The programmed revised their indicator from reflecting their targets as a percentage to reflect it as numbers.

2017/18

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 5.2.2: Strengthen and monitor governance systems								
6.2.2	Percentage of governance interventions implemented, per year	New indicator	88	55	100% (75)	100% (82)	100% (85)	100% (85)

2018/19

Strategic Objective	Audited/Actual performance			Estimated performance	Medium-term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Strategic Goal 2: Medical schemes and related regulated entities are properly governed, responsive to the environment and beneficiaries are informed and protected								
Strategic Objective 3.1: Accredite brokers based on their compliance with the requirements for accreditation in order to provide broker services								
6.2.1	Number of governance interventions implemented, per year	88	55	100% (105)	100% (82)	85	85	85





Council for Medical Schemes
Private Bag X34
Hatfield 0028

Tel 012 431 0500
Fax 0862 068 260

E-mail information@medicalschemes.com

www.medicalschemes.com

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