
what if.

... we have a healthcare
disaster?



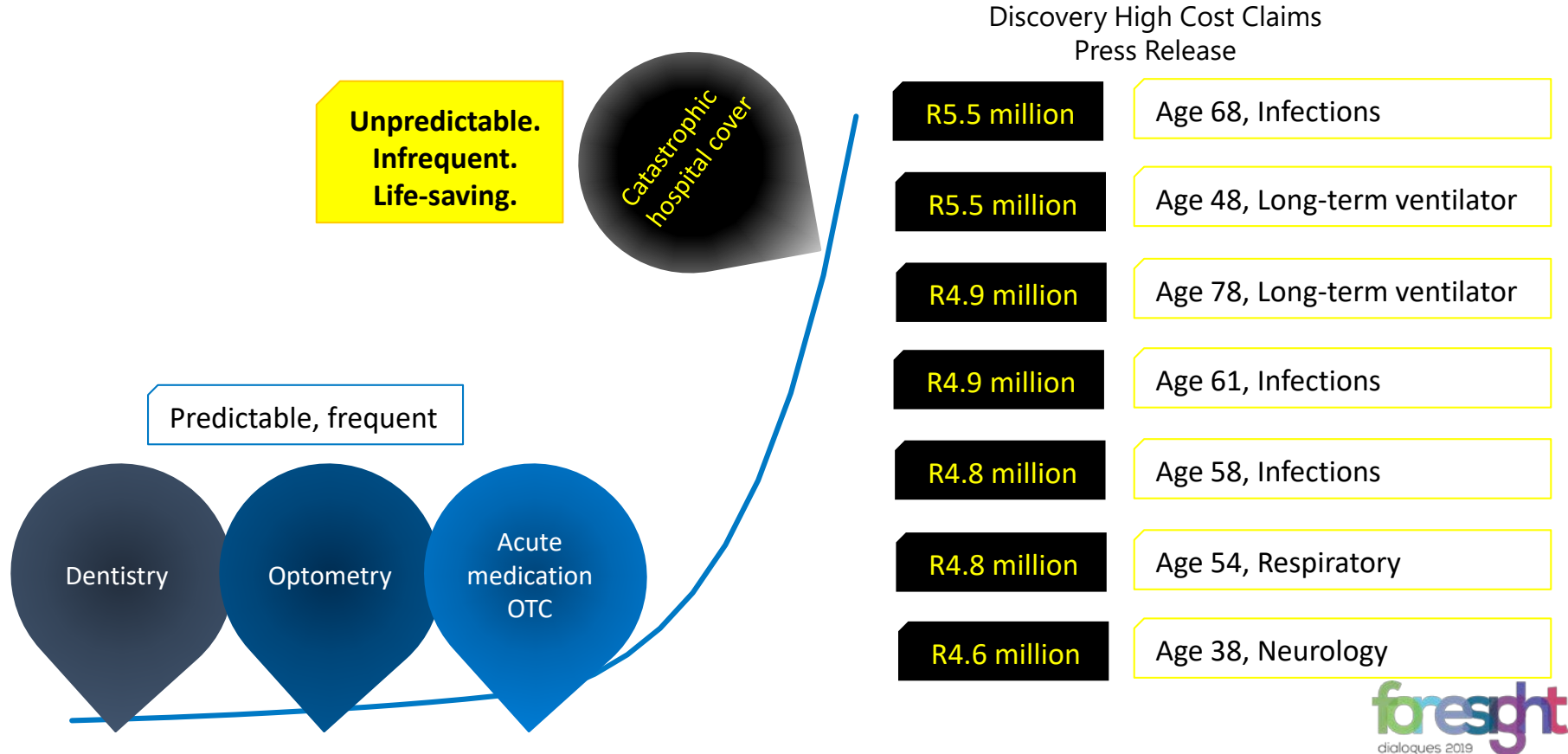
Characteristics of catastrophic claims

unpredictable.

rare.

material impact.

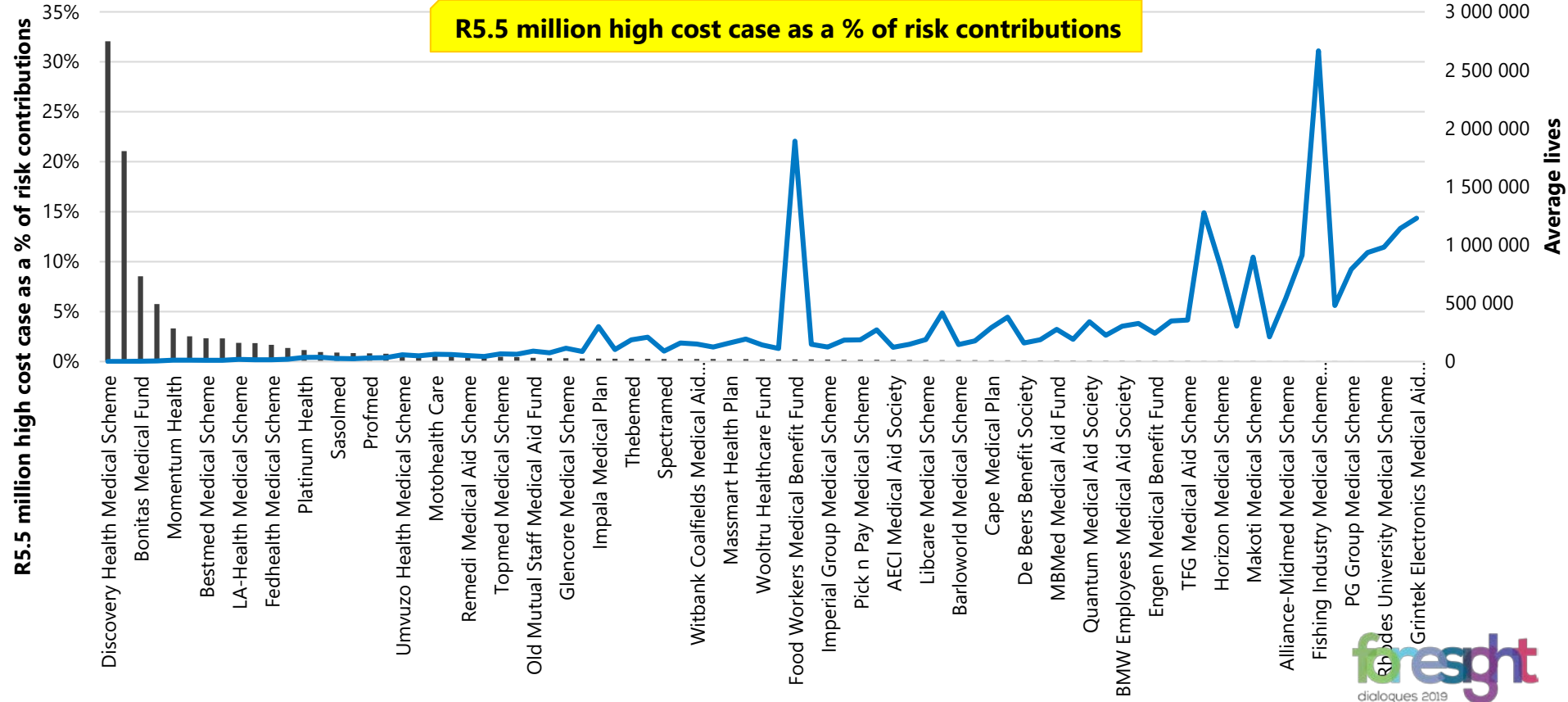
Typical medical scheme experience



Impact of high cost cases

■ Average lives — % of risk contributions

R5.5 million high cost case as a % of risk contributions

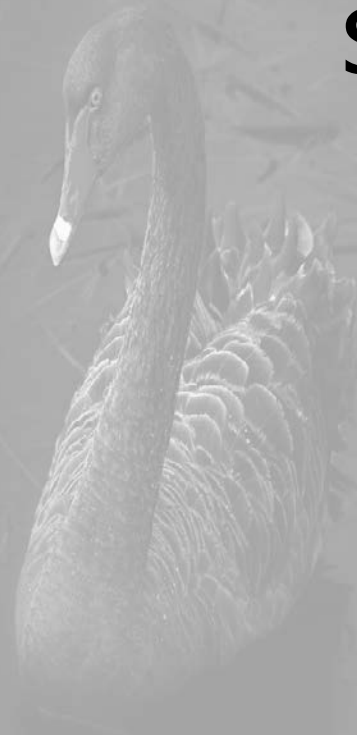


Black
swan



Rare, unexpected

Grey
swan



Rare, but expected



what if. we have an
asthma storm?

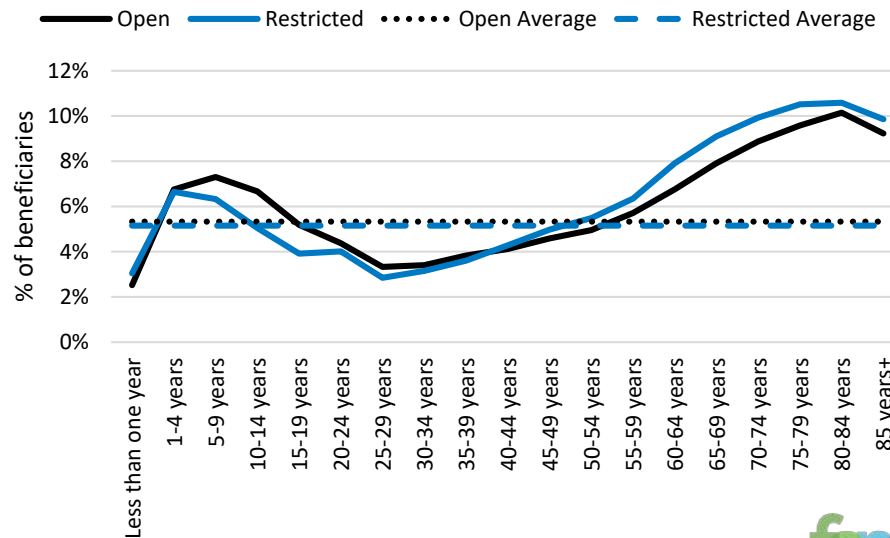
foresight

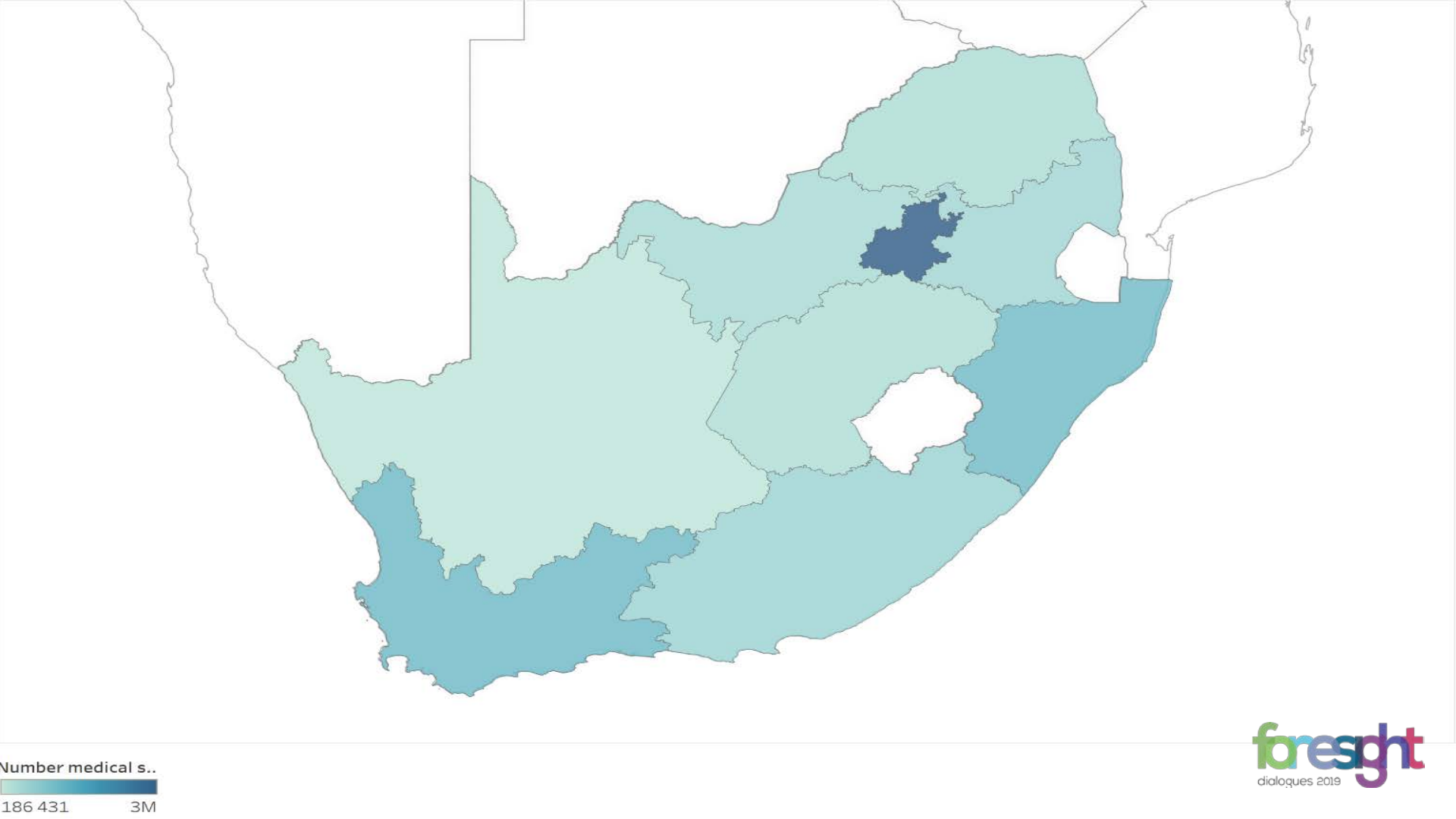
Projected cost of an asthma storm for South African Medical Schemes

Admissions relating to asthma attacks

average expected cost per patient
R19 000

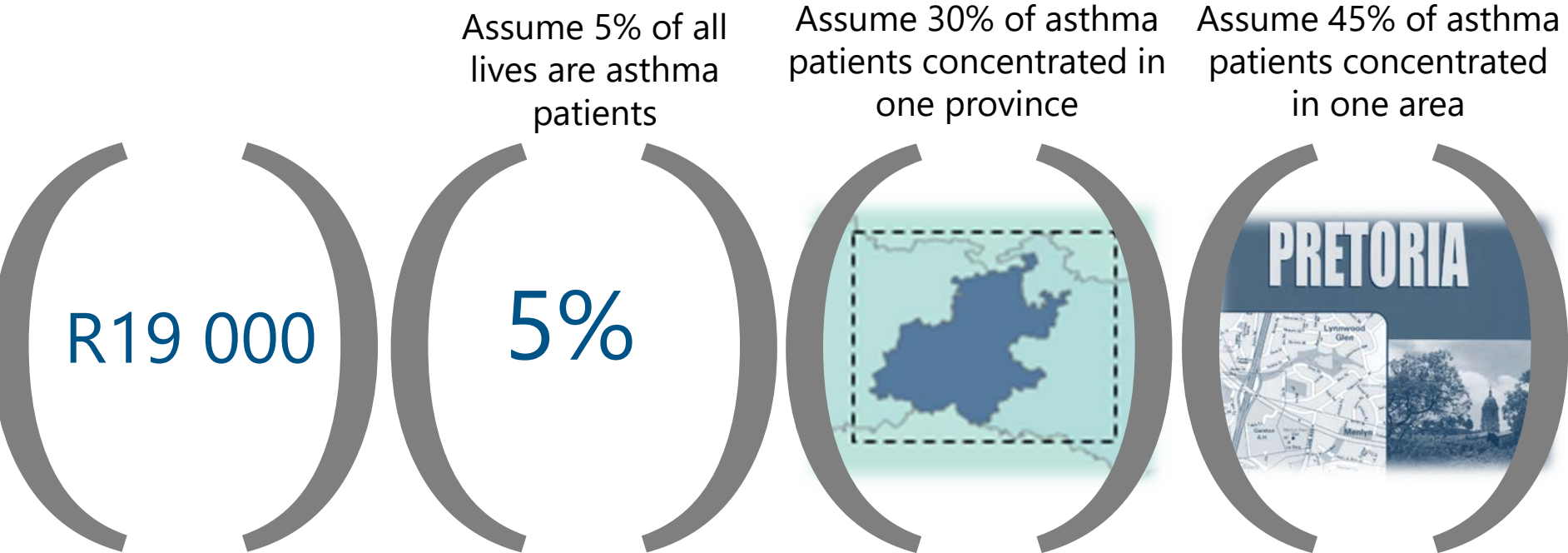
Beneficiaries impacted





Number medical s..
186 431 3M

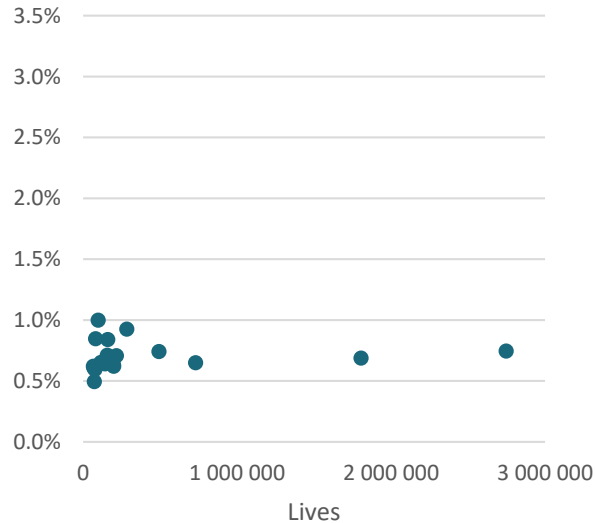
Cost of Asthma Storm



Cost of an asthma storm by scheme size as a % of Risk Contributions

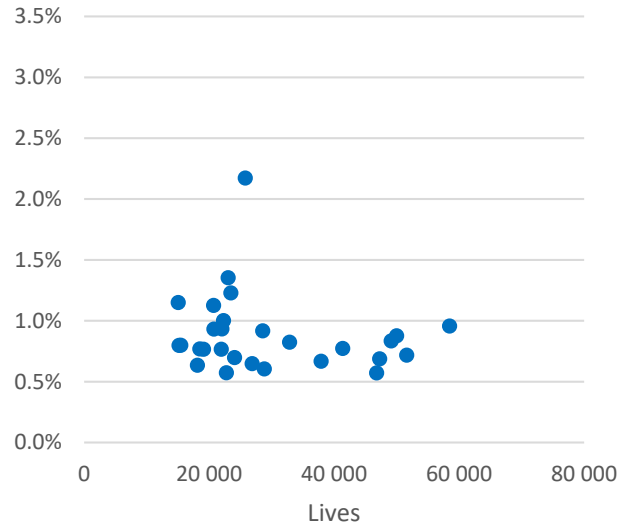
large.

● Asthma cost % of Risk Contribution (45% impacted)



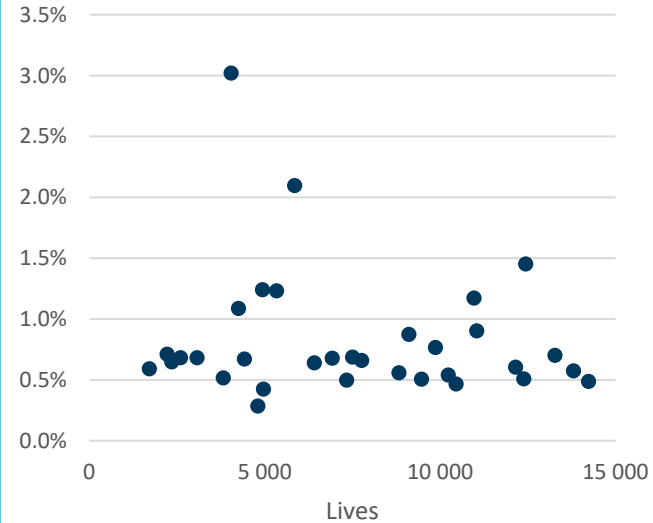
medium.

● Asthma cost % of Risk Contribution (45% impacted)



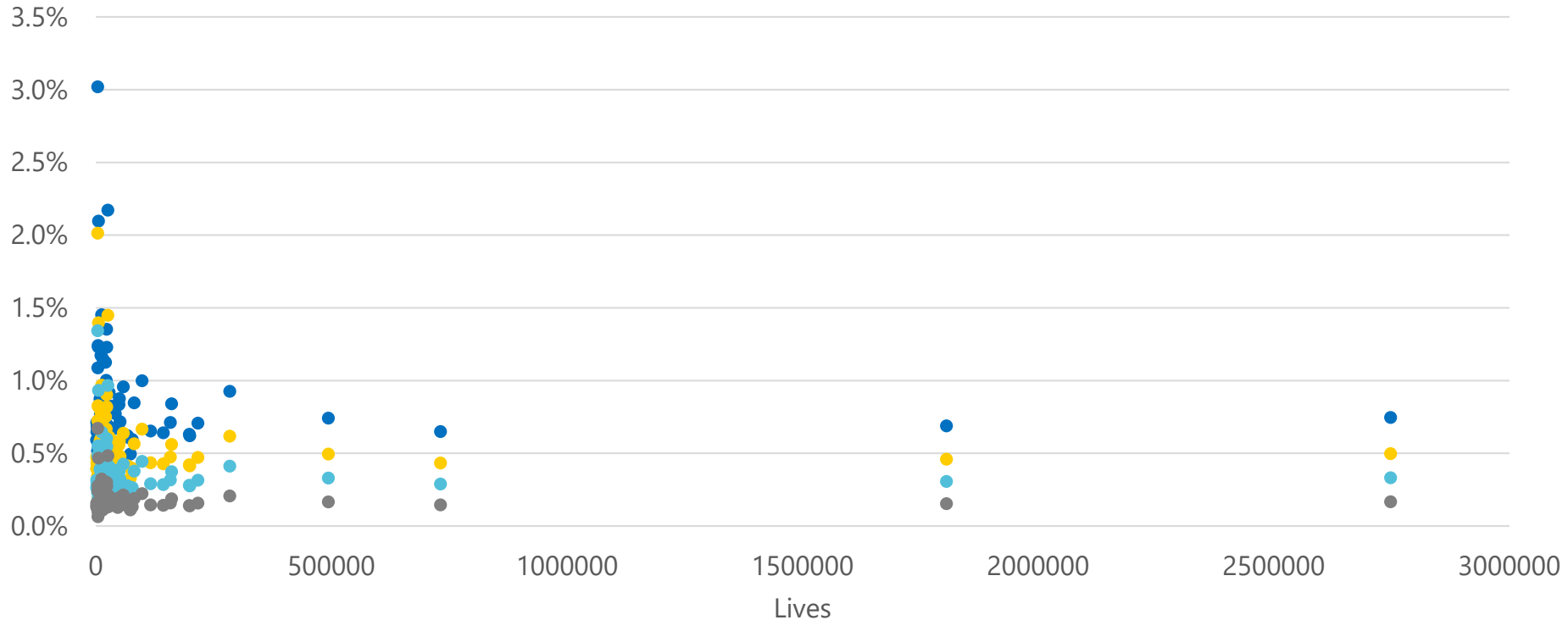
small.

● Asthma cost % of Risk Contribution (45% impacted)



Cost of an asthma storm varying number of lives impacted

- Asthma cost % of Risk Contribution (45% impacted)
- Asthma cost % of Risk Contribution (30% impacted)
- Asthma cost % of Risk Contribution (20% impacted)
- Asthma cost % of Risk Contribution (10% impacted)



what if.

... there's a disaster at FNB stadium?

what if.

... there's a severe flu pandemic?

what if.

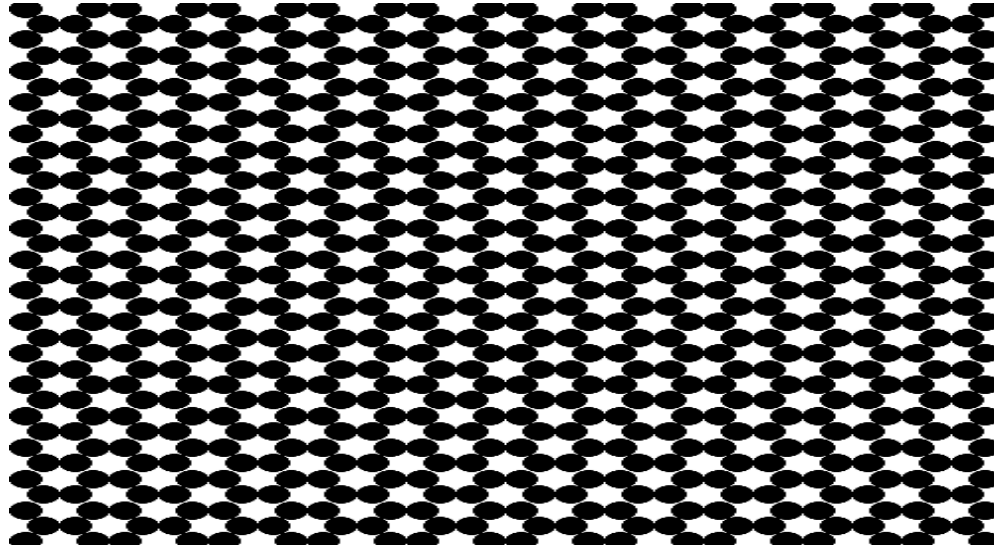
... a large food supply source is contaminated?

what if.

... health supplements become
contaminated leading to heart attacks?

Such events are characterised by an **accumulation of claims.**

... rather than a single high cost claim



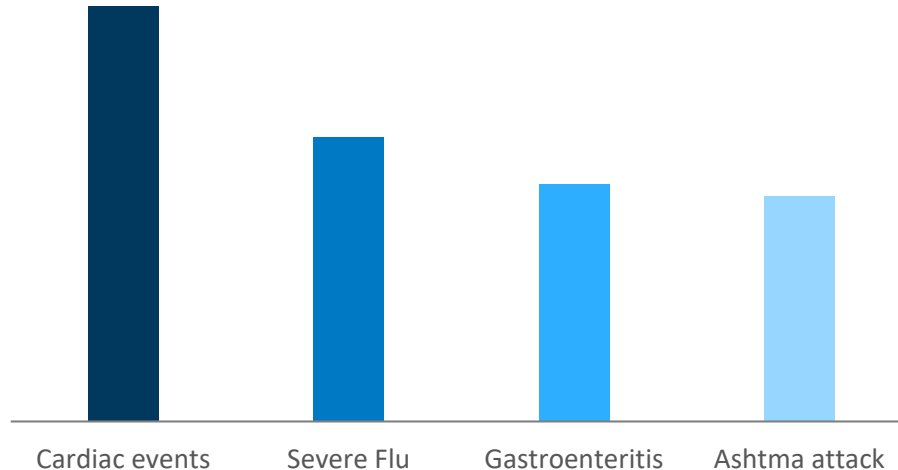
Costs of different catastrophic events

Average expected costs per patient

can be modelled

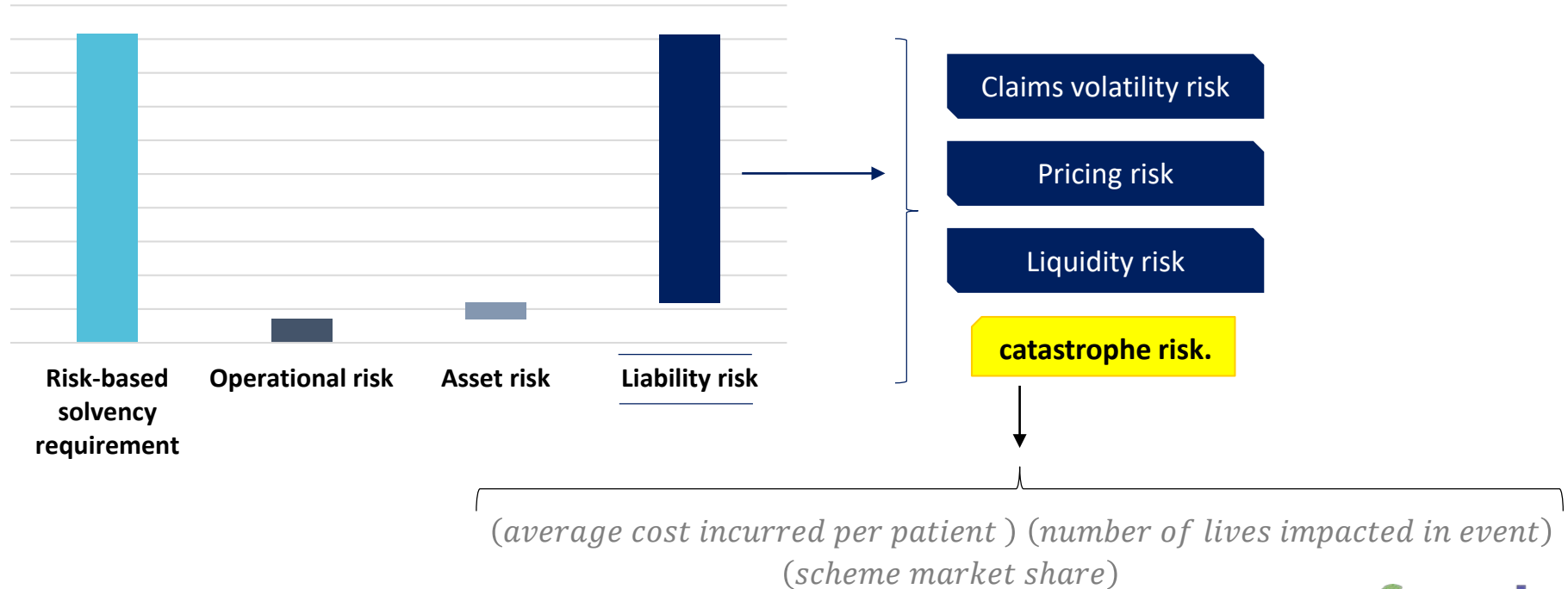
Number of beneficiaries impacted

is less predictable



Risk mitigation

Solvency allowance



Risk mitigation

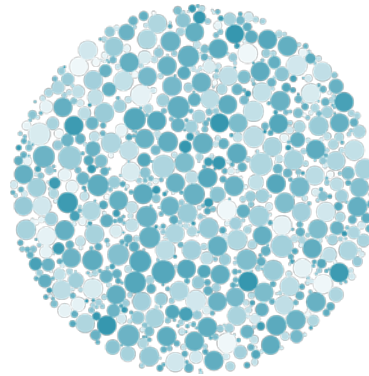
**disaster
planning.**



**overall
prevention.**



**pooling of
risk.**



**social
responsibility.**





Should we still plan for the unknown?



what if.

... we have the

foresight
dialogues 2019