PLATINUM HEALTH

HMO PROFILE

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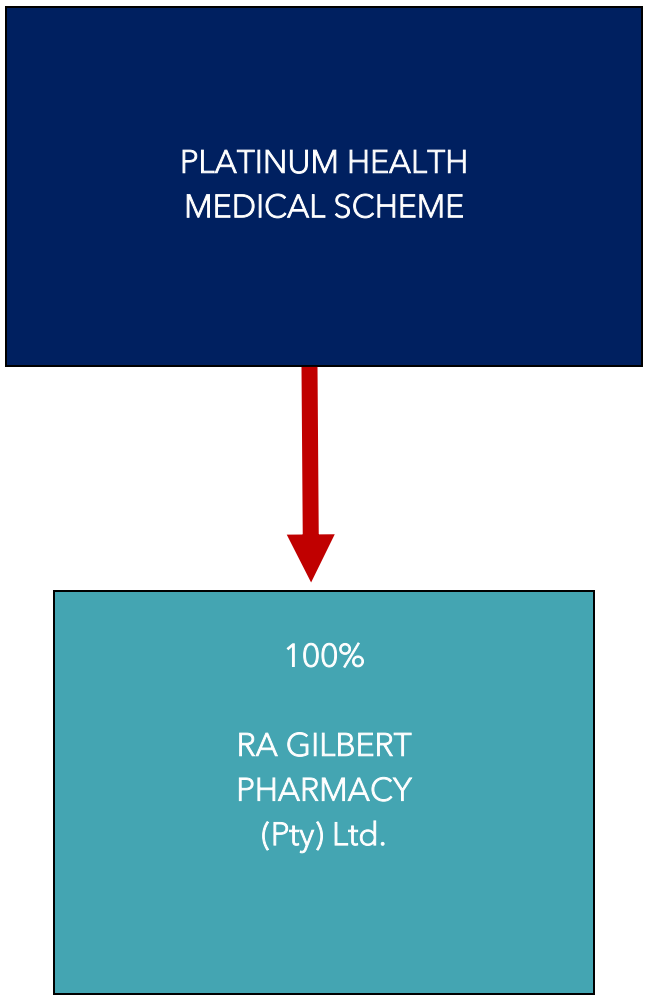
PROFILE OF PLATINUM HEALTH HMO

The Platinum Health HMO operates an integrated healthcare model which consists of Platinum Health Medical Scheme (PHMS) and RA Gilbert (Pty) Ltd, a pharmacy group, which is a wholly owned subsidiary of PHMS.

PLATINUM HEALTH GROUP



1. BUSINESS MODEL

The Platinum Health HMO delivery system is a fully fledged Staff Model Health Maintenance Organisation, which delivers services spanning three broad components:

Platinum Health Medical Scheme

- Health Services - including primary, secondary, and tertiary healthcare, dentistry, mental health, physiotherapy, and optometry in accordance with medical scheme benefits, HIV/AIDS management, chronic disease management, medical scheme administration, case management and client liaison.
- Work Based Health Services - including occupational healthcare (medical surveillance), rehabilitation and functional assessment, trauma (casualty), emergency medical services, workplace wellness programs (VCT, preventative and promotive campaigns).

RA Gilbert (Pty) Ltd

- Pharmaceutical Services – operates 7 pharmacies at all operations

The model is capable of managing large volumes of patients as primary healthcare forms the basis of the service delivery model. Cost efficiency is optomised through maximising the use of staff, information systems and infrastructure to render both health services as well as work-based health services.

Platinum Health has an exemption from the HPCSA to employ health professionals. The following health professionals are employed:

- General practitioners
- Dentists and Dental Assistants
- Psychologists
- Radiographers
- Physiotherapists
- Occupational therapists
- Pharmacists and Pharmacist Assistants
- Optometrists
- Social workers
- Case managers and;
- Nursing staff

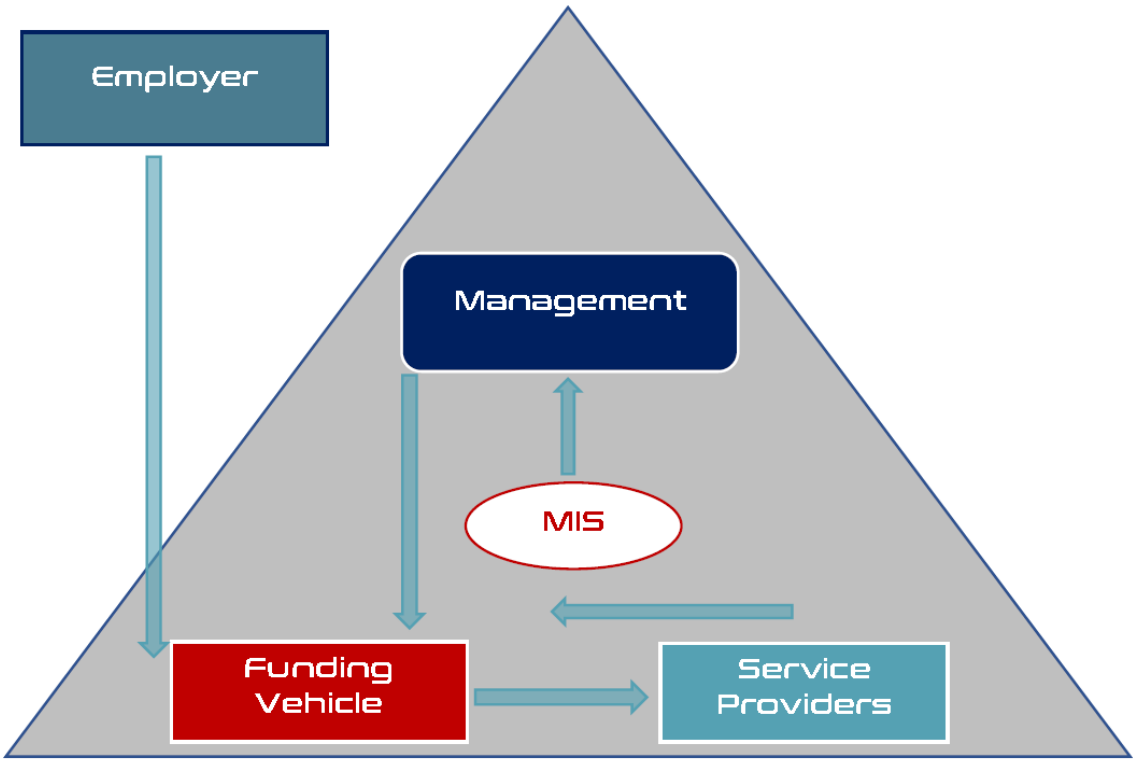
Health services are supported by finance, administration, IT and Client Liaison and currently serves over 98 000 beneficiaries.

1.1 PLATINUM HEALTH PRINCIPLES

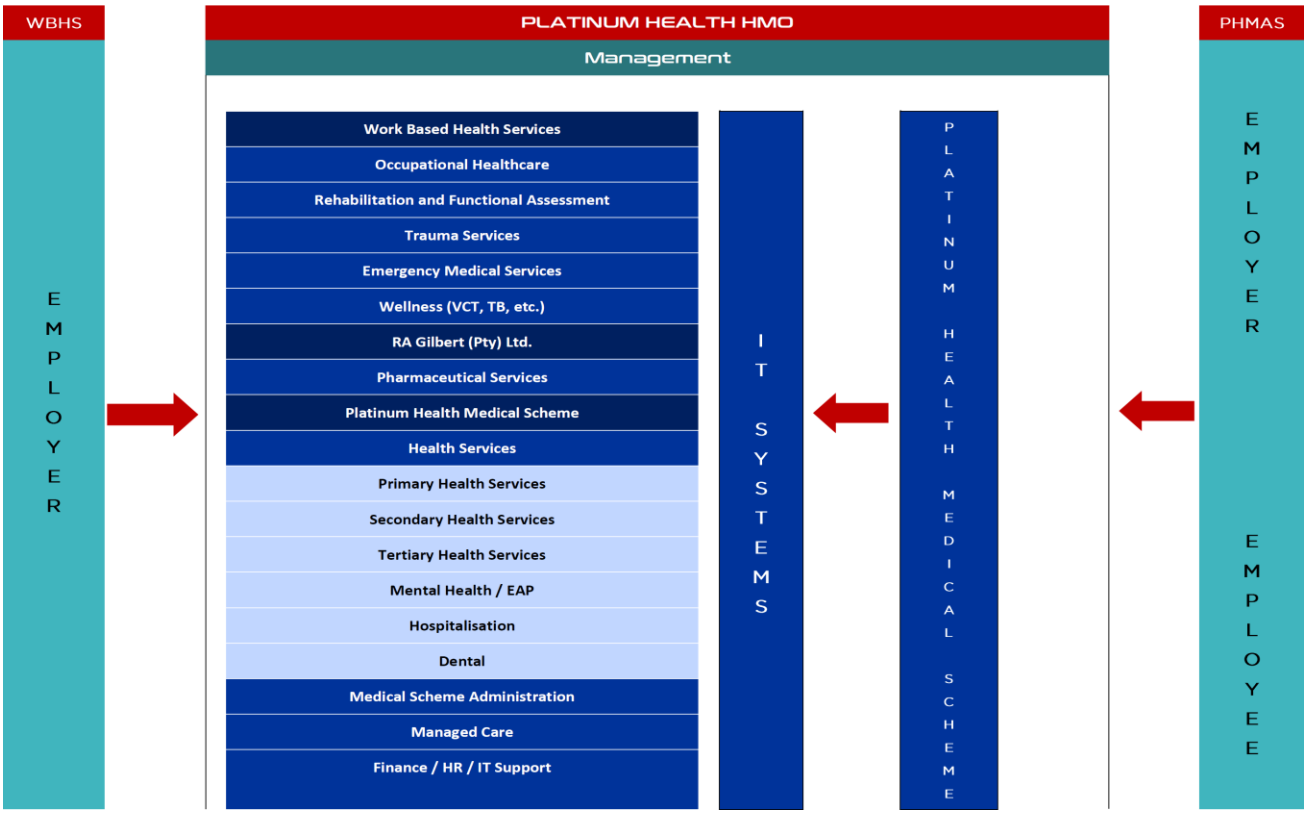
At the outset, it was determined that the Staff Model Health Maintenance Organization comprised three interdependent components:

- Management of the model
- Funding the cost of the services and benefits
- Rendering the services (service delivery)

It was also identified that the key to the successful management of these interdependent components was the application of an effective management information system (see MIS in the diagramme below).



1.2 PLATINUM HEALTH INTEGRATED HEALTH CARE MODEL



The above diagramme shows PHMS as the funder of the Medical Scheme benefits on the right-hand side. It also shows the employer as the funder of work-based health services on the left-hand side. Within the mining industry companies are obliged to provide work-based health services.

Platinum Health Medical Scheme provides work-based health services to contracted employer groups. Therefore, chronic disease management within occupational healthcare, rehabilitation, trauma services (casualty), emergency medical services, primary healthcare as well as wellness is provided to both employers/employees as well as medical scheme members.

RA Gilbert (Pty) Ltd provides pharmaceutical services to the funders. Drugs, medicine, surgicals as well as HIV and pregnancy test kits are provided to both employers/employees and medical scheme members.

Platinum Health Medical Scheme provides health services to members as well as to employees of contracted employer groups. General practitioners, mental health/EAP and hospitalization is provided to both employers/employees as well as medical scheme members. Furthermore, Platinum Health Medical Scheme provides Finance, HR, and IT support to RA Gilbert (Pty) Ltd. Platinum Health integrates the management and application of IT systems to provide a holistic and seamless process of healthcare delivery.

1.3. THE STAFF MODEL HEALTH MAINTENANCE ORGANISATION

The fundamental basis for evaluating a healthcare delivery system is to examine the incentives within such a system. Critical to the delivery of high-quality services is the incentives employed for the healthcare professionals within the system. The staff model system of employing health care professionals is well-known within the Mining Industry in general, but it is unique within the private healthcare sector in South Africa, and it is thus worth noting the fundamental differences between this system and other systems in the private health care sector.

The Platinum Health Staff Model HMO originates from the mine health services that arose with the advent of mining in South Africa. The primary objective of these early mine-based health services was to treat injured miners. This intent was soon expanded to incorporate non-work-related injury and illness. The mining houses carried the cost of providing these employees with health services.

Thus arose a structure of providing healthcare that was unique within the private healthcare sector. This structure employs all necessary staff to provide a comprehensive set of health interventions. Where it is not economically viable to provide specialised health services (e.g., neurosurgery, cardiac surgery), it is obtained from an appointed designated service provider.

Through the employment of health professionals on a full-time basis, the following outcomes are achieved:

- removal of perverse incentives of health professionals
- no over servicing of medical scheme beneficiaries
- a cost profile that does not inhibit access
- the ability to manage large volumes of patients while maintaining quality
- integrated healthcare interventions
- management control of professional standards and support services.

The "fee-for-service" type of funding practised in the private sector creates scope for perverse incentivisation - utilising healthcare to maximise income/profit. The staff model HMO system (as currently practised) receives its income via the following mechanisms:

- Work-based health services capitation fee from employers.
- Medical Scheme member contributions.

The costs of providing healthcare benefits include the salaries of all full-time health professionals. No employed health professional is allowed to charge for services nor does the company bill on their behalf.

The staff model HMO system has achieved cost profiles of at least 50 percent below that of the private sector, for a similar set of benefits.

This system ensures that access, and consequently equity, is achieved by treating pathology at the correct level. Primary care entry with escalation to appropriate levels of care ensures cost effective and high-quality healthcare. No employee is denied access to any level of care provided that the presenting problem requires intervention. This is true for the lowest paid employee as well as the highest paid.

The staff model HMO as operated by Platinum Health is run as a medical scheme in terms of the Medical Schemes Act 131 of 1998. It is thus accountable to a Board of Trustees and a Board of Directors in the case of RA Gilbert (Pty) Ltd. In addition, it is answerable to its customers in respect of both price and quality of service. It is also accountable to other stakeholders, such as members and organised labour.

2. STRATEGY

Platinum Health strategy is centered on four key objectives:

- Providing appropriate healthcare of high quality through an integrated health care delivery model
- Continuously exploring opportunities to optimize efficiencies and to provide affordable and sustainable health care
- Pursuing growth through service excellence
- Keeping abreast of legislative change to ensure that the management and provision of healthcare services is optimally positioned to benefit stakeholders

It is important to note that Platinum Health, and RA Gilbert (Pty) Ltd report to Boards which provide strategic guidance and are subject to audits in respect of quality and membership satisfaction surveys.

3. CLIENTS AND ACHIEVEMENTS

Platinum Health HMO clients include but not limited to:

1. Anglo American Platinum and Contractors - scheme membership
2. Anglo American Global Shared Services - scheme membership
3. Royal Bafokeng Platinum and Contractors - scheme membership and WBHS
4. Northam Platinum (Zondereinde, Booysendal and Eland) and Contractors - scheme membership and WBHS
5. Siyanda Bakgatla Platinum - scheme membership and WBHS
6. Modikwa Platinum - scheme membership and WBHS
7. Two Rivers Platinum - scheme membership
8. Dwarsrivier Chrome Mine - scheme membership
9. Eastplats and Barplats
10. Bakubung Platinum and Contractors – scheme membership
11. Capital PFS
12. Collisen Engineering

Platinum Health achievements include:

- Upgraded infrastructure to world class standards
- Established network of designated service providers
- Continued profitability and maintaining solvency margins.
- Platinum Health has maintained annual contribution increases well below market.
- ART treatment cost was carried by company but from 2010 included in Medical Scheme costs and therefore contributions increased significantly in 2010.
- Improved quality of healthcare
- Successfully administering dramatic increase in membership
- High level of satisfaction amongst stakeholders
- Overcoming numerous legislative changes and challenges
- Three-year accreditation of the medical scheme administration by CMS.

4. LOCATION OF FACILITIES

Most mines are located in remote areas where accessibility to private healthcare is very limited. In the majority of instances employees live on mine premises or in surrounding communities where transport is not readily available, especially after hours.

As mentioned before the mine hospitals and clinics were upgraded to world class standards and services were extended to provide comprehensive services to members and their dependants, thus ensuring healthcare is accessible

SERVICE DELIVERY MODEL

	OHC	RFAC	Trauma	Emergency	PHC	GP	Dentist	Pharmacy	Radiology	Physiotherapy	Psychology	Social Worker	Hospital	Optometry
Rustenburg Region														
PH Medical Centre				✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Royal Bafokeng Platinum Mine Clinic	✓		✓	✓	✓	✓			✓			✓		
Phokeng Clinic					✓	✓								
Sun Village Clinic					✓	✓								
Mogwase Clinic					✓	✓								
Bosveld Region														
Union Hospital	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓
Amandelbult Hospital			✓	✓	✓	✓	✓	✓			✓	✓	✓	✓
Thabazimbi Medical Centre				✓	✓	✓	✓	✓				✓		✓
Northam Medical Station	✓		✓	✓	✓	✓								
Northam Clinic					✓	✓								
Moruleng Clinic					✓	✓								
Setaria Clinic					✓	✓	✓				✓			
Eastern Limb Region														
Mokopane Medical Centre				✓	✓	✓					✓			
Mashishing Medical Centre				✓	✓	✓						✓		
Jane Furse Clinic				✓	✓	✓	✓					✓		✓
Modikwa Clinic	✓	✓	✓	✓	✓	✓								
Steelpoort Clinic				✓	✓									
Burgersfort Medical Centre				✓	✓	✓	✓	✓			✓	✓		✓

5. SERVICES

The services provided at each of these facilities range from hospital-based services to sick bays, clinics, trauma services and occupational health services. Netcare 911 provides the EMS service. Pharmacies and/or the medicine dispensaries are located at all operations. RA Gilbert (Pty) Ltd has invested in an extensive pharmaceutical network. There are

currently seven registered pharmacies with smaller dispensing units wherever the issuing of medicine is required.

Outsourced services are managed through designated service provider arrangements, which are closely monitored and managed. Patient transport is provided for all patients that require to be transported to specialist designated service providers and hospitals.

Union Hospital focuses on the management of infectious diseases, occupational health, rehabilitation, and trauma management. In addition to this there is also dedicated resources, which focus on TB management, Employee Assistance Programmes, and wellness programs. The Union Hospital has fully equipped theatres, which are currently used for minor procedures, as it is more cost effective to perform other surgery at the Peglerae Hospital in Rustenburg.

Peglerae Hospital in Rustenburg is utilised for intensive care, medical and surgical management of patients at very competitive rates.

Platinum Health also has contractual arrangements in place with the Limpopo and Thabazimbi Mediclinic for secondary and tertiary level hospitalization for the mining community in Limpopo and has entered into an arrangement with Nelspruit Mediclinic for the mining community in Mpumalanga.

There are DSP arrangements with Olivedale, Robinson and Krugersdorp Hospitals in respect of highly specialized procedures such as cardiology, cardio-thoracic, neuro and arthroplasty.

The occupational health services provided by Platinum Health include the following:

- Focused management of the occupational health centre and occupational health issues in a variety of operations, including conventional mining, mechanized mining, opencast mining, metallurgical crushing, milling, flotation, smelting and refining.
- Occupational medical experience with issues including ergo-dynamics, noise-induced hearing loss, first aid training, disability management, functional and physical work capacity assessment, emergency service dispatchers, paramedics, patient transport, routine medical examinations, occupational nickel, and platinum salt exposures.
- The occupational health offers an occupational medical surveillance programme for healthcare workers, including hepatitis B and tuberculosis surveillance

- The occupational health centre has capacity to accommodate 350 to 400 per day.
- A Voluntary Counseling and Testing is integrated into the routine medical surveillance
- The x-ray systems are completely digital and all records are stored in a secure digital system
- The rehabilitation and functional assessment centre assists in establishing employees' individual ability to perform work safely and productively in a scientific, fair, and reproducible manner. The centre is also valuable in the rehabilitation process of employees in conjunction with well qualified physiotherapists and occupational therapists.
- The diagnostic audiology service offers a comprehensive range of testing, is staffed by DSP audiologists, and supported by bi-weekly ENT specialist visits, which perform the necessary assessments for severe noise –induced hearing loss cases.

Platinum Health offers a comprehensive Wellness Programme for the management of HIV/AIDS in line with the SA HIV Clinician Society guidelines. The HIV prevalence rate in the mining industry is estimated to be 22% and therefore treatment of HIV infected patients is of utmost importance.

Once a patient has been tested HIV positive, he/she is entered onto a wellness register, and the first counselling session after the pre- and post testing counselling, is set up. If the patient agrees to ART, baseline blood tests (CD4, VL, FBC and LFT) are taken, and the individual's condition is reviewed after a two-week period to determine whether to start ART or not, based on clinical and immunological criteria.

On commencement of ART, patients are initially followed up on a two-weekly basis for the first two months, and then once a month thereafter. Further blood tests (FBC, CD4, and VL AND LFT) are taken at six monthly visits. It is important to note that wellness doctors review all patients in the hospital outpatient department, in the wards as well as at the casualty department.

Patient education focuses on addressing ART defaulters, the concurrent use of herbal medicines and patients who are in denial.

6. MANAGEMENT, ADMINISTRATION AND SYSTEMS

6.1. Staff skills and experience

Staff skills and experience are one of the major contributors to the success of Platinum Health. The Executive Management team have extensive experience as illustrated below:

Management Experience	Platinum Health	Industry
Rodney Gounden (Chief Executive Officer)	1	5
Welcome Mboniso (Principal Officer)	14	25
Dr Matome Sekgala (Chief Operations Officer – Eastern Limb)	13	22
Dr Mel Mentz (Chief Operations Officer – Western Limb)	2	30
Albert Kokota (Nursing Services & PH Clinics)	21	33
Chris Kern (Chief People Officer)	5	40
Sharon Botha (Chief Information Officer)	5	30
Veloshini Padayachee (Chief Financial Officer)	appointed 1 June 2022	

6.2 Staff Development programmes

The following training is endorsed by and fully funded by Platinum Health HMO:

6.2.1 All medical practitioners (doctors) undergo ATLS (Advanced Trauma Life Support) and ACLS (Advanced Cardiac Life Support) training, while those working in the clinics where children are treated also undergo the APLS (Advanced Pediatric Life Support) training.

6.2.2 All medical practitioners undergo the HIV/AIDS training through SA HIV Clinician Society, which sets standards and protocols in terms of HIV/AIDS management – Voluntary Counselling and Testing, treating opportunistic infections, anti-retroviral treatment.

6.2.3 All occupational medical practitioners are required to obtain a Diploma in Occupational Healthcare

6.2.4 All medical practitioners attend relevant courses and conferences.

6.2.5 The nurses attend both internal and external training as required. In house training focuses on wound care, infection control and tuberculosis management. Basic life support is compulsory.

6.3 Administration and Systems

6.3.1 Methodology of contracting with providers

Platinum Health operates in the Rustenburg, Bushveld (Zondereinde, Amandelbult and Siyanda Bakgatla) and Eastern Limb (Mokopane, Polokwane, Burgersfort and Lydenburg) region. Therefore, comprehensive service delivery networks have been established in these regions. Where it is not economically viable to employ, designated service providers, are contracted. Some service providers are contracted on a fixed fee basis, whilst other are contracted on an hourly basis. Other designated service providers are contracted on a fee-for-services whilst pathologists and radiologists are contracted on a discounted fee-for-service basis.

6.3.2 Member Identification

Platinum Health utilises Biometric Fingerprint Scanning as a method of identification of members and dependants at own facilities. Medical scheme cards are also issued to members as well as dependants in order to ensure that they can identify themselves when accessing healthcare outside the Platinum Health service delivery network.

6.3.3 Fraud prevention and detection

The identity of patients is always checked and systems are sufficiently integrated to prevent fraudulent access to services.

6.3.4 Information Technology

Software in use:

- Unisolve (CKS) – Retail pharmacy dispensing system
    - This is rated as one of the top systems for retail pharmacies in South Africa
    - It is cost effective, flexible, and user-friendly

- QMed – Doctor's practice management system (electronic patient file)

- The Occupational Health module is totally integrated and paperless. Electronic interfaces with digital X-rays, spirometry, audiometry, vision, and urine systems. Records are electronically stored and the outcomes of medical surveillance are updated live to HR systems of the clients, preventing medically unfit employees from accessing high risk areas in the mining environment.
- It provides one clinical system with all doctor notes, test results (laboratory, x-ray), medicine prescriptions, sick leave notes, referrals, anti-retroviral treatment and prompts for voluntary counseling and testing for HIV
- It is linked to the Platinum Health formulary and the CDL (chronic conditions as specified for medical scheme benefits) together with the treatment algorithms for these chronic conditions
- It provides control over patient records, and patient data is secure
- It is an effective management tool, which prevents duplication of investigation costs (e.g., laboratory test results and radiological investigations cannot be lost, with the result that tests do not have to be re-done)

- SAP Business One – Financial System
  - This is a world-class product with unlimited support, continuous upgrades, ease of integration, secure and flexible.
- SCubed – HR and Payroll administration, which is outsourced to SCubed. The system includes an integrated time and attendance module supported by Netrec through SCubed.

6.3.5 Information technology infrastructure services

Platinum Health has partnered with Gijima Holdings SA for IT infrastructure services which includes Wide Area Network, Local Area Network, Service Desk, Data Centre and Cyber Security Services.

6.3.6 Medicine pricing

Medicine is charged at Single Exit Price plus markup. The mark-up is to cover overheads. This is extremely competitive in an environment where proposed legislation stipulates that medicine should be sold at the Single Exit Price plus a 4-tier dispensing fee depending on the value of the medicine.

7.1. Managed Care

7.1.1 Treatment protocols

Specific treatment protocols are adhered to for the following:

- Chronic conditions as set out in the Medical Schemes Act and Regulations – specified treatment algorithms are adhered to for the management of these conditions
- Anti-retroviral treatment – managed according to protocols set down by the HIV Clinicians Society of SA
- Tuberculosis management (National Tuberculosis Program)
- Occupational Health – various standards and procedures are set out
- In addition to this, health care professionals are expected to practice their profession with due care and diligence, incorporating best practice principles. Given that these professionals are not incentivized to either over or under-service, it is possible to achieve this.

7.1.2 Case Management

Platinum Health operates an excellent and nationally comparable Case Management function for all patients referred to DSP's. The Case Managers are available 24 hours a day, 7 days per week and all year round. All referrals require authorisation and are logged on the information system, so that each case can be tracked. The Case Managers maintain close contact with the providers and visit the patients on a daily basis, where possible.

A distinguishing feature of the Platinum Health Case Managers is that they have a full understanding of injuries on duty, occupational health, and medical scheme benefits. They are thus able to ensure the correct cost allocation for each case, which ensures that reporting is accurate.

7.1.3 Medicine management and the use of a formulary

Platinum Health has developed a formulary for use by its doctors, and dispensing nurses, as well as contracted providers. The formulary was developed in collaboration with top academics in the field and is continuously updated and reviewed. Professional Nurses are limited to only dispense Article 22 medicines.

7.2 Quality Management

Platinum Health has a comprehensive quality management programme in place, which spans various aspects:

- External professional auditors are contracted to perform occupational healthcare and trauma and emergency service audits annually
- Quality outcome-based audits are performed on all major-medical interventions, for example hip joint replacements and cancer treatment.
- Injury Severity Scoring is performed on all trauma cases. The scoring is evaluated to determine how the initial scoring relates to the final outcome. For example, an initial low score should be related to a satisfactory outcome, whilst an initial high score may relate to a high probability of fatality or permanent disability
- Regular peer review is conducted.

8. PROVISION OF MEDICAL SCHEME ADMINISTRATION SERVICES

8.1. Governance practices and standards

The medical scheme administration is performed under the guiding principles of the King IV Code of Conduct. Ernst and Young perform the external audit function whilst KPMG perform the internal audit function.as an external party. Quarterly risk assessments are done.

8.2 Customer services

A client liaison services department exists to provide assistance to members with regards to claims and refunds, membership changes, issuing of membership cards, obtaining pre-authorisation, and arranging delivery of chronic medication. There are client liaison officers stationed at all sites who in addition to the above are responsible for education of members regarding benefits and importantly engaging stakeholders on a regular basis.

8.3 Information technology software

- Platinum Health Medical Aid Administration System (PHMAS)
  - This system is cost effective, flexible, and considered to be the best fit for the company. It runs on sequel database on the latest .net programming methodology, has low IT hardware resource requirements and is stable.
  - The IT support of PHMAS has been insourced.
  - Ernst and Young and CMS has audited and approved the system as effective for the administration of medical schemes

8.4 Membership database

Clients provide an electronic employee file on a monthly basis, which is then uploaded into the Platinum Health Administration System

The necessary reconciliations are done monthly for effective controls and accuracy of membership.

8.5 Claims processing

Claims for outsourced services are paid within 30 days, and the information system is capable of performing electronic fund transfers.

8.6 Managed Care Services

This is a fully-fledged authorisation and case management service which is carried out for all patients referred to an outside contracted provider. The information system has full functionality in this respect and is updated by the Case Managers who are performing their duties from within the health care delivery system.

8.7 Analysis and reporting

Comprehensive medical scheme reporting is performed, which is flexible in terms of the clients' requirements. In addition, full compliance with the Council for Medical Scheme's reporting requirements is maintained.

8.8 Fraud prevention and detection

The information systems are managed through outsourced service arrangements Claims are reviewed for anomalies and those anomalies are assessed for fraud. Referrals to outside healthcare service providers are all authorised in the system and subject to strict case management, with close contact with the providers.

A fraud Hotline has been established through KPMG and all allegations are assessed and investigated where necessary.