



Director's Report

2019







Contents

Directors Report	3
SAMA Board Members	8
General Manager's report	10
Committee Report	13
Abridged Financial Report	18
2019 in Pictures	24



Dr Angelique Coetsee

Director's report

Beginnings and endings always offer unique opportunities for introspection, reflection, and assessment. The ending of years and the starting of new years are one such opportunity. Not only does this offer context for events which have past, it provides honest and critical data on which to base future decisions. We might consider these reflections – be they personal or professional – luxuries sometimes borne from idle downtime. This approach, in our view, is incorrect and self-defeating. Instead, we would argue, these reflections are necessary and purposeful; they guide us forward, and can be useful if considered with a positive outcome in mind.

This, then, is our task here. We offer reflection on the events of 2019, and provide the data with which you can make assessments. It is an important undertaking, one we do not take lightly. We see our role in doing so as essential to the continued well-being of SAMA because the information we impart is an honest account of the association the past 12 months, albeit in a summarised manner. As such what we provide

here should serve to guide us on where we have been, we are going, and the challenges we face in getting there.

Apart from providing this contextual background to our report, it is important to note that the feedback we present here on our activities is aimed at advancing the objectives of our association and, crucially, our part in addressing the needs of our members. This report covers high-level issues on which the Board provided input; operational issues are covered extensively in the Acting General Manager's Report and contain more granular detail on specific activities, while the activities of various committees is attended to in different sections which follow.

In October 2018 we were given the enormous honour of being elected to serve on the Board of SAMA. Dr Angelique Coetsee and Dr Mvuyisi Mzukwa were elected Chairperson and Vice-Chairperson respectively. We all remain humbled by the trust placed in us by our peers within the association, and we continue to serve at their pleasure.

Our transition from the old Board to the new did not, however, transpire without complexities. In 2019 the then General Manager, Dr Manny Thandrayen, opted to leave SAMA for personal reasons. Dr Thandrayen's departure came at a crucial time. This is an important development because, as a new Board in 2019, most of us were new in these positions and our experiences in these roles proved to be a steep learning curve for many of us.

But we needed to carry on regardless of our inexperience and the loss of key personnel. We were, and continue to be, grateful to have Dr Vusumuzi Nhlapho step into the breach as Acting General Manager in August following Dr Thandrayen's departure. Dr Nhlapho assumed the role in addition to continuing his duties as the Head of the Private Practice Department at SAMA and he has performed both functions with exceptional professionalism, vision and tenacity.

Regrettably in August, the Board accepted the resignation of two directors which came amid allegations of a breach of their duties as directors. Although both directors were given the opportunity to present their perspectives, they declined to do so on legal advice. The Board accepted their resignations on 15 August in compliance with its fiduciary obligations to the association. Ongoing investigations and legal proceedings will undoubtedly feature in the 2020 review as they have not, as yet, been concluded.

A view looking back may perhaps best be served by reviewing events in chronological order but for the purposes of our report it is instructive to jump ahead somewhat to the happenings which occurred later in the year. We are, of course, referring to the issues surrounding the trade union.

It is no secret that there were disputes within SAMA over the trade union, essentially relating to its constitutional independence and financial state. That the trade union did not meet the requirements of the Labour Relations Act (LRA) in terms of its own constitution, composition and management is a matter which raised the Board's concerns. These issues are partly due to the fact that it has always been difficult to reconcile the uniqueness of SAMA with the rigidity of the LRA in so much as highly skilled and professional doctors stand in contrast to traditional trade unionists and do not have the time to conduct shop steward functions.

Despite intensive efforts to address this problem through the SAMA Trade Union Task Team (SAMA TUTT) – which sought to establish a legitimate trade union leadership – ambivalence to the process (in both concluding elective processes as well as in attendance at meetings) meant no National Elective Congress could be held and, instead, a

Membership Consultative Meeting was called for 31 August to 1 September.

This "inauspicious" Membership Consultative Meeting led to the creation of the interim ad hoc Trade Union Committee (ICU), a body recognised by the SAMA Board. However, in spite of the creation of this body, the trade union still did not comply with its own constitution, nor with the requirements of the LRA.

In late October 2019 the Registrar of the Labour Court placed the trade union under administration citing that there is currently no valid leadership within the trade union. SAMA supports this development and we continue to maintain our position that we act on behalf of all our members, both in the private as well as in the public sector. The ongoing processes relating to the administration of the trade union are likely to spill over into 2020, and we will reflect these developments as and when they occur and, we are sure, it will be another important part of the review prepared at the end of next year.

Besides this important matter, there were other important issues the SAMA Board was seized with during the year which we wish to dwell on briefly. These included:

- ◆ The criminalisation of medical errors
- ◆ Health Professions Council of South Africa (HPCSA)
- ◆ National Health Insurance (NHI) & Presidential Compact
- ◆ SAMA Membership & CPD
- ◆ Safety of healthcare workers at public institutions

Criminalisation of medical errors

In early December two medical specialists were arrested, charged and brought before court on charges of medical negligence. SAMA has taken great exception to the arrest of the doctors as criminal proceedings against doctors, specifically in relation to them appearing in court, do not require warrants of arrest but can be secured by summonses. In addition, a procedure-related death should be the subject of an inquest rather than a criminal investigation but the current processes of the HPCSA remain so dysfunctional that patients have no other recourse but to approach other authorities for relief. We remain concerned about these actions and the precedents they are likely to create. We continue to engage with various bodies and authorities on this issue with a view to determining a better way forward to handle these types of events when they occur.



VISION

To be the leading and preferred membership organization advocating and supporting medical practitioners in South Africa.

MISSION

Being the custodians of a growing advocacy platform that will unite, guide and support member medical doctors for the health of the nation.

OUR VALUES

Member Driven

Focused Engagement
Empathy
Collaboration

Influential Advocacy

Inform & Educate
Thought leadership
Resourcefulness

Operational Excellence

Consistency
Accountability
Agility & Responsiveness

OUR MEMBER VALUE PROPOSITION

Uniting and supporting doctors for the health of the nation.

PILLAR 1

Grow
Membership

PILLAR 2

Brand
Amplification

PILLAR 3

Enhanced Member
Value

PILLAR 4

Strategic
Partnerships

OUR SOUL

- ◆ We believe we are the partner for a group of specialized individuals in society (the medical profession) who are there for society.
- ◆ They have an inherent need for belonging to a broader group with a stronger voice that would play a role in support in terms
 - ◆ of advocacy and engagement with various stakeholders in a difficult environment.
- ◆ They are driven by a deep-rooted desire to bring about change and improve the lives and well-being of people.
 - ◆ They are in need for a vehicle to support that dream.

HPCSA

The HPCSA remains a problem for SAMA considering both the above example as well as the allegations of administrative irregularities and poor governance at the Council. Problems at the HPCSA identified years ago remain unresolved today. Poor communication to the public and practitioners, unfair processes in professional conduct inquiries, and undue and unnecessary delays in processing applications led our chairperson, Dr Coetzee, to comment in late October that this was an outrageous situation and a sad state of affairs. For this reason SAMA has attended meetings aimed at establishing a separate Medical and Dental Board. This is an ongoing development of which we will shall keep you informed.

NHI & Presidential Health Compact

The Presidential Health Summit in July laid the basis for the Presidential

Health Compact which seeks to improve the country's healthcare system so that many more South Africans can access quality healthcare. SAMA was one of the participants to the summit and again committed itself and its members to realising this objective. In the context of NHI the objectives of the Presidential Health Compact are an important development but we remain concerned about some aspects of NHI going forward. In late November SAMA representatives presented our final submission on the 2019 NHI Bill to the Parliamentary Portfolio Committee on Health. We stressed that we have been and continue to be in support of the principles of Universal Health Coverage (UHC), and quality care for all within the South African healthcare system.

However, we are not able to support to the Bill in its current format. Among the issues we raised in this regard are the contracting and payment mechanisms which have never been implemented in South Africa before, missing detail on quality care expectations, and our

concern about a single fund to secure UHC for all South Africans. We also raised concerns about the amount of power the Bill places in the hands of the Minister of Health. We will monitor the unfolding of NHI, and we will continue to provide input as and when opportunities arise to do so.

SAMA Membership & CPD

SAMA membership remained stable throughout the year with the association ending 2019 with 16286 members, a decrease of 131 members from 2018. What was encouraging is the 20% increase in CPD applications received during the year which ended on 1617 applications. These trends indicate that we are fulfilling the needs of our members, providing them quality programmes and events for CPD points, and ensuring we meet the objectives of our association.

Safety of healthcare workers at public institutions

There have, sadly, been too many violent incidents involving healthcare workers at public institutions. These incidents include doctors being raped, shot, stabbed, physically attacked, and threatened with violence. Through the year we continued to express our anger and dismay at these incidents, and their continuation despite assurances from the National Department of Health as well as Provincial Departments of Health that security is being improved. We remain concerned that these incidents do not appear to be abating, and that the well-being of all healthcare workers (not only our members) is being compromised. We will continue to engage with all roleplayers with to ensure better security at these institutions, more consultation with managers on working conditions for doctors, and an overall improvement in the level of support provided to doctors to prevent such incidents from occurring.

SAMA Strategy

Despite numerous challenges experienced in 2019, the year culminated in the Board and Management undertaking a crucial forward looking strategic planning session. This was informed by a survey conducted on our membership base where we asked you to perform a "dipstick" assessment of your Association. This survey resulted in the development of SAMA's new strategic focus, now termed as the SAMA house. More detailed on this critical strategy is contained in the General Manager's report.

SAMA's Financial Performance

SAMA's financial statements had to be restated splitting revenue linked to SAMA NPC and the Trade Union in line with the latest court judgement which is currently before the courts. The Abridged Consolidated Financial Statements are presented in this Directors' report. Some salient financial performance of SAMA are as follows:

- Group Profitability – Group loss of R18.2m (2018: Group Profit of R46m);
- Company Profitability (Head Office) – Loss of R4m (2018: Loss of R2.5m);
- Membership Fees (excluding Trade Union) – R31.2m (2018: R24.1m);
- Total Assets: Group – R491m (2018: R474m); Company (Head Office) – R170m (2018: R168m)

It is the Board's view that SAMA remains sustainable despite recent challenges and the strategy launched in 2019 is a launching pad for the Association's sustainability going forward.

Conclusion

Our brief outline of activities and interests above will always be incomplete, given the space constraints of a document such as this. We believe, though, that we have given some insights into the key developments of SAMA during 2019, and that other submissions made will expound on areas not covered here. We have, for instance, not touched on the Strategic Plan 2020-2024 and the four pillars on which that rests, which will be covered in more depth in the Acting General Manager's report. Other high-level local and international interactions and engagements by ourselves, other representatives of SAMA, and SAMA members are also not highlighted here as there have been too many to mention in this short space.

We remain committed to the objectives of SAMA, and the fulfillment of our duties for the benefit of our members. Our driving principle as a Board will always be ensuring the interests, well-being, and professional recognition our members in private and public service is at the forefront of all our decisions. We value and respect the trust placed in us as a SAMA Board and we will continue to do our work diligently in delivering on the mandate entrusted to us.

SAMA Board
December 2019



Board members 2019



Front Row: Dr M. Mzukwa (V/Chair), Dr A. Coetzee (Chair), Prof H.M. Coovadia (President)

Back row: Dr M. van der Schyff*, Prof M. Naidoo, Dr T.O. Sadiki*, Dr M. Nodikida, Dr C.S. Sihlangu*, Dr S. Toni*, Dr M.N. Mabasa, Dr R.E. Ngwenya, Dr M.C. Human, Dr L.M.B. Majake



*Resigned: Dr M van der Schyff, Dr TO Sadiki, Dr CS Sihlangu, Dr S Toni
 **Appointed: Dr ZM Bikitsha, Dr A Hussain, Dr Legodi, Dr L Shange, Dr RJ Tuft

Acting General Manager's Report – 2019

In preparing this review of SAMA activities for 2019 it must be noted that I assumed the role of Acting General Manager in August, and much of the work this was done by my predecessor Dr Manny Thandrayen. I am thankful for the work he did before his departure and I want to acknowledge the contribution he made to SAMA before his leaving for personal reasons. This report, then, covers the period prior to my appointment and, naturally, the period thereafter.

It is important for me to stress that the context of this report remains addressing the needs of staff, members, and other stakeholders who have interests in SAMA. It is crucial from a management perspective that these needs are met and that operationally SAMA is able to do so. A key aspect to realise this is to understand what these needs are and for this reason an important member survey was conducted from May to July to provide critical insights.

The results of the survey were encouraging from the perspective that members in both the private and public sectors look to SAMA to be an influential voice for the medical profession in South Africa. This affirms our belief that doctors want us to be the conduits for their opinions, particularly in the national conversation on health matters. This finding inspires us to continue raising issues of importance to the profession which impact on doctors. It also raised several key areas in which we need a stronger focus and our commitment to ensuring we fulfill our mandate means we need to adapt to strengthen certain areas of our operation.

An important outflow from the member survey was the realisation that communication – both internally and externally – remains a key function. With this in mind a monthly communique is being sent to all Branch Chairpersons highlighting important issues in which SAMA is involved. Additionally, communication through our various channels to doctors and specialists has increased in both frequency and content. Our external communication has also been ramped up with more and more interaction with the media on both traditional and social media platforms. While we are making inroads in our communication efforts, more can be done, and it remains a focus for the future.

In addressing the issues highlighted through the member survey it became apparent that a new approach was necessary. In this regard we devised a better way of operating and managing ourselves and our members. We did have to reinvent ourselves, but we had to reimagine

the way in which we currently work. From this realisation we developed and have begun implementing the SAMA 2020-2024 Strategy.

The Strategy rests on four pillars we believe are essential to the future prosperity of SAMA and its members. The four strategic pillars are:

- ◆ Grow Membership
- ◆ Brand Amplification
- ◆ Enhance Member Value
- ◆ Strategic Partnerships

These four pillars represent what we want to achieve as much as they set out clearly what we believe are the cornerstones of our sustained existence. On these four pillars rests our member value proposition which is to unite and support doctors for the health of the nation. This proposition, in turn, underpins our three values which are to be member driven, to have influential advocacy, and to strive for operational excellence.

These values inform our mission – where we are as a business, and our objectives – and our vision, where we desire to be in future. Our mission, therefore, based on our Strategy 2020-2024 is “to be the custodians of a growing advocacy platform that will unite, guide and support members for the health of the nation”, while our vision – where we want to be – “is to be the leading and preferred membership organisation advocating and supporting medical practitioners in South Africa”.

Strategies are not new and the success of any document lies in its implementation, and we are aware of this imperative. However, in the few short months since its adoption by the Board, a marked difference can be noted in several of our activities. We are increasing our communication, there is a new-found sense of urgency among staff specifically in relation to dealing with members, and our interactions with outside stakeholders has seen a marked increase.

But the new strategy has required a number of structural changes to ensure proper alignment with financial efficiencies. Of course our Constitutional Matters Committee (CMC) is working closely with myself and the Company Secretary on these changes but already I am excited by what is developing. Despite a number of key departures from SAMA at both managerial and Board level which required immediate attention,



Dr Vusumuzi Nhlapho

I believe our approach has stabilised SAMA, principally at Head Office. I am happy to report that this process has already resulted in excellent appointments to key positions; I am confident that the team in place is more than equipped to ensure our goals and objectives are not only met but exceeded.

Trade Union

The matters pertaining to the SAMA trade union are well known and in the public domain. They are also explained in more detail in the Director's Report. Suffice to say, from an operational perspective, that the Interim Committee of the Trade Union (ICTU) has been established and is awaiting the appointment of the administrator as ruled by the Labour Court. All departments within SAMA will work with the appointed administrator (as will the ICTU), and will offer all necessary support and co-ordination to his/her efforts.

Departments

Without going into too much detail, a few key developments and highlights should be noted here. In each aspect of reviewing departments alignment with the Strategy 2020-2024 remains uppermost in consideration of inclusion. It must also be noted that more detailed outlines of the activities of each department will be presented separately to this report.

In relation to Human Resources, SAMA will move towards performance based bonus payments, a clear alignment with the strategy. We believe this is an effective and fair manner to compensate

good work, and will further ensure implementation of the tenets of the strategy. In addition to reevaluating bonus payments, HR will also conduct extensive reviews of existing policies to ensure complete alignment with the new strategy.

Lastly, to ensure continuity throughout our operations, and with specific reference to members of staff who have long tenures within the association and who may be nearing the end of their professional careers, all departments will be ensuring dynamic succession planning processes and procedures are in place for the future.

In terms of our Finance Department, the focus on financial sustainability is crucial. To do this, ensuring SAMA successfully implements the strategy while remaining within budget is a priority. To this end we have completed revisiting our financial processes and existing contracts to ensure we remain competitive, and to ensure our finances support the strategic objectives. I happy to report that the 2020 Budget has been presented and approved by the RemCom, FinCom and the Board.

Our financial management remains prudent as reflected by our overall performance in 2019. The Association ended with a marginal deficit of just under R4m in 2019 compared to a deficit of R2.5m in 2018. The Group's loss was just over R18.2m in 2019 compared to an operating surplus of R25.5m in 2018. SAMA's revenue generation continues to be underpinned by Membership Fees with 75% of total revenue in 2019 being Membership Fees. Other revenue is generated from products sales and interest earned from various investments belonging to the Association. The Group's liquidity remains good

with a 2019 current ratio of 1.7: 1 (2018 – 2:1). On the other hand, the Company's (Head Office) current ratio for 2019 was 4:1 (2018 – 6.5:1). Refer to the detailed Abridged Financial Statements contained in this report.

In November the second Unity Forum for Family Practitioners (UFFP) was held where discussions revolved around National Health Insurance (NHI). While SAMA's position in relation to NHI has been tabled in parliament, it is worth noting here that concerns raised relate, among others, to the organisation and functioning of the Contracting Units of Primary Healthcare, governance of the NHI Fund, and the representation of doctors' organisation on NHI structures.

I wish to further acknowledge the contribution of the Knowledge Management, Research and Ethics Department (KRMED) who have actively been involved in activities related to SAMA's NHI submission to parliament. We wait with keen anticipation for the how the NHI process will unfold in 2020.

As stated elsewhere, SAMA has raised several concerns relating to the Health Professions Council of SA (HPCSA). Our Legal Department continues to do extensive work in respect of the establishment of separate Medical and Dental Council and we will keep you apprised of developments as the unfold. It is also important to note that during the year we made submissions to the Section 59 Investigation regarding allegations of unfair treatment of practitioners by medical schemes. This an extremely important inquiry, and we eagerly await

the findings of this report which, I am sure, will be important for us going forward.

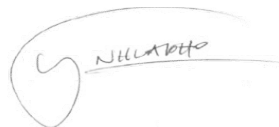
The work done by our Employee Relations Department cannot be underestimated. They continue to engage both the National and Provincial Departments of Health regarding the placement of Interns and Community Service Doctors. This work is ongoing to ensure speedy resolutions, and with a view to preventing this become an annual problem.

In respect of our Corporate Affairs and Marketing Department, preparations are well underway for the SAMA Conference to be held in Cape Town. Feedback from previous conferences remains extremely positive and a major development for 2021 and beyond will be the incorporation of other organisations who will jointly co-host the conference.

I wish to thank all my colleagues at head office and the branches, as well as the Board of Directors, for their continued support in 2019. It has not been a particularly easy year given some of the challenges outlined above, but their honest and professional inputs have made the job a lot easier. It is, undoubtedly, going to be an interesting 2020 with many new developments on the horizon, not least of which will surely be a clearer picture of the roll-out of NHI.

Yours

Dr Vusumuzi Nhlapho
Acting General Manager



SAMA Committee Reports

2019

Any review of an organisation such as SAMA will be incomplete without an examination of the work performed by its committees. This is an important task as it provides a substantial baseline against which to evaluate not only the issues faced by the organisation as a whole through the lens of individual, specialised groups within the organisation, but also of the decisions made by these groups in furthering the ideals, vision, and mission of SAMA.

It is critical, therefore, that such an examination be based on the outcomes of the committees' work measured against their mandates and their own visions. As is customary in many similar reports, the financial status of the organisation is the first to be reviewed, and this report is no different.

Finance Committee (FinCom) 2019

The Finance Committee of SAMA has seven key responsibilities. These are:

- ◆ Budget Review and recommendations for Board approval,
- ◆ Internal control assessments, review of performance and balances, approval of special projects, and evaluation of financial statements,
- ◆ Review of strategic and business plans,
- ◆ Review of work performed by auditors,
- ◆ To act as the Management Committee of the Medical Benevolent Fund,
- ◆ Review of financial reports of subsidiary companies, and,
- ◆ To deal with any matters as directed by the Board and/or the National Council.

The committee performed its functions in line with its mandate of providing overall oversight on all the Association's financial matters. All budgets were approved, and expenditure periodically monitored during the Committee's meetings. A number of areas requiring improvement were noted during the year with recommendations provided to Management. The Committee has noted and approved the restated financial statements given the historical context existing between SAMA NPC and the Trade Union. The restated financial statements and the resulting impact on the Audit Opinion has also been noted with the realisation that due to the absence of a signed document of costs

allocation between NPC and the Trade Union, the auditors could not substantiate allocated costs to a formal agreement. SAMA had also always operated and served its members with their interests at heart irrespective of whether they were located in the public or private sector. It is also noted that this matter is before the courts with the overall financial impact to be determined when such court cases have been finalised.

Social and Ethics Committee (SEC)

The current SEC is comprised of seven members. This is a result of changes to the structure due to the resignation of the previous Chairperson, and the addition of new members to ensure compliance with the Companies Act. Although constituted of seven members, it was decided not to remove elected committee members but to bring the number down to six at the next elective conference.

The main role of the SEC is to exercise statutory oversight over the running of SAMA and during 2019 it became apparent that it had a broader scope which was previously not fully addressed. To correct this position, training was conducted in early 2020 to cover critical areas which were deemed to require special attention. This included training on SAMA's Strategic Framework, the legislative framework under which SAMA operates, governance issues and the governance framework, stakeholder activism and investor relations, and broad priorities for organisational sustainability.

In addition to this training for SEC members, it was also resolved that all committees need to undergo similar training so as to understand the strategic vision of SAMA, as well as the oversight role performed by the SEC in relation to the vision. This would ensure collective and common understanding throughout all SAMA committees.

A concern of the SEC during the period related to SAMA's Level 8 B-BBEE status. It was acknowledged that the NPC was not gaining a points advantage through its procurement processes. This needs to be addressed at all levels from Head Office to branches, and throughout all structures within SAMA.

The SEC notes that it is its intention to ensure the B-BBEE status is increased in the coming annual evaluation cycles and that this process will be done with the assistance of the Foundation for Professional Development (FPD).



Constitutional Matters Committee (CMC)

The CMC is comprised of five members which held two meetings during the period (16 February

2019 and 23 August 2019). The first meeting was chaired by Dr SL Muila in the absence of current Chair Dr SC Sihlangu, and the second by Dr RJ Tuft following the resignation of both Dr Sihlangu and Dr Muila. The current CMC is comprised of Dr CEM Balie (Gauteng North), Dr SZ Nzama (Cape Western), Prof MW Sonderup (Cape Western), Dr MM Stoltz (Cape Western), and Dr RJ Tuft (Cape Western).

The role of Prof Peter Goss

The SAMA Board of Directors acquired the services of Prof Peter Goss to review where SAMA's MOI and Rules differed from the Companies Act. The concern arose from the fact that Prof Goss had not produced a written report following the presentation to the CMC. CMC recommended that moving forward all experts presenting to the CMC should, in addition, produce a written report.

SAMA CSR CMC considered the legal entity to SAMA NPC and it was recommended to include the SAMA CSR objectives into the SAMA NPC MOI, thereby qualifying SAMA NPC to obtain the additional Section 18A Certificate approval from SARS SAMA Benevolent Fund.

CMC recommended that the SAMA Benevolent Fund, in its document form, be closed and SAMA's MOI be amended to include the objective of South African Medical Association Benevolent Fund, to continue operating as it currently is.

SAMA NPC MOI and Rules

CMC considered the legal requirement of an NPC and whether SAMA

should consider amending its legal form from an NPC. After vigorous debate and presentations from Adam and Adams, CMC recommended that the MOI be drafted to comply with the Companies Act, and as best as possible make provision for the structure to resemble that of an association, i.e. federal structure, branches and specialist groups to hold voting proxy for members at National Council. This then becomes an elective conference by attempting to create mechanisms to get members to give unspecified general proxy to branches and specialist groups, on registration:

- ◆ That the AGM be run as part of the National Council meeting for items which have to be done at an AGM to be voted on, i.e. directors, auditors and presentation of financials
- ◆ That the redraft included matters that are currently in the Rules to be included in the MOI.

It was also recommended that the objectives of the NPC be expanded to include trade union functions but that the formal structure SAMATU should not appear in MOI or Rules Office of the Chair (OTC).

CMC considered the new OTC and expressed concern regarding the SAMA Board's decision to no longer have an Exco. CMC recommended that the SAMA BOD re-empowers the membership committees.

Specialist Private Practice Committee (SPPC)

Two meetings of the SPPC were held during 2019. Dr M Van der Schyff resigned as Chair of the SPPC, and the Vice-Chair, Dr K Legodi, assumed the role of Chair.

An important function of the SPPC is to work with the Coding Division of SAMA on issues relating to coding queries and changes – such as requests for the addition of codes to the Medical Doctor's Coding Manual (MDCM). In 2019 both the 2020 MDCM and the Complete CPTA for South Africa (CCSA) were completed.

Key to the success of the publications are the inputs from independent specialist organisations such as SASOP, SAOG, Discovery, Medihelp, and Medscheme and quarterly meetings were held in 2019 with these organisations regarding their coding queries.

An important development in 2019 was the change from selling the MDCM and CCSA from SAMA Head Office to selling them online via Medical Practice Consulting (MPC); this allows for better monitoring of stock, and relieves PPD staff of this duty to allow them to focus on other tasks.

Since October 2019, approximately 350 CCSA (2020) and 50 MDCM (2020) have been sold.

A highlight of 2019 of the SPPC was the Joint Symposium held with the General Practitioner Private Practice Committee (GPPPC) which dealt – amongst others – with issues relating to the National Health Insurance (NHI) and these impact of this legislation on doctors.

General Practitioner Private Practice Committee (GPPPC)

Three meetings of the GPPPC were held in 2019; the fourth meeting was cancelled due to a lack of a quorum. The GPPPC, as with the SPPC, is also responsible for coding and in addition to those meetings held between SPPC and stakeholders, GPPPC held similar meetings. The meetings held with medical schemes specifically related to scheme plans, tariff increases, issues faced by practitioners, and forensic audits.

An important engagement for the GPPPC was the meeting held with the Health Professions Council of South Africa's (HPCSA) Registrar and

Chief Executive Office, Dr Raymond Billa. Dr N Mabasa, the Chair of the GPPPC led the SAMA delegation to this meeting.

Among the important issues covered during the meeting were:

- ◆ Raiding of doctor's practices by HPCSA Inspectors with the SAPS
- ◆ Dr Billa expressed his regret at these raids and undertook to end them. The meeting agreed that this is not a proper way in which to treat professionals, particularly those who are willing to cooperate.
- ◆ Virtual Consultations and Telemedicine
- ◆ The GPPPC noted that guidelines in relation to virtual consults and telemedicine in other parts of the world are innovative and far advanced. Dr Billa acknowledged that the HPCSA guidelines fall short of these innovations. He assured the delegation that the HPCSA is overhauling all guidelines with a view to completing these by June 2020.
- ◆ Clinical Associates

The issue of Clinical Associates, particularly as it relates to their scope of practice, was also raised. It was agreed that this should be taken further in discussions with the National Department of Health (NDoH).

During the year the GPPPC engaged with the NDoH on several occasions on the issue of dispensing given that the GPPPC believes Family/General Practitioners play an important role in this regard, especially in those areas which have scarce resources to do so. The GPPPC believes this function should be properly recognised by the NDoH. A review of dispensing is underway for 2020.

In July representatives of the GPPPC and other delegates from SAMA met representatives of the Council for Medical Schemes (CMS). A Memorandum of Understanding (MOU) was signed between the two parties (following comprehensive planning by both sides beforehand). Two issues required urgent attention at this meeting. These were:

- ◆ Annual payments by members for the practice number (PCNS)
- ◆ Direct payment to members by funders

SAMA proposed that the annual payments be abolished as they are arbitrary, and that little improvement has been made to enhance the efficiencies within the system. A proposal on this was submitted on 30 July. It must be noted that SAMA indicated its intention to embark on legal action regarding these payments should its appeal to the CMS be unsuccessful.

On the second issues, SAMA objected to the direct payment to members by funders arguing its unlawfulness based on several case laws. Although acknowledging SAMA's position, the CMS requested the issue to be revisited following the completion of the Section 59 investigation, which examined allegations by medical practitioners that they are being treated unfairly, and their claims withheld by medical schemes, based on their ethnicity and colour of their skin. While acceding to this request, SAMA again indicated its intention to pursue a legal route should the outcome be unsatisfactory.

On 1 August Dr Mabasa in his capacity as the Chair of the GPPPC made a submission to the Section 59 investigation. He highlighted the imbalance of power between members and funders which he noted have plagued the health sector for many years. He also noted that the failure of the CMS to regulate funders made matters worse. Apart from a detailed legal interpretation of Section 59, personal experiences in

relation to Section 59 from doctors were also presented. The results of the investigation – expected in April 2020 – are eagerly awaited.

As mentioned elsewhere, the GPPPC was involved with the SPPC in a joint symposium on the NHI and its impact on doctors. While again voicing its support for Universal Health Care (UHC), the GPPPC raised concerns around the NHI which have since been included in submissions by SAMA.

Health Policy Committee (HPC)

The work of the HPC is guided by the SAMA Board of Directors. SAMA plays a leading role in influencing health policy in South Africa and supports legislative and policy measures aimed at protecting and promoting public health, and enhancing access to comprehensive, affordable, and quality healthcare in the country through the public and private sectors.

During 2019 the HPC held three meetings and two in 2020 (one via telecon).

Through the HPC, and the work performed by the Knowledge Management and Research Development Department of SAMA (KMRD), several issues in relation to NHI have been raised on various levels. In all interactions it has been clear that SAMA is supportive of UHC but that certain provisions of the NHI Bill need reworking/reconsideration.

In November 2019, SAMA submitted a 36-page outline of its concerns to parliament. It noted that it is supportive of, and considers appropriate, a number of the provisions in the Bill as they are in line with UHC which aims to provide healthcare to the poorest in South Africa. However, it noted with regret that much of the detail of the NHI is not contained in the NHI Bill 2019 but will instead be included in the Regulations and Rules. This will further delay understanding of the NHI process.

In its submission, SAMA noted that more detail is required on contracting, accreditation, and reimbursement and that despite reference being made to those in the Bill, they have not been properly tested.

Of further concern to the HPC is that the role and inclusion of the private in NHI is not clear, nor does it clarify other ongoing reforms such as those relating to amendments to the Medical Schemes Act, the recommendations of the Health Market Inquiry, and the implementation of the Certificate of Need.

During 2019 a key development took place with the establishment of the NHI Working Group (NHIWG) which includes members from SAMA committees (including Dr L Shange from HPC). The NHIWG is busy with analysis of the NHI Bill comments, and will investigate and development primary healthcare models.

In June 2019, several universities developed a research consortium to develop models for NHI. The NHIWG has received approval from the HPC and the GPPPC to be involved in this consortium.

The HPC identified a need to collaborate with Public Health Practitioners to strengthen professional exchange, and to have a more cohesive approach in dealing with documents pertaining to public health issues.

From 23-27 October, HPC member Dr L Maki, along with three other SAMA delegates attended the World Medical Association General Assembly in Tbilisi, Georgia.

Education Science and Technology Committee

An operational plan which was based on committee goals was adopted in 2019, and the committee actively worked towards these goals during the year. Five meetings were held in 2019 under the Chairpersonship of Prof M Naidoo.

Among the goals for EST was to support research-based post graduate qualifications. This was done through:

- ◆ Annual awarding of three PhD and two Research Masters scholarships
- ◆ Providing a platform for clinical scientists to present their research (as the SAMA Conference)
- ◆ Engaging the HPCSA, SACOMD, CMSA on matters pertaining to specialist registration and training
- ◆ Engaging universities in harmonising the research component of the MMED Degree
- ◆ Supporting relevant research/membership surveys
- ◆ The writing of workshops for Registrars and supervisors (which are planned for 2020)

In addition, EST facilitated high quality medical education through:

- ◆ Improved collaboration with relevant training bodies such as SACOMD, HPCSA, and CMSA
- ◆ A symposium held in February on specialist education
- ◆ Planning of a workshop on WPBA for June 2020
- ◆ Leading discussions with various roleplayers on internship restructuring for 2020 and beyond
- ◆ Engaging with the HPCSA on issues relating to assessment methods used for foreign traded doctors

In 2019 EST was instrumental in hosting 23 CPD events. It was also involved in the planning and execution of the SAMA Conference and Merit Awards 2019 held at the Durban Elangeni Hotel and Durban ICC. The committee is currently involved in the planning for the SAMA Conference and Merit Awards 2020 which will be held under the theme: *Vision 2030, Re-orienting Healthcare*.

Public Sector Interim Committee (Interim Committee on Unionisation, ICU)

Issues relating to the SAMA Trade Union are dealt with elsewhere in these documents, specifically in the General Manager's Report and the Director's Report. These issues – while relevant to the PSIC, do not need to be repeated here. Of relevance is the establishment of the committee which will represent SAMA in working with the Administrator of the Trade Union, while continually consulting and engaging SAMA membership.

The committee is focused on two critical interventions namely: reviewing the very concept of unionisation, and engaging with all SAMA constituencies (employed and in private practice).

The first meeting of the committee was held on 14 December 2019 with further meetings planned for January and February 2020. Among the issues to be deliberated in future are the terms of reference of the committee, a constitutional review, cooperation with the Administrator, the development of a year plan, and the determination of a delegation for National Council.

Chairperson's Forum Committee (CF)

The CF is a constituted committee of all chairpersons of SAMA Branches, the SAMA General Manager who serves in an *ex officio* capacity with no voting powers, and the SAMA National Chairperson and Deputy Chairperson who also serve in *ex officio* capacities. The CF represents the collective views of the entire organisation and is an integral platform where information and ideas are shared with the common goal of influencing and advancing the organisation positively.

The role of the CF is to enhance the capability of SAMA to deliver value to its members. The importance of the CF has been recognised through the appointment to Board level of a representative from this committee. The first meeting of the newly constituted CF was held on 16 November 2019 where, among other issues, terms of reference were drafted.

The CF acknowledges that there has been deficiencies in Branch coordination and cooperation on provincial matters. It was therefore decided that Branches organize into provincial structures when confronted with matters which require a provincial position. This will be done without affecting the current location of Branches; some Branches may belong to more than one provincial structure. Each structure will be chaired by an elected Branch Chair on an annual rotational basis.

Note: A complete list of the current structures and Chairpersons is available on request

At its first meeting in November the CF noted several issues that required clarification including NHI, SAMA's position on NHI, and the issues relating to the trade union. Clarification on these issues has been provided elsewhere in this document.

Abridged Financial Report

The South African Medical Association NPC and its subsidiaries

(Registration number 1927/00136/08)

Consolidated Abridged Annual Financial Statements for the year ended 31 December 2019

Statement of Financial Position as at 31 December 2019

Figures in Rand	Group		Company (Head office)	
	2019	2018	2019	2018
Assets				
Non-Current Assets				
Property, plant and equipment	13 239 287	12 942 902	7 844 158	8 164 139
Investment property	59 115 113	59 543 733	-	-
Goodwill	414 000	414 000	-	-
Intangible assets	3 435 150	3 242 872	876 568	1 096 476
Investments in subsidiaries	-	-	2 003 100	2 003 100
Investments in associates	26 406 122	26 406 122	-	-
Loans to group companies	26 785 344	20 812 641	9 708 159	17 145 682
Investments at fair value	109 738 682	129 501 279	73 607 527	76 826 380
Other financial assets	32 832 466	24 387 239	30 832 466	24 387 239
Deferred tax	17 963 345	13 575 143	-	-
	289 929 509	290 825 931	124 871 978	129 623 016
Current Assets				
Loans to group companies	106 499	-	-	-
Trade and other receivables	66 572 341	61 465 755	3 502 783	1 812 525
Other financial assets	10 964 078	10 666 334	10 964 078	10 666 334
Current tax receivable	15 366 222	8 128 223	-	-
Cash and cash equivalents	107 911 621	101 161 992	30 846 025	26 161 660
	200 920 761	181 422 304	45 312 886	38 640 519
Non-current assets held for sale and assets of disposal groups	-	1 892 871	-	-
Total Assets	490 850 270	474 141 106	170 184 864	168 263 535



Equity and Liabilities				
Equity				
Equity Attributable to Equity Holders of Parent				
Reserves	74 118 953	70 481 743	36 878 356	35 137 658
Retained income	277 695 997	287 304 392	122 317 705	126 933 103
	351 814 950	357 786 135	159 196 061	162 070 761
Non-controlling interest	14 978 397	16 966 462	-	-
	366 793 347	374 752 597	159 196 061	162 070 761
Liabilities				
Non-Current Liabilities				
Loans from group companies	100 461	1	77 481	140 330
Financial liabilities at amortised cost	6 820 019	8 072 746	-	-
Lease liabilities	888 401	-	-	-
	7 808 881	8 072 747	77 481	140 330
Current Liabilities				
Trade and other payables	106 420 279	72 929 881	10 911 322	6 052 444
Loans from group companies	1 247 099	-	-	-
Financial liabilities at amortised cost	248 345	248 345	-	-
Lease liabilities	57 522	-	-	-
Current tax payable	444 440	29 001	-	-
Provisions	7 830 357	11 367 711	-	-
Bank overdraft	-	5 227 529	-	-
	116 248 042	89 802 467	10 911 322	6 052 444
Liabilities of disposal groups	-	1 513 295	-	-
Total Liabilities	124 056 923	99 388 509	10 988 803	6 192 774
Total Equity and Liabilities	490 850 270	474 141 106	170 184 864	168 263 535

The South African Medical Association NPC and its subsidiaries
(Registration number 1927/00136/08)
Consolidated Abridged Annual Financial Statements for the year ended 31 December 2019
Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Group		Company (Head office)	
	2019	2018	2019	2018
Continuing operations				
Revenue	392 763 098	618 500 201	34 584 109	28 400 786
Cost of sales	(16 267 999)	(7 888 335)	(8 910 850)	-
Gross profit	376 495 099	610 611 866	25 673 259	28 400 786
Other operating income	19 471 073	48 751 715	3 503 070	2 914 490
Other operating gains (losses)	7 803	12 788	8 827	10 621
Movement in credit loss allowances	(100 461)	-	(100 461)	-
Other operating expenses	(423 463 323)	(644 718 155)	(39 913 434)	(43 340 379)
Operating (loss) profit	(27 589 809)	14 658 214	(10 828 739)	(12 014 482)
Investment income	14 568 845	16 751 735	6 851 547	9 478 521
Finance costs	(5 028 854)	(3 946 399)	(787)	(507)
(Loss) profit before taxation	(18 049 818)	27 463 550	(3 977 979)	(2 536 468)
Taxation	(121 772)	(1 874 861)	-	-
(Loss) profit from continuing operations	(18 171 590)	25 588 689	(3 977 979)	(2 536 468)
Discontinued operations				
Profit from discontinued operations	-	20 454 508	-	-
(Loss) profit for the year	(18 171 590)	46 043 197	(3 977 979)	(2 536 468)
Total comprehensive (loss) income for the year	(18 171 590)	46 043 197	(3 977 979)	(2 536 468)
(Loss) profit attributable to Owners of the parent:				
From continuing operations	(16 183 523)	24 306 341	(3 977 979)	(2 536 468)
From discontinued operations	-	20 454 508	-	-
	(16 183 523)	44 760 849	(3 977 979)	(2 536 468)
Non-controlling interest:				
From continuing operations	(1 988 065)	1 281 857	-	-
Total comprehensive (loss) income attributable to:				
Owners of the parent	(16 183 523)	44 760 849	(3 977 979)	(2 536 468)
Non-controlling interest	(1 988 065)	1 281 857	-	-
	(18 171 588)	46 042 706	(3 977 979)	(2 536 468)

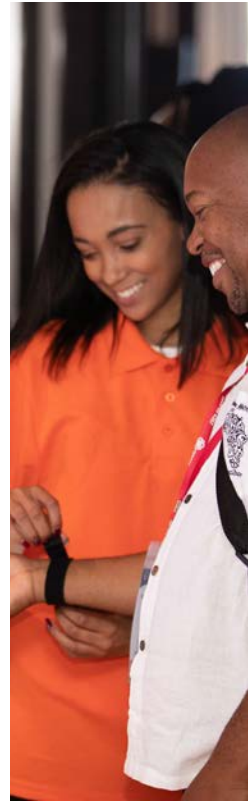
The South African Medical Association NPC and its subsidiaries
 (Registration number 1927/00136/08)

Consolidated Abridged Annual Financial Statements for the year ended 31 December 2019
 Statement of Changes in Equity

Figures in Rand	Special purpose & Scholarship fund	SAMA Benevolent Fund	Revaluation Reserve	Fair value available-for-sale reserves	Other NDR	Total reserves	Retained Income	Total Attributable to Equity Holders of the Group/ Company	Non-Controlling Interest	Total Equity
Group										
Balance at 01 January 2018	423 559	36 252 399	-	34 711 871	2 493 322	73 881 151	251 394 865	325 276 016	15 684 605	340 960 621
Profit for the year	-	-	-	-	-	-	44 760 849	44 760 849	1 281 857	46 043 197
Other comprehensive income	(92 977)	(908 314)	(901 675)	(3 445 184)	-	(5 348 150)	-	(5 348 150)	-	(5 348 150)
Total comprehensive Loss for the year	(92 977)	(908 314)	(901 675)	(3 445 184)	-	(5 348 150)	44 760 849	39 412 699	1 281 857	40 695 047
Transfer between reserves	-	-	-	-	1 948 742	1 948 742	(8 851 322)	(6 902 580)	-	(6 902 580)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	1 948 742	1 948 742	(8 851 322)	(6 902 580)	-	(6 902 580)
Balance at 01 January 2019	330 582	35 344 085	(901 675)	31 266 687	4 442 064	70 481 743	287 304 392	357 786 135	16 966 462	374 752 597
Loss for the year	-	-	-	-	-	-	(16 183 523)	(16 183 523)	(1 988 065)	(18 171 590)
Other comprehensive income	333 996	1 896 512	(230 688)	1 637 390	-	3 637 210	-	3 637 210	-	3 637 210
Total comprehensive Loss for the year	333 996	1 896 512	(230 688)	1 637 390	-	3 637 210	(16 183 523)	(12 546 313)	(1 988 065)	(14 534 380)
Disposal of African Health Placements	-	-	-	-	-	-	6 304 695	6 304 695	-	6 304 695
Correction of retained earnings	-	-	-	-	-	-	270 433	270 433	-	270 433
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	-	6 575 128	6 575 128	-	6 575 128
Balance at 31 December 2019	664 578	37 240 597	(1 132 363)	32 904 077	4 442 064	74 118 953	277 695 997	351 814 950	14 978 397	366 793 347

The South African Medical Association NPC and its subsidiaries
 (Registration number 1927/00136/08)
Consolidated Abridged Annual Financial Statements for the year ended 31 December 2019
 Statement of Cash Flows

Group Figures in Rand	Group		Company (Head office)	
	2019	2018	2019	2018
Cash flows from operating activities				
Cash (used in)/generated from operations	5 575 146	(4 615 591)	(209 642)	(14 275 307)
Interest income	15 191 383	11 897 530	5 460 231	4 624 380
Dividends received (trading)	1 391 316	4 624 321	1 391 316	4 524 357
Finance costs	(5 028 854)	(3 946 399)	-787	-507
Tax paid	(6 474 195)	(7 356 937)	-	-
Net cash from operating activities	10 654 796	602 924	6 641 118	(5 127 077)
Cash flows from investing activities				
Purchase of property, plant and equipment	(3 694 063)	(3 121 715)	(1 391 641)	(479 985)
Sale of property, plant and equipment	-	52 921	-	13 121
Purchase of other intangible assets	(936 313)	(2 617 180)	(42 511)	(998 920)
Loans advanced to group companies	(6 179 663)	(6 404 883)	3 055 539	18 035 762
Sale of investments at fair value	19 762 597	(1 838 292)	3 218 853	(913 305)
Increase in other financial assets	(8 734 144)	(14 907 157)	(6 734 144)	(14 907 157)
Net cash from investing activities	218 414	(28 606 422)	(1 893 904)	1 079 300
Cash flows from financing activities				
Repayment of loans from group companies	1 347 559	1	(62 849)	(475 025)
Repayment of financial liabilities at amortised cost through profit (loss)	(1 252 727)	(2 537 648)	-	-
Payment on lease liabilities	945 923	-	-	-
Net cash from financing activities	1 040 755	(2 537 647)	(62 849)	(475 025)
Total cash movement for the year	11 913 965	(30 541 145)	4 684 365	(4 522 802)
Cash at the beginning of the year	95 997 656	126 538 801	26 161 660	30 684 462
Total cash at end of the year	107 911 621	95 997 656	30 846 025	26 161 660
Bank Reconciled as				
Asset	107 911 621	101 161 992	30 846 025	26 161 660
Overdraft	-	(5 227 529)	-	-
Total	107 911 621	95 997 656	30 846 025	26 161 660



2019 in pictures

