



MERGERS and ACQUISITIONS

Breakthrough thinking from inside
the medical scheme box



**Consolidation has been ongoing
for the past 16 years**

First 6 years of the New South Africa

1994 : 234

1998 : 170

2000 : 154

In 6 years – 80 schemes disappeared

Over the next 10 years

2000 : 154

2005 : 131

2007 : 121

2009 : 110

A further 44 schemes disappeared

And what about the next 10 years?

2009/2010 : 110

2015 : 70

2020 : 35

Mergers and acquisitions will result in another 75 schemes disappearing

Move to ...

- Industry schemes e.g. Bankmed, GEMS, Polmed
- Large open schemes e.g. Discovery, Momentum, TopMed etc.

Why consider a M & A?

- Sustainability
- Growth
- Risk Management
- Negotiation Ability

- First step is to devise a clear strategy that outlines what you are looking for
- Step two is when you locate a potential partner and spend time getting to know their strengths and weaknesses

- Next phase is the negotiation, when you work out exactly what each partner is bringing to the table
- Next comes the integration, the time when assets are combined and a new entity formed
- Finally is the post deal evaluation

M & A Model in practice

Formulate

Locate

Investigate

Negotiate

Integrate

- **The Eternity / Sanlam merge**
 - Grant Newton – Group Chief Executive, Sanlam Health
- **Conducting due diligence analysis in the healthcare funding environment**
 - Bernie Clark – Head: Inland Region, Alex Forbes Health
 - Adrian Hubert – Partner, QES Healthcare
- **The move by healthcare providers to group practices in preparation for NHI**
 - Dr Tony Behrman – CEO, CPC Qualicare



THANK YOU