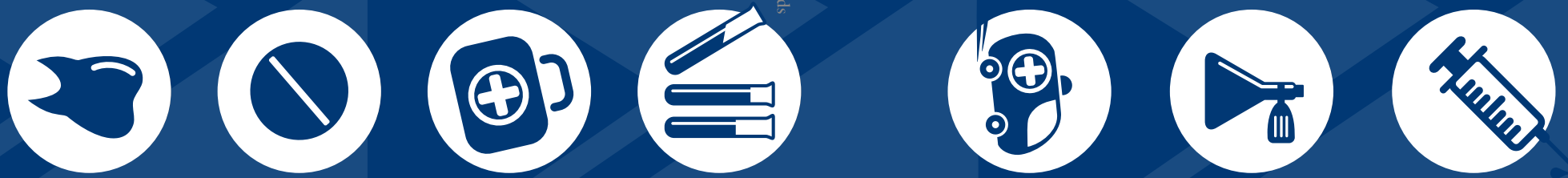
Namaf

Namaf
Namibian Association of Medical Aid Funds

ANNUAL REPORT 2025



ANNUAL REPORT
2025

Namibia Association of Medical Aid Funds

Annual Report 2025

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General
INFORMATION

General Information

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External auditors	PFK-FCS Auditors
Bank	Nedbank First National Bank
Chief Executive Officer	Mr. Stephen Tjiuoro
Deputy President of Management Committee	Ms. Rachel Kalipi
President of Management Committee	Mr. Pieter Daniel Theron

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Acronyms

AffCom	Affordability Committee
BoT	Board of Trustees
COVID-19	Novel Coronavirus
FWA	Fraud, waste, and abuse
FIMA	Financial Institutions and Markets Act
HCPs	Healthcare providers
HPCNA	Health Professions Council of Namibia
MAN	Medical Association of Namibia
MAFs	Medical Aid Funds
MC	Management Committee
MoHSS	Ministry of Health and Social Services
MoF	Ministry of Finance
MoU	Memorandum of Understanding
Namaf	Namibian Association of Medical Aid Funds
NAMFISA	Namibia Financial Institutions Supervisory Authority
NAMFISA Act	Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001)
NMRC	Namibian Medicines Regulatory Council
NPPF	Namibia Private Practitioner Forum
PAN	Psychology Association of Namibia
PN	Practice number
PCNS	Practice numbering system
PSEMAS	Public Service Employees Medical Aid Scheme
PSN	Pharmaceutical Society of Namibia
PCAN	Pharmacist Care Associan of Namibia
PANC	Prinicipal Officer Administrator Namaf Committee

1.1 The year 2025 at a Glance

Strengthened collaboration with government through the appointment of the Minister of Health and Social Services as steward of legislative reform.

Collaboration in Action with HCP: Keeping the Coding Framework Relevant and Responsive

Approximately **two-thirds (66.7%) of coding and tariff submissions have been approved,** while **11.1% were rejected.** A portion of submissions remain under review or inactive, with **22.2% still in progress, 13.9% parked, and 2.8% pending status.**

MC President Champions engaements with Associations: To rebuild broken trust.

Strengthened internal capacity through employee wellness interventions, improved communication structures, and investment in systems such as CRM platforms, enabling more effective support and coordination with industry stakeholders.

President's **REPORT**

President's Report

Mr. Pieter Daniel Theron
President

The 2025 Financial Year marked the second year of Namaf's 2024–2026 Strategic Plan, a pivotal period in advancing a sustainable, transparent, and collaborative healthcare funding system in Namibia. Building on the foundations laid in 2024, 2025 was characterised by strategic consolidation, enhanced stakeholder engagement, and strateigc refinement, while addressing several initiatives carried forward from the previous year. Several critical interventions remained incomplete as we entered 2025, including the implementation of ICD-10 Phase 2, the Namibia NAPPI Product and Price File, and the hospital contracting project. Legislative reform of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995) was further delayed despite the identification of a steward.

Strategic Themes: Highlights and Lowlights

Legislative and governance reform focused
In 2025, the MC advanced the long-standing reform of the Medical Aid Funds Act, 1995, with the Minister of Health and Social Services agreeing as steward. Due to political appointment changes following the inauguration of the new President on 21 March 2025, which affected both the Ministry of Finance and the Ministry of Health and Social Services, the process was slower.

The sustainability of the healthcare industry
The Namibia NAPPI Price File was delivered in October 2025, to improve transparency in medicine costs. Despite these gains, ICD-10 Phase 2 remains postponed, and delaying hospital tariff reforms.

Stakeholder participation and ownership
Continued to be a strategic enabler of strategic excellence. The rollout of the Stakheolder Engagement Plan (SEP) created structures platforms for engagement. At the core was the series of targeted engagements were held with professional associations, including the Pharmaceutical Society of Namibia (PSN), the Pharmacist Care Association of Namibia (PCAN), the Medical Association of Namibia (MAN), the Namibian Private Practitioners Forum (NPPF), the Namibian Medical Society (NMS), and the Psychological Association of Namibia (PAN). These discussions provided a platform for stakeholders to share perspectives on industry challenges and contribute to the development of solutions aimed at strengthening transparency and sustainability within the healthcare funding environment.

The establishment of the Principal Officer Administrator Namaf Committee (PANC) allowing stakeholders to voice their operational challenges. While collaboration improved significantly, we expect to see more traction in the following year with the identified industry projects.

Resource and support
The MC approved a balanced FY2026 budget and maintained an unqualified audit opinion, ensuring governance and operational stability. The Memorandum of Understanding with the Ministry of Finance for Public Service Employees Medical Aid Scheme (PSEMAS) access to Namaf coding structures, are expected to be completed in 2026.

Looking Ahead
As the second year of our three-year strategy, 2025 reinforced the importance of focus, collaboration, and political continuity. In 2026, Namaf will prioritise completing pending legislative and regulatory reforms, finalising ICD-10 Phase 2 and theatre lists.

These actions are essential to achieving a sustainable and collaborative healthcare funding industry by the conclusion of the 2024–2026 Strategic Plan.

Appreciation

I extend my sincere gratitude to the Honourable Minister of Health and Social Services, Dr. Esperance Luvindao, for her stewardship of legislative reform, and to Honourable Ericah Shafudah for continued support. I commend healthcare provider associations for their collaboration, and the CEO and his team for their dedication and operational excellence. Finally, I thank my fellow MC members for their strategic focus and professionalism in guiding Namaf through a challenging year.

As President, I remain confident that the strategic foundations laid in 2025 will continue to drive strategic excellence, strengthen governance, and deliver tangible value to medical aid fund members as we enter the final year of our three-year strategy.

Mr. Pieter Daniel Theron
President

1.2 CEO's Report

Mr. Stephen Tjiuoro
Chief Executive Officer

The 2025 financial year marked the **second year of Namaf's 2024–2026 Strategic Plan,** focused on operationalising the strategic objectives outlined in the President Report. While legislative and governance reform remained in progress, operational efficiency gains in 2025 were primarily achieved through targeted initiatives under **sustainability, stakeholder collaboration, and resource support,** laying the groundwork for full-scale implementation of strategic reforms.

Operational Performance and Strategic Alignment

Sustainability of the Healthcare Industry

The Namibia NAPPI Product and Price File, currently in use by one medical aid fund, is serving as a pilot to identify and resolve systemic challenges before broader rollout. This preparatory phase is critical to ensuring the file delivers real operational impact across the industry once fully implemented.

This preparatory phase is critical to ensuring the file delivers real operational impact across the industry once fully implemented.

The most significant operational achievement in 2025 was the resolution of legacy coding submissions, approved on 18 September 2025. Addressing the bottleneck that was being experienced by healthcare providers.

Stakeholder Participation and Ownership
Operational efficiency in 2025 was further supported through structured stakeholder engagement. The Principal Officer Administrator Namaf Committee (PANC) and the Stakeholder Engagement Plan (SEP) provided formal channels for dialogue, allowing the Secretariat to understand operational pain points and align internal support.

While meaningful collaboration was established, traction on the four industry projects identified in 2025 remains limited, and their impact on operational workflows is yet to materialise. The engagement with various associations have now become a standing agenda item on PANC ensuring that the voice of the healthcare providers is heard. Moving forward, PANC will play a critical role in coordinating, monitoring, and implementing these initiatives, ensuring that operational improvements are embedded across funds and healthcare providers.

Resource and Support
The strategic allocation of resources in 2025 reinforced operational efficiency across Namaf. These resources directly enabled operational teams to process claims more efficiently, manage stakeholder interactions effectively, and respond to emerging challenges with agility.

Operational Challenges
Despite these gains, challenges persisted. ICD-10 Phase 2, theatre lists, and reforms were not completed, constraining the Secretariat's ability to deliver efficiency gains at scale. Additionally, while the Namibia NAPPI Price File is in limited use, full rollout remains dependent on resolving operational issues identified during the pilot phase.

Appreciation
I would like to extend my gratitude to the Executive Director of the Ministry of Finance, Mr. Oscar Capelao, he has been instrumental in the finalisation of the Memorandum of Understanding between Namaf and the Ministry of Finance regarding access to Namaf coding structures for PSEMAS. I further acknowledge the instrumental role the Executive Director of Health and Social Services, Mr. Penda Ithindi in facilitation with the Policy Review Steering Committee on the Medical Aid Fund Act, 23 of 1995

I am profoundly grateful to the Management Committee, under the able leadership of Mr. Pieter Theron, and the secretariat and stakeholders for another year of collaboration effort towards the realisation of our strategic plan.

Mr. Stephen Tjiuoro
Chief Executive Officer

Strategic OVERVIEW

VISION:

To be a recognised leader in the provision of a conducive environment for a sustainable private healthcare funding industry

MISSION:

To enable the optimum functionality of the Namibian private healthcare industry to maximise value* for beneficiaries of medical aid funds

Our Values

MISSION VALUES:

Accountability
Enhance the health economy, efficiency, effectiveness, and credibility of Namaf.

Integrity
Conduct professional, objective, fact-based, fair, and balanced work.

Reliable
Produce timely, accurate, useful, and clear information.

PEOPLE VALUES:

Valued
Seek out and appreciate each person's perspective.

Respected
Treat everyone with dignity

Teamwork
People working in atmosphere of mutual support and trust and working together cohesively.

1.4 Legislative

The Namibian Association of Medical Aid Funds (Namaf) is a statutory body, established in terms of section 10 of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995) (the MAF Act). In terms of section 10 (3) of the MAF Act, Namaf's statutory object is to control, promote, encourage, and coordinate the establishment, development, and functioning of funds in Namibia.

Namaf's core functions are:

(a) **Promote:** Training and education of internal and external stakeholders are central to promoting the establishment, development, and functioning of medical aid funds in Namibia.

Internal education and training of MAFs and healthcare providers (HCPs) create an understanding of rules and regulations, policies and procedures, and the roles and responsibilities of the different industry players. This awareness enables compliance, good clinical and corporate governance, and optimal functioning in the claims management system and tariff benchmarking process. Engaging and communicating with medical aid members and the general public regarding the basic functioning of MAFs and Namaf's role in protecting consumer interests encourages the responsible use of medical aid funds' resources and reduces the risk of abuse and waste.

Therefore, internal, and external training creates stability and sustainability within the industry for the benefit of all stakeholders.

(b) **Coordinate:** Namaf acts as a stakeholder coordinator by connecting and facilitating communication between MAFs, HCPs, and other key industry stakeholders. This industrywide stakeholder engagement creates awareness and understanding of the industry's issues, allows stakeholders to interact, gives input into decision-making processes that inform policy, and contributes to an effective system.

Through its role as a functional coordinator of the industry, Namaf ensures no overlap or duplication between the roles and functions of different stakeholders.

(c) **Control:** Setting standards, providing guidelines on industry best practice, and publishing and enforcing regulations are central to effectively controlling the industry and defining the environment within which MAFs and HCPs operate. This framework must complement other legislative instruments within the industry to ensure an effective overall system.

As part of the control function, Namaf, in consultation with the line minister, is responsible for policy formulation and industry compliance in section 44 of the Medical Aid Funds Act.

(d) **Encourage:** Namaf encourages compliance by engaging stakeholders in formulating rules, regulations, policies, and procedures. This increases stakeholder buy-in, support, and participation and thus ensures a stable industry with a clear sense of direction. Through its role in the industry, Namaf also plays a vital part in amending national laws and guiding government policies.

Although Namaf is not involved in the day-to-day operations or the benefit structures of MAFs, it encourages optimal and coordinated functioning of MAFs, which includes streamlined and standardised processes and procedures, centralised data analyses, and maintenance of tariff and procedure codes.

For achieving the above objectives, section 12 of the MAF Act empowers Namaf to consider "any matter affecting medical aid funds or the members of such funds and make representations or take action in connection in addition to that, as it may deem advisable."

1.4.1 Ministry of Finance

Esperance Luvindao
Minister of Health and Social Services

In terms of the Medical Aid Funds Amendment Act,2016 (Act No 11 of 2016), the Minister of Finance is responsible for administering the Medical Aid Funds Act, 23 of 1995. It is, therefore, the oversight and line Minister of Namaf. In terms of section 20 (3) of the MAFs Act, 1995 (Act No. 23 of 1995), the MC must provide the Minister with audited financial statements and activities of Namaf, and other information as the Minister may from time to time require after the end of each financial year.

1.4.2 Ministry of Health and Social Services (MoHSS)

The Ministry of Health and Social Services is mandated to oversee and regulate public, private, and non-government organisations toward quality health and social services, ensuring equity, accessibility, affordability, and sustainability.

The MAF Act, 1995 (Act No. 23 of 1995) was created under the auspices of the then Minister of Health and Social Services to provide a legal framework within which Namaf and MAFs operate. The Ministry of Health and Social Services is responsible for national healthcare policies, and Namaf is about financing the delivery of those products produced in line with those healthcare policies, thereby assisting the Ministry of Health and Social Service in addressing sustainability in health.

1.4.3 Ministry of Home Affairs and Immigration

One of the primary objectives of the Ministry of Home Affairs and Immigration is to facilitate legal migration into and out of Namibia. As part of this role, it is responsible for issuing visas and work permits to foreign healthcare providers wishing to practice in Namibia. Namaf only issues practice numbers to foreign HCPs if they have valid work permits and visas and comply with specific conditions stipulated in those work permits.

Close collaboration and coordination between Namaf, the Ministry, and the HPCNA is essential to ensure that work permits and visas issued to foreign HCPs do not contradict the provisions and ethical rules of the HPCNA.

1.4.4 Ministry of Industrialization, Trade, and SME Development

The Ministry of Industrialization, Trade, and SME Development is mandated to develop and manage Namibia's economic, regulatory framework, promote economic growth and development by formulating and implementing appropriate policies to attract investment, increase trade, and expand the country's industrial base.

The Ministry also provides permits to foreign medical professionals who seek to invest in Namibia and create employment for Namibians. To ensure that foreign medical professionals satisfy all the requirements of the HPCNA, the Ministry needs to consider health-related policies before issuing such permits. This is important because HCPs can only receive a practice number from Namaf once the HPCNA has issued the relevant documentation. Similarly, the Ministry must consider the requirements that a foreign HCP's practice or surgery must satisfy in terms of the Ministry of Health and Social Services criteria.

Regulatory Bodies

1.5 Registered Medical Aid Funds in terms of the Medical Aid Funds Act, 1995 (Act No.23 of 1995)

In terms of section 11 of the MAF, 1995 (Act No. 23 of 1995), Namaf is constituted by all registered MAFs in Namibia. Herewith is a list of registered MAFs during the period under review:

(a) Renaissance Health Medical Aid Fund
(b) NAPOTEL
(c) Nammed Health Plan
(d) Namibia Health Plan (NHP)
(e) Namibia Medical Care (NMC)
(f) Heritage Health Medical Aid Fund Namibia
(g) GemHealth Medical Aid Fund

In terms of section 26 of the MAF Act, 1995, upon registration, MAFs are creatures of stature capable of doing all such things as may be necessary in exercising its powers and performing its functions in terms of its fund rules. The rules of a registered Medical Aid Fund are binding on the Fund and the members and their dependents, and the trustees, principal officers, and employees of the Fund.

1.5.1 Namibia Financial Institutions Supervisory Authority (NAMFISA)

NAMFISA is a statutory body established in terms of the Namibia Financial Institutions Supervisory Authority Act, 2001 (Act No. 3 of 2001) (hereafter referred to as the NAMFISA Act). In terms of sections 3 and 4 of the MAF Act, 1995 (Act No. 23 of 1995) the relevance of NAMFISA's work to Namaf is the approval and registration of Medical Aid Funds and, more so, the approval of Fund rules. This is known as prudential supervision.

1.5.2 Health Professions Council of Namibia (HPCNA)

The HPCNA is a statutory body established in terms of the Health Professions Act, 2024 (Act No. 16 of 2024) to regulate the registration and licensing of persons practising health professions in Namibia. All healthcare providers must register with the Council to practice in the medical field in Namibia. In addition, the Council defines and determines the scope of service of HCPs.

The registration of an HCP with the HPCNAinvolves a strictly regulated evaluation process to determine the knowledge, skills, and competencies of the HCP. Upon registration, the Council issues a practitioner number.

Although Namaf has no jurisdiction over HCP in Namibia, it does issue practice numbers legally required if an HCP's claims are to be recognised by MAFs. These practice numbers can only be provided if an HCP has a certificate of registration from the HPCNA.

The HPCNA is one of the main pillars to help Namaf determine if an HCP is qualified and thus eligible for a practice number.

1.5.3 Namibia Medicine Regulatory Council (NMRC)

The NMRC is a statutory body established in terms of the Medicines and Related Substances Control Act, 2003 (Act No. 13 of 2003) to regulate the use of medicines and scheduled substances in Namibia. The registration of medicines is the focal point of its regulatory framework.

Although the pharmaceutical industry in Namibia is regulated, the prices of medicines are not regulated. Most of the HCPs in the industry make use of Medikredit South Africa's NAPPI (National Pharmaceutical Product Index) codes to identify medicines and other medical products to compile claims for submission to medical aid funds. The medical aid funds' administrators equally use these codes to process and adjudicate claims. However, these codes are not standardised across the country, and most MAF Administrators make changes according to their needs, which leads to a lack of consistency in the issuing and application of NAPPI codes in the country.

Since medicines make up a large portion of the total claims paid by MAFs, a standardised coding structure, which will enable proper industry regulation for the benefit and protection of the consumer, needs to be created.

1.5.4 Namibian Competition Commission (NaCC)

The NaCC was established in terms of the Competition Act, 2003 (Act No. 2 of 2003) to regulate competition issues across all sectors of the Namibian economy. In terms of the Act, the Commission is the principal institution to promote and safeguard fair competition in Namibia by promoting the efficiency, adaptability, and development of the Namibian economy.

Healthcare is so technical that consumers have little knowledge about the timing of healthcare needs, the precise nature of the need when it occurs, the optimal treatment option, and the effectiveness of the outcome and associated utility they are to derive from such treatment. These factors force the patients (as Principal) to virtually appoint the healthcare provider as their agents to advise them in respect of all the above. Such arrangement puts the healthcare provider (producer) in a monopolistic relationship against the patients. This analogy places HCP in the same position as producers in a monopoly who are price makers and tend to be driven by the maximization of their profits. They distort the allocation of resources.

Namaf does not regulate anti-competitive and monopolistic behaviour. Therefore, close collaboration and cooperation with the NaCC is vital for protecting consumers.

1.5.5 Associations of Healthcare Professionals

Medical professionals from different disciplines form voluntary associations based on special fields of interest. Associations are independent of the five HPCNA, and membership is voluntary. Associations frequently seek to represent members' interests, much like unions do.

Namaf engages these associations on industry issues that pertain to their scopes of practice as and when necessary. For example, medical technology and treatments advancement give rise to new practices and the need for new procedure codes to capture these practices. In such cases, associations prepare submissions to Namaf, which are subsequently approved or declined by the Namaf Management Committee (MC).

2. GOVERNANCE

2.1 Management Committee Membership (MC)

In terms of section 13 of the MAFs Act, 1995, the governance and general control of Namaf and of all its affairs and functions, are vested in the MC, which is tasked to executing Namaf's statutory mandate.

The MC is composed of ten members, seven of whom with voting powers as the only cohort who were elected by the authorized representative nominated by all registered MAFs and three co-opted members. MAFs with more than 2000 members nominate a maximum of two authorized representatives for election, while MAFs with less than 2000 members nominate one authorized representative. Once elected, in terms of section 13 (5) of the MAFs Act, 1995, members of the MC hold office for three (3) years, where after they are eligible for re-election. Once elected, the MC amongst themselves elects the President, Vice-President, and Treasurer of the MC.

The term of the current MC started from 16 July 2023 to 17 July 2026.

Mr. Pieter Theron
Chairperson

Ms. Rachel Kalipi
Vice-Chairperson

Mr. Stephen Tjiuoro
Chief Executive Officer

Mr. Desley Somseb
Treasurer

Mr. Erastus Molatudi
Member

Mr. Gabriel Tjombe
Member

Dr. Lea Namoloh
Member

Mr. Sam Kauapirura
Member

Ms. Valeria Muchero
Co-Opted Member

Mrs. Dantago Garosas
Co-Opted Member

2.1.1 Meetings

In terms of section 16 of the MAFs Act, 1995, the MC must at least convene four meetings per year with intervals of no more than three months. The MC held four (4) ordinary meetings and three (3) extraordinary meetings during the reporting period.

Table x: MC composition and meeting attendance

Name of MC members	Designation	Area of expertise	Number of meetings attended
Mr. Pieter Theron	President	Law	7
Ms. Rachel Kalipi	Vice-President	Finance	7
Mrs. Dantago Garosas	Threasurer	HR	7
Mr. Erastus Molatudi	Member	IT	7
Mr. Desley Somseb	Member	HR	7
Dr. Lea Namoloh	Member	HR	6
Mr. Sam Kuapirura	Member	Law	7
Mrs. Valerie Muchero	Member	Law	7
Mr. Gabriel Tjombe	Member	Finance	7
Mr. Stephen Tjuoro	Ex-Officio	Health Economist	7

2.2 Committees of the Management Committee

In section 15(1) of MAF Act, the MC established committees to assist it in performing its functions and appointed experts from different disciplines in the healthcare industry. The rationale for Committees is for MC to divide its work into manageable chunks and tap into the specific talents, skills, and knowledge of individual MC members and experts from different specialties to enable the full MC to make decisions on matters delegated to Committees. Each committee is governed by a Terms of Reference and exercises powers that are delegated to it by the MC.

(a) Affordability, Accessibility and Quality of Medical Services Committee (AFCOM)

The Affordability Committee (AffCom) is an advisory committee without decision-making powers. It is mandated to consider and advise MC on all matters relating to affordability and accessibility. The AffCom is comprised of experts in the private healthcare funding industry and corporate risk management, as well as two MC members:

Mr. Gabriel Tjombe	Chairperson	MC Member
Mr. Sam Kauapirura	MC Member	
Mr. Heinrich Nashenda	Member	
Mr. Tiaan Serfontein	Member	
Mr. Karl Weyhe	Member	

The AffCom held two (2) statutory meetings during the year under review.

(b) Statutory Affairs and Risk Management Committee

The Statutory Affairs considers and advises MC on all matters related to health policy; legal, and statutory matters. It also fulfils an oversight role in respect of relationships within the healthcare funding industry. The sub-committee makes recommendations to the MC and has no decision-making authority.

The Statutory Affairs and Risk Management Committee is made up of legal and forensic management experts and two MC members:

Ms. Valeria Muchero	Chairperson
Mr. Pieter Theron	MC Member
Mr. Sam Kauapirura	Member

The Statutory Affairs held two (2) meetings during the reporting period.

2.3 Secretariat

In terms of section 19 of the MAFs Act, 1995, the Chief Executive Officer (CEO) is the head of administration and accounting officer of Namaf. The CEO is charged with the responsibility for carrying out all the resolutions of MC and its committees and manages all the affairs of Namaf, subject to the direction and control of MC.

Mr. Stephen Tjiuoro	Chief Executive Officer
Mr. Brian Chaka	Head: Corporate Services
Ms. Lunza Maswahu	Manager Clinical Services
Ms. Justina Nelulu	Financial Manager
Ms. Uatavi Mbai	Stakeholder Relationship & Communication Manager
Ms. Ramona Mathupi	PCNS Specialist
Mr. Toivo Namene	PCNS Consultant
Ms. Ndapandula Shindume	Executive Assistant
Ms. Tina Riruako	Office Assistant
Vacant	Forensic Analyst

2.4 Organisational Structure

NAMAF
CHIEF EXECUTIVE OFFICER

EXECUTIVE ASSISTANT

MANAGER:
CLINICAL SUPPORT &
SERVICES

HEAD: CORPORATE SERVICES

FORENSIC ANALYST
VACANT

FINANCE MANAGER

STAKEHOLDER
RELATIONSHIP &
COMMUNICATION MANAGER

PCNS SPECIALIST

INFORMATION
TECHNOLOGIST/BUSINESS
ANALYST
VACANT

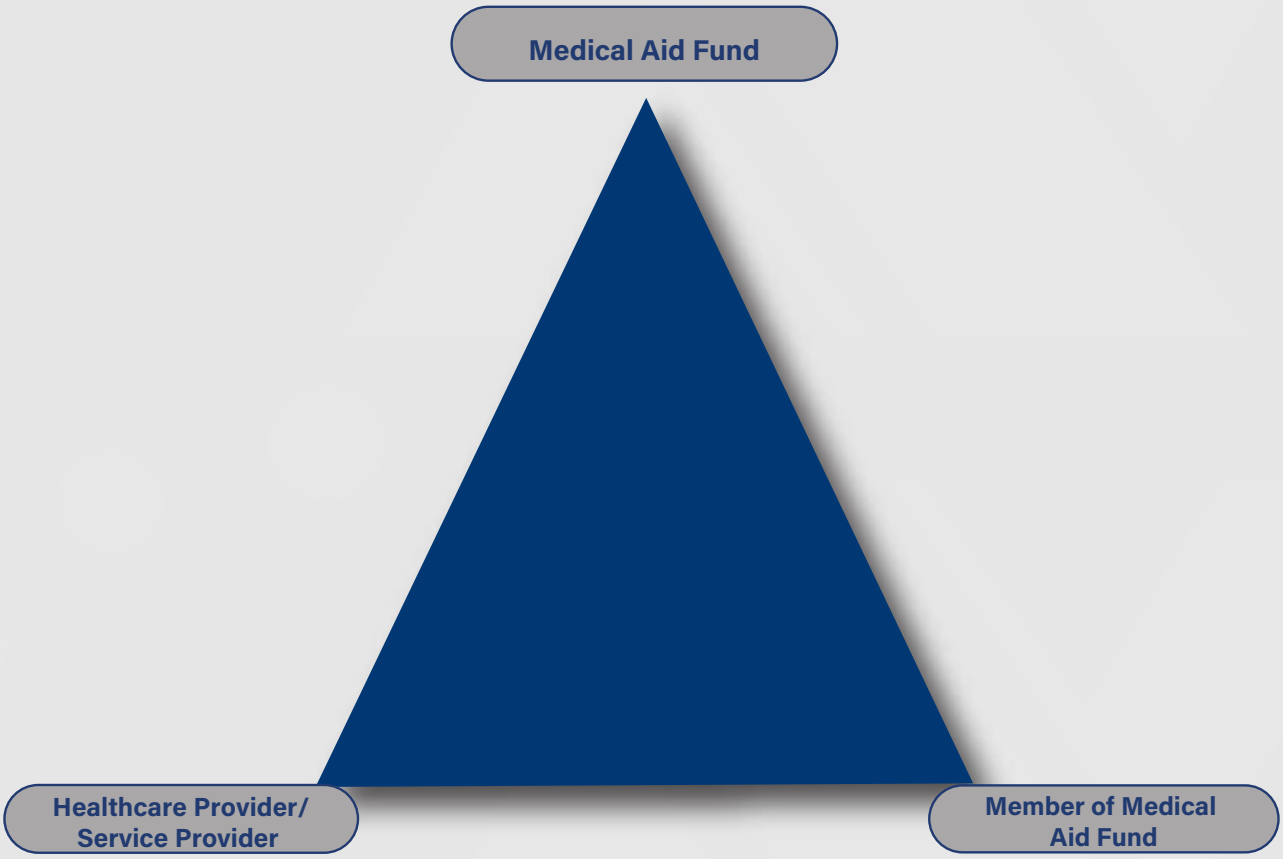
PR & BRAND COORDINATOR
VACANT

PCNS CONSULTANT

OFFICE ASSISTANT

Healthcare Funding
STAKEHOLDER INTRICACIES

3. HEALTHCARE FUNDING STAKEHOLDER INTRICACIES



The natural tension in the triangular relationship between medical aid funds, members, and healthcare providers is a structural, inherent conflict of interests centered on balancing cost, quality, and access. This "iron triangle" implies that improving one area (e.g., lower costs) often causes decline in others (e.g., lower access or lower quality of care). The Key Players and Their Roles

- Medical Aid Funds (Payers): Aim to manage risk, ensure fund sustainability, and control expenditure to keep premiums affordable. They often act as gatekeepers, managing care and restricting benefits to avoid financial depletion.
- Members (Users): Seek maximum, high-quality, and immediate access to care with minimal out-of-pocket expenses (co-payments).
- Healthcare Providers (Doctors/Hospitals): Seek fair compensation for services, and professional autonomy.

2. Nature of the Tensions

- Medical Aid vs. Members (Cost vs. Coverage): Members want comprehensive coverage, but rising healthcare costs and inflation drive up premiums. When funds try to keep premiums low, they restrict benefits, leading to member dissatisfaction. Conversely, if members demand too much, premiums become unaffordable.

- Medical Aid vs. Providers (Reimbursement vs. Care Costs): Providers (e.g., specialists) may charge above the benchmark tariffs set by medical aids (e.g., Namaf tariffs in Namibia), leading to "shortfalls" or co-payments for the member. Medical aids try to limit these payments to control costs.

- Providers vs. Members (Autonomy vs. Affordability): Providers may suggest the best, most advanced treatment (high quality), which might not be covered by the member's specific, lower-cost medical aid option, creating tension between clinical needs and financial reality.

3. The "Iron Triangle" in Action

- Access vs. Cost: If members want unlimited access to any provider, premiums must be very high. If they want low premiums, they must accept limited networks (Designated Service Providers).

- Quality vs. Cost: High-quality care often requires expensive technology and specialized procedures. Limiting expenditure through managed care can directly impact the quality or breadth of services.

- Provider vs. Fund (Negotiation Strain): Negotiations between providers and medical aids on payment structures create constant tension, as they aim to balance fair compensation for providers with cost containment for the members.

The tensions inherent in the healthcare “iron triangle” balancing cost, quality, and access highlight that no single player can achieve sustainability alone. Medical aids cannot control costs without considering member needs; providers cannot deliver high-quality care without fair compensation; and members cannot access care without an affordable and functioning system. This is where collaboration becomes not just desirable, but essential.

Namaf’s 2025 initiatives exemplify how constructive engagement can bridge these tensions. By bringing medical aids, providers, and members into ongoing dialogue through workshops, forums, and digital channels, Namaf turned potential conflict into shared purpose. Trust, transparency, and active participation allowed stakeholders to co-create solutions.

In essence, the sustainability of Namibia’s healthcare industry depends on this collaborative framework: when stakeholders align around mutual understanding and shared objectives, the iron triangle shifts from being a source of conflict to a foundation for resilient, equitable, and sustainable healthcare delivery.

Weaving Trust: How Namaf United Stakeholders for a Sustainable Future

Strengthening Industry Collaboration

In 2025, Namaf placed renewed emphasis on strengthening collaboration and rebuilding trust across the healthcare funding ecosystem. Following an industry workshop in April 2025, where healthcare stakeholders expressed concerns about regulatory processes and industry alignment, the MC recognised that sustainable progress required deeper engagement with all stakeholders.

In response, Namaf implemented a Stakeholder Engagement Plan aimed at fostering open dialogue, transparency, and collective problem-solving across the sector. Through this approach, Namaf engaged directly with healthcare provider associations, administrators, and industry bodies to address key concerns and identify opportunities for collaborative reform.

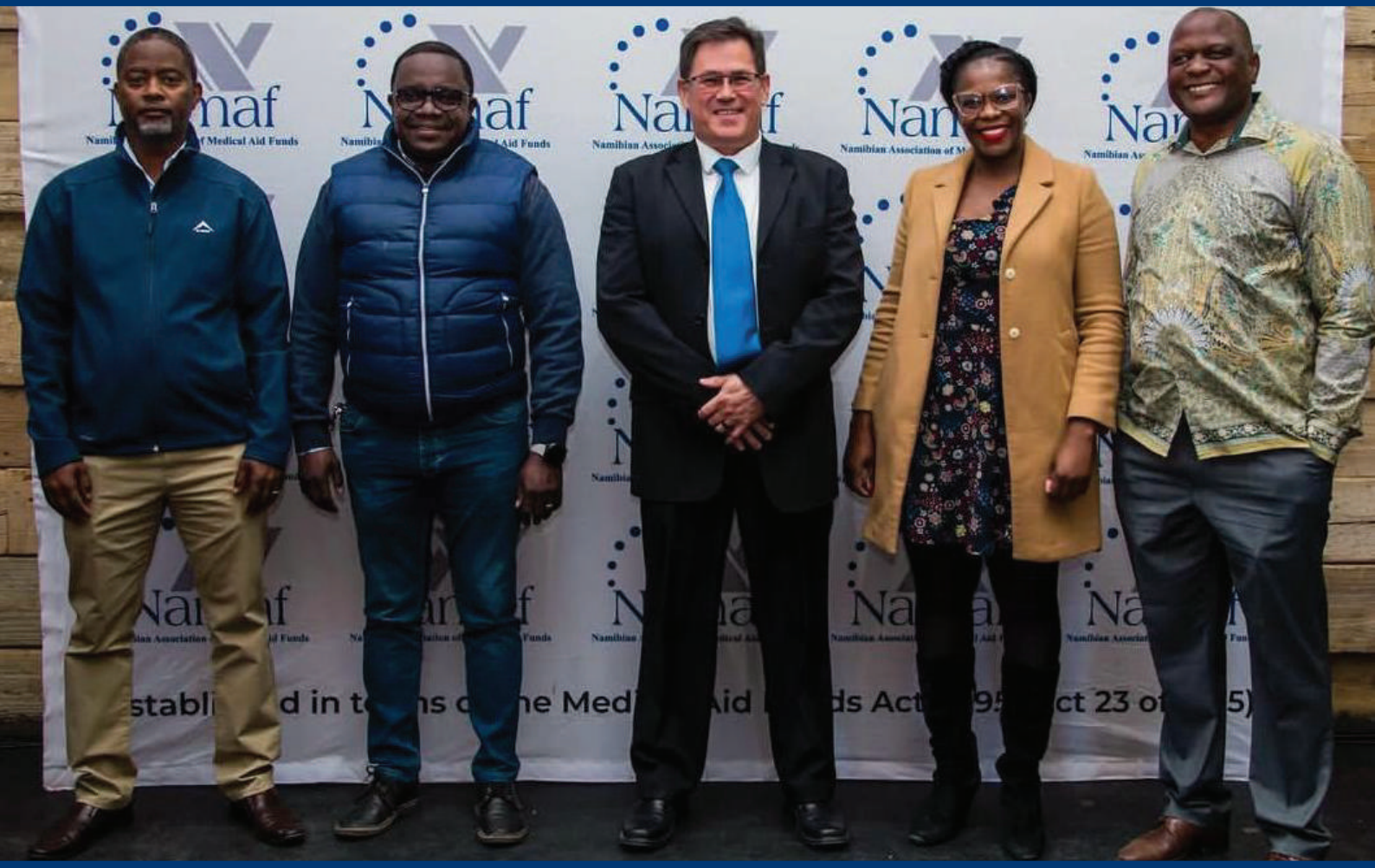
A series of targeted engagements were held with professional associations, including the Pharmaceutical Society of Namibia (PSN), the Pharmacist Care Association of Namibia (PCAN), the Medical Association of Namibia (MAN), the Namibian Private Practitioners Forum (NPPF), the Namibian Medical Society (NMS), and the Psychological Association of Namibia (PAN). These discussions provided a platform for stakeholders to share perspectives on industry challenges and contribute to the development of solutions aimed at strengthening transparency and sustainability within the healthcare funding environment.

These engagements also resulted in several collaborative initiatives. Discussions with specialist associations contributed to ongoing work on refining benchmark tariffs, while concerns raised by medical practitioners regarding hospital benefits and professional ethics informed the development of a peer review initiative to be coordinated through the Healthcare Provider Forum.

Beyond formal meetings, Namaf expanded its communication channels to strengthen ongoing engagement with stakeholders. Digital platforms, including social media and a dedicated WhatsApp community, were introduced to facilitate timely information sharing and stakeholder feedback. The Principal Officers and Administrators Committee (PANC) was also restructured into a monthly forum to support real-time coordination between medical aid funds and administrators on operational matters affecting the industry.

Namaf further extended its outreach through regional roadshows held in Swakopmund and Ondangwa. These engagements provided healthcare providers with an opportunity to discuss industry developments, including the implementation of ICD-10 diagnostic coding and broader efforts to improve cost transparency and affordability in private healthcare.

Through these initiatives, Namaf has strengthened collaborative relationships across the healthcare funding ecosystem. The progress achieved during the year demonstrates that sustainable healthcare reform requires ongoing dialogue and partnership among all stakeholders. The foundation of trust rebuilt through these engagements will continue to support future reforms aimed at balancing affordability, quality, and equitable access to healthcare in Namibia.



4. ANNUAL PERFORMANCE REPORT 2025

The 2025 reporting period represents the second year of implementation of the Namibian Association of Medical Aid Funds (Namaf) **2024–2026 Strategic Plan**, which was approved by the Management Committee in October 2023.

The strategy provides a roadmap for strengthening the governance, sustainability, and collaboration within Namibia's private healthcare funding industry. It is guided by Namaf's statutory mandate in terms of the Medical Aid Funds Act, 1995 (Act No. 23 of 1995), which requires Namaf to control, promote, encourage and coordinate the establishment, development and functioning of medical aid funds in Namibia.

The strategic plan is structured around four key strategic themes:

- Legislative and governance reform
- Sustainability of the healthcare funding industry
- Stakeholder participation and ownership
- Institutional resources and support

During the year under review, Namaf continued to advance initiatives under each of these themes, while also responding to emerging industry challenges affecting affordability, cost escalation, and regulatory reform.

Strategic Implementation in 2025

Legislative and Governance Reform

Legislative reform remains a central component of Namaf's strategy, particularly in addressing the limitations of the **Medical Aid Funds Act, 1995,** which no longer fully reflects the evolving dynamics of the healthcare funding environment. During the reporting period, significant progress was made towards advancing the legislative reform process. The **Minister of Health and Social Services agreed to act as steward of the reform process,** providing renewed momentum to the long-standing initiative to modernise the legislative framework governing medical aid funds.

In addition, the Management Committee approved legacy coding submissions during September 2025, representing an important step in strengthening governance, transparency, and standardisation within the healthcare funding system. These initiatives form part of Namaf's broader objective to strengthen regulatory oversight and establish a modern legislative framework capable of supporting an evolving healthcare funding landscape.

Sustainability of the Healthcare Funding Industry

The sustainability of the healthcare funding industry remains a strategic priority for Namaf. Rising healthcare costs, particularly within hospital services and pharmaceutical expenditure, continue to place financial pressure on both medical aid funds and beneficiaries. In response, Namaf continued to advance technical initiatives aimed at improving cost transparency and strengthening pricing oversight mechanisms.

A key milestone during the year was the **delivery of the Namibia NAPPI Price File in October 2025,** which provides a structured pricing reference for medicines and surgical consumables. This initiative is expected to improve pricing transparency and assist medical aid funds in managing pharmaceutical expenditure more effectively.

Namaf also continued to strengthen its coding framework, which forms the backbone of healthcare billing, reimbursement, and data analysis within the industry.

These interventions are part of the broader strategy to improve cost management, support industry sustainability, and enhance the affordability of private healthcare for beneficiaries.

Stakeholder Participation and Ownership

Stakeholder collaboration remains essential to achieving a sustainable healthcare funding environment.
Recognising the importance of strengthened engagement across the healthcare ecosystem, the Management Committee approved a **Stakeholder Engagement Plan (SEP) in July 2025,** supported by an expanded implementation budget.
The SEP aims to:

- Rebuild and strengthen relationships with industry stakeholders
- Enhance Namaf's visibility and communication within the healthcare sector
- Facilitate greater collaboration in addressing industry-wide challenges

The plan represents an important step towards reinforcing trust, transparency, and collective action within Namibia's healthcare funding industry.

Institutional Resources and Support

Namaf continued to prioritise strong governance, financial management, and institutional resilience during the year under review.

The organisation maintained sound financial oversight, with the Management Committee approving a **balanced budget for the 2026 financial year** in September 2025. In addition, Namaf received an **unqualified audit opinion for the financial year ended 31 December 2024,** reaffirming the organisation's commitment to financial accountability and sound governance practices.

Following the 2024 Employee Morale Survey that gave a 55% employee satisfaction rating, management implemented targeted interventions to address identified organisational and cultural challenges. These include a comprehensive job clarification process to review roles and workloads, a leadership development workshop to strengthen communication and rebuild trust, and quarterly team-building activities to improve cohesion and workplace culture. Additional efforts focus on enhancing employee wellness through ongoing engagement initiatives and structured feedback platforms. The effectiveness of these interventions will be evaluated through a follow-up staff culture survey scheduled for 2026.

Several technology and operational initiatives were also initiated to strengthen institutional efficiency and service delivery. These include enhancements to the **Customer Relationship Management (CRM) system,** which will host the Submission Portal and Benchmark Tariff Portal, as well as the migration of the Namaf website to locally hosted infrastructure. While these initiatives commenced during the reporting period, implementation will continue into 2026.

Key Implementation Challenges

Despite the progress made during the reporting period, several strategic initiatives experienced delays.

The **2025 Institutional Performance Plan was approved mid-way through the financial year,** resulting in a shortened implementation window for certain targets.

In addition, the planned mandatory implementation of the **ICD-10 coding compliance requirement ("No ICD-10, No Payment")** was postponed to 2026 to allow stakeholders additional time to prepare for implementation.

Other initiatives that experienced delays include:

- Publication of the consolidated major and minor theatre list
- Completion of CRM system enhancements
- Finalisation of the Memorandum of Understanding between Namaf and the Ministry of Finance regarding access to Namaf coding structures for PSEMAS

These projects remain active and are expected to be finalised during the 2026 financial year.

Way Forward

In light of the limited implementation period during 2025, several projects will be carried forward into the **first quarter of the 2026 financial year.**

Namaf will continue to prioritise the implementation of strategic initiatives aimed at strengthening the governance framework, improving industry sustainability, and enhancing collaboration across the healthcare funding ecosystem.

INSTITUTIONAL PERFORMANCE REPORT AS AT 17 NOVEMBER 2025

S/N	Strategic Perspective / Theme	Weighting	Strategic Goal	Strategic Initiative	Measures of Success / KPI	Annual Target 2025	Performance Status	Score	Average Rating	Weigheted Rating
Legislative and Governance Reform Perspective (LG)										
LG	To firm up Namaf as the regulator that provides clear leadership and direction in the governance of the healthcare industry	20%	Larger Medical Industry Transformation: Regulatory reform in support of the efficacy of the medical aid industry [P10/15]	Approval by Cabinet Committee on Legislation (CCL): Principles for the amendment of the MAF 1995 / Namaf Bill (Providing for Market Conduct / consumer protection of Medical aid members)	Ministerial (Cabinet) approval of principles for the amendment of the MAF 1995 / Namaf Bill (Providing for Market Conduct / consumer protection of Medical aid members)	(a) Approved principles of the amendment of the MAF 1995 / Namaf Bill or (b) Namaf Bill drafted and submitted to the Minister of Finance and Justice	On 03 November 2025, the Minister of Health and Social Services prior to consultation with the Minister of Finance informed Namaf that MoHSS will steward the Amendments to the MAFs Act, 1995 (Act No. 23 of 1995).	2	2.00	0.40
The Sustainability of the Healthcare Industry Perspective (ST)										
ST	To lead the healthcare industry in Namibia in the creation of a blueprint for a sustainable future	35%	Fast-track the execution of the June 2023/April 2025 Industry priorities [15 Projects] related	Development and refinement of Namaf Billing Rules and Guidelines: Tariff codes, benchmark tariffs, and billing rules and guidelines (continuation of a current strategic activity [P2/15]	Identified Namaf Coding Structures and Billing Rules & Guidelines Projects Reviewed of Namaf Coding Structures [Dental Therapist, Orthotist & Prosthetist, Point-of-Care Pathology, ENT - Otorhinolaryngology, Neurosurgery, Anaesthetic, Highcare &Intensive Care]	MC approved coding submissions for: (a)Dental Therapist, (b) Orthotist & Prosthetist, (c)Point-of- Care Pathology, (d) ENT - (d)Otorhinolaryngology, (e) Neurosurgery, (f)Anaesthetic, (g) Highcare &Intensive Care	On 18 September 2025, MC approved coding submissions for: (a)Dental Therapist, (b) Orthotist & Prosthetist, (c)Point- of-Care Pathology, (d) ENT - (d)Otorhinolaryngology, (e) Neurosurgery, (f)Anaesthetic, (g) Highcare &Intensive Care.	3	2.090909091	0.73
					Timely annual publication of Namaf Billing Rules and Guidelines: Tariff codes, benchmark tariffs, and billing rules and guidelines	MC approved Clinical and Coding Submissions for 2026 by 30 September 2026	MC approved the Clinical and Coding submissions on 18 September 2025.	3		
						MC resolutions of Clinical and Coding submissions published 30 November 2025	MC resolutions pertaining to the Clinical and Coding submissions were sent out to individual submitters.	3		
						Annual Tariff Announcement by 30 November 2025	The Tariff Announcement was held on 28 October 2025	3		
				Introduce supplementary coding	Introduce supplementary	Namibia NAPPI Product and Price File for medicines and surgical luanched [P4/15]	The Namibia NAPPI Product and Price File became live and accessible by all registered medical aid funds on 01 October 2025.	2		

			to Cost and Financial Sustainability Interventions to improve viability and growth	structures, e.g. medicine coding structure and diagnosis coding structure [P1/15]	coding structures, e.g. medicine coding structure and diagnosis coding structure	Industry ready for ICD phase 2 implementation - Funds and System Vendors based on MIT.	Due to Industry unreadiness, MC approved the revised Project Plan for the Implementation of ICD-10. The "No NAPPI No Pay" will be implemented in 2026.	2		
						Presentation of Claims Trend Analysis report and identification of outliers.	MC considerd and approved 3/3 Claims Trend Analysis Report.	3		

5. BACKGROUND INFORMATION: UNDERSTANDING THE CODING STRUCTURE

a. Practice Numbers

Suppliers of medical services have a right to practice medicine in Namibia without a practice number, however, such suppliers cannot claim from registered medical aid funds. To claim from funds, suppliers of medical services must apply for allotment of a practice number from Namaf.

In accordance with regulation 5(1) of the regulations made in terms of section 44 of the Medical Aid Funds Act, Namaf issues practice numbers (PNs) to healthcare providers who wish to have their claims recognised by registered medical aid funds. In line with the Constitutional right to practice one's trade, providers of healthcare services who do not wish to claim directly from registered medical aid funds may choose not to apply for a practice number. Regulation 5(2) also empowers the Management Committee to determine the requirements that an application for a practice number must comply with. The purpose of a practice number is:

(a) for identification of a supplier of healthcare services or supplier of medical devices in claims submitted to registered funds;

(b) for the proper administration and processing of claims by registered funds; and

(c) to give access to the holders to the applicable coding structure namely, diagnostic, procedure, and codes for medicines and surgical consumables and associated benchmark tariffs.

A practice number consists of 13 digits:

- The first three digits refer to the discipline and indicate the scope of practice in the case of healthcare practitioners and/or the type of facility in the case of hospitals and health facilities.
- The second set of 3 digits is called the sub-discipline. It communicates and/or indicates additional information, such as the specialty of the healthcare practitioner and/or equipment and services that a specific health facility has or provides.
- The third component of the practice numbers consists of the last seven digits, which are unique because these seven digits identify the specific HCP and health facility/hospital. No two health facilities/hospitals or individual HCPs have the same last seven digits. These digits are linked to essential information, such as the physical address of the practice or health facility, banking details, contact details, and personal information in the case of individual HCPs, such as ID and HPCNA registration numbers.

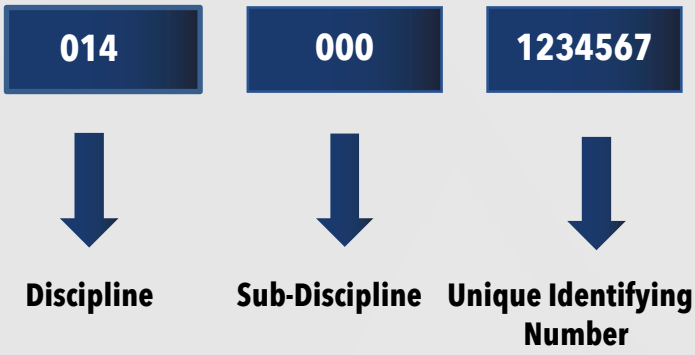


Figure 9: Components of a practice number

Practice numbers are issued in line with the information provided and obtained from the HPCNA registration for individuals and the MoHSS certificate/license. This information informs the discipline of the practice number. The discipline of the practice number links directly to a specific coding schedule, which is created in accordance with the specific scope of practice of a provider. Thus, if a practice number begins with 014, for example, then this indicates that the practice number is issued to a General Practitioner. The coding structure for a General Practitioner is also indicated as the '014' coding structure. Administrative systems are thus able to match the specific claim submitted by an HCP with a specific practice number to a specific coding structure.

Essentially, the information contained in PNs defines the procedures that an HCP is allowed to perform and bill patients for. Thus, the practice numbers, which are a requirement for claiming from MAFs, enable Namaf and its affiliated funds to manage claims. The claims data received from MAFs allows Namaf to identify fraud, waste, and abuse and link these to the HCPs through the practice number. As such, practice numbers are part of the risk mitigation process aimed at consumer protection.

Administering the practice number system is a tool for initiating proper payment management and processing of claims by registered funds. Mandatory PN registration and renewals take place from January to April every year.

b. Coding Structure

Collaboration in Action: Keeping the Coding Framework Relevant and Responsive
Namaf's commitment to maintaining an accurate, transparent, and contextually relevant coding structure is exemplified in the 2025 coding projects. Through structured collaboration with healthcare providers, the Clinical and Coding Committee (CCC) ensured that both legacy and new submissions were thoroughly reviewed, deliberated, and aligned with practical service delivery realities.

Over the course of 2025, the CCC engaged with a wide spectrum of providers across multiple disciplines including general practitioners, specialists, and hospital administrators to review submissions ranging from procedural coding for ICU visits to advanced robotic surgical procedures. Providers contributed essential data and insights on cost drivers, procedural complexity, and clinical risk considerations. These inputs allowed Namaf to calibrate Relative Value Units (RVUs) and benchmark tariffs in a way that accurately reflects the realities of Namibian healthcare.

The multi-stage review process involved joint CCC and AFCOM meetings, culminating in Management Committee approvals. Of the 36 submissions across 2025 and 2026, 24 were concluded or approved, 4 were rejected, and 8 remain under active consideration.

Importantly, the process included mechanisms for providers to appeal or request reconsideration, reinforcing a system that is both fair and responsive to evolving clinical and operational realities.

This dynamic engagement demonstrates that coding governance is not a static regulatory exercise, but a living process rooted in collaboration. By actively involving providers in shaping the coding and tariff framework, Namaf ensures that the system remains current, equitable, and adaptable strengthening trust, enhancing operational efficiency, and supporting sustainable healthcare financing for all stakeholders.

SUMMARISED REPORT ON YEAR-TO-DATE	
TOTAL CODING SUBMISSION (LEGACY AND NEW)	36
LESS TOTAL APPROVED/CONCLUDED SUBMISSIONS	24
LESS TOTAL REJECTED SUBMISSIONS	4
SUMMARISED STATUS	
WORK IN PROGRESS	8
Parked	5
Pending Status	1
Approved Pending Appeal	2

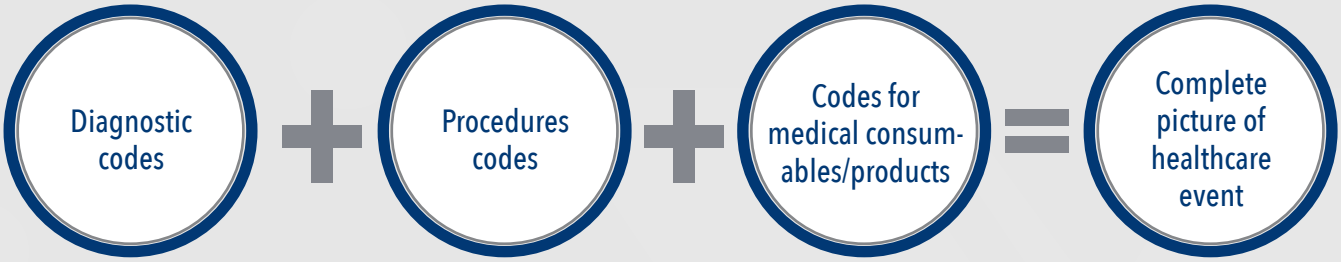
Based on 36 total submissions, the percentages are as follows:

- Approved / Concluded: 24 of 36 → 66.7%
- Rejected: 4 of 36 → 11.1%
- Work in Progress: 8 of 36 → 22.2%
- Parked: 5 of 36 → 13.9%
- Pending Status: 1 of 36 → 2.8%

Approximately two-thirds (66.7%) of submissions have been approved, while 11.1% were rejected. A portion of submissions remain under review or inactive, with 22.2% still in progress, 13.9% parked, and 2.8% pending status.

Coding structures are used in the healthcare industry to facilitate the description of and billing for health events. They are vital for the design of MAF benefits and the mitigation of fraud, waste, and abuse within the healthcare funding industry.

A comprehensive coding structure consists of the following types of codes:



Together, these coding structures create a complete picture of all stages of a health event:

The patient arrived with *these* symptoms (represented by diagnostic code) and *these* procedures were performed (represented by procedure code) and *these* consumables/products were prescribed (represented by medical consumables/products code)

The procedure coding structure is well established in Namibia and functions effectively within the medical aid industry. However, diagnostic codes and codes for ethical, surgical, and consumable products still need to be adopted to create a more comprehensive coding structure.

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i. Diagnostic codes

The International Classification of Diseases and Related Health Problems (ICD), developed by the World Health Organization, is the international standard for facilitating and organising the communication of a diagnosis of a patient's condition. Among other things, the ICD coding structure is used to translate diagnoses of diseases and other health information into an alphanumeric code, which allows storage, retrieval, and analysis of the data. For example, J03.9 is the ICD code for acute tonsillitis (unspecified), and G40.9 denotes epilepsy (unspecified).

Namaf has introduced ICD-10, which implementation is a multi-phase process; during phase 1 of the implementation of ICD-10, the unspecified code will suffice, as we encourage all to use ICD-10 codes whether correct or not at this stage.

Driving Industry Readiness: Collaborative Progress Toward Mandatory ICD-10 Implementation

Namaf's phased ICD-10 implementation underscores a commitment to collaboration as the cornerstone of sustainable healthcare transformation. By working closely with administrators, software vendors, and healthcare providers, Namaf has created a coordinated approach that ensures the industry is ready for the mandatory Phase 2.2 implementation scheduled for 01 April 2026.

Administrators have integrated the ICD-10 Master Industry Table (MIT) into claims systems, developed reason and rejection codes, activated age and gender edits, and implemented combination coding rules (dagger, asterisk, sequelae). They have also upskilled key personnel, produced monthly compliance reports, and actively engaged with providers to offer feedback on non-compliant claims, ensuring a supportive and informed transition.

Practice Management Software (PMS) vendors and the switching company have enabled mandatory ICD-10 fields, created functionality to validate primary diagnoses, and updated systems to accommodate combination coding and clinical edits in Phase 3. Vendors have also migrated providers from non-compliant software to ICD-10-ready solutions, ensuring the industry's digital infrastructure aligns with implementation requirements.

Healthcare providers have actively participated in training initiatives and compliance monitoring. Namaf developed a pre-recorded training program available free to all providers, complemented by a nationwide roadshow and ongoing engagement with professional associations. Compliance reports indicate that 56% of claims already include ICD-10 codes, with a 95% compliance rate for Phase 2.2-ready submissions, reflecting meaningful adoption of the coding standard.

Through these collective efforts, Namaf has fostered a culture of collaboration, transparency, and shared responsibility. By aligning systems, processes, and skills across the industry, Namaf ensures that the transition to mandatory ICD-10 coding will be smooth, equitable, and sustainable demonstrating that collaboration is not only a strategic choice but a practical necessity for advancing Namibia's healthcare system.

ii. Procedure codes

Procedure codes translate medical treatments and procedures into numbers. In Namibia, the internationally accepted CPT® (Current Procedural Terminology) coding structure, originally developed by the American Medical Association (AMA), is referenced during the development and maintenance processes that apply to the procedure coding systems used by Namaf. CPT® codes are numbers assigned to every task and service a medical practitioner may provide to a patient, including medical and surgical services.

Procedure codes also include hospital codes, which identify, among other things, the type of facility, theatre charges, type of ward, and type of equipment used in the course of a patient's treatment. However, due to the absence of diagnostic codes in Namibia, hospital codes cannot be used to their full potential.

Namaf's procedure coding structure consists of five elements:

1) A numeric or alphanumeric code that is unique and designed to facilitate:

- Electronic communication between parties
- Accurate submission and processing of claims
- Data analyses

2) A descriptor that provides the description in words of each of the codes must have the following characteristics:

- It must be unique
- The wording must be unambiguous and must lend itself to the same interpretation by all parties concerned
- It must describe the full service of the procedure

3) A relative unit value which is related to the average duration of a procedure or service, adjusted for:

- The relative complexity of the procedure
- The relative levels of skill and expertise required to perform the procedure or provide the service
- The relative risk associated with a procedure or service

4) A monetary conversion factor which represents the reasonable average cost of providing service or performing a procedure, noting that such costs will inevitably vary by specialty or service provider type

5) The relative value units are multiplied by the monetary conversion factors to determine the benchmark tariffs for each service or procedure.

Figure x provides a summary of Namaf's procedure coding structure.

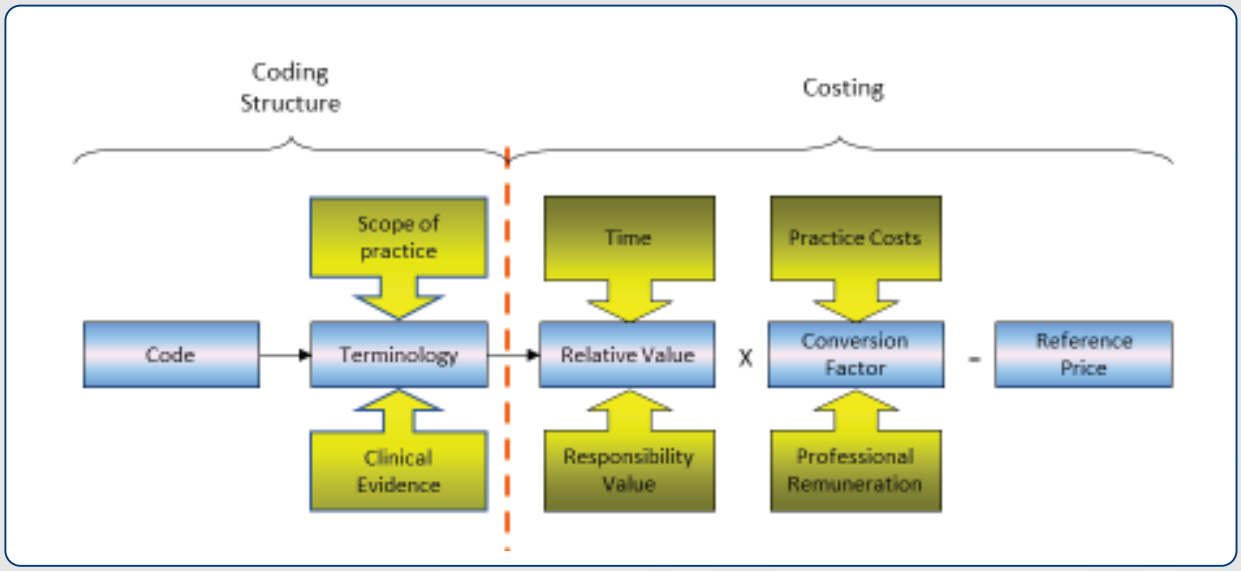


Figure x: Namaf procedure coding structure components

The procedure codes contain the intelligence needed for the processing of claims by MAFs and for the identification of possible instances of fraud, waste and abuse. As new medical procedures are developed, or new technology is deployed in the medical industry, Namaf adds to or amends the procedure coding structure to accommodate these developments.

It is important to note that procedure codes represent compulsory industry standards, meaning that all HCPs are legally required to make use of them when interacting with medical aid funds. These codes can be described as a 'common language' that is applied by all parties in order to ensure common understanding across the industry.

As part of the procedure codes, Namaf publishes billing guidelines and rules.

i) Billing guidelines and rules

Billing guidelines and rules form integral parts of the Namaf procedure coding structure. They represent standards according to which the procedure coding structure should be used, notably with respect to:

- Who may or may not use the codes
- Codes that may and may not be used together
- The circumstances under which codes may or may not be used
- The circumstances under which codes may be combined

Given the fact that coding systems refer to average situations, i.e., the average care that an average patient will require under average circumstances, provisions must be made for deviations from average circumstances. Such provisions are made through so-called modifiers that allow adjustments when actual circumstances deviate from the average.

ii) Benchmark tariffs

Benchmark tariffs are determined by multiplying the relative value of a procedure with the monetary conversion factor pertaining to that procedure or service and/or practitioner or facility type, refer to Figure x above. The relative values can be benchmarked against international norms and standards, to the extent that these are available, and this benchmarking assists with obtaining credibility. However, the monetary conversion factors should be based upon input costs, and these necessarily vary by country and region, meaning that international benchmarking is less feasible.

The Namaf inflation adjustment model takes six input factors into account, and the relative weights vary by healthcare service provider type. The annual increases for each of the input factors are derived from information that is available in the public domain, but providers are invited to make submissions motivating extraordinary increases or changes in the weighting factors applied.

Benchmark tariffs are intended to serve as guidelines as to the reasonable cost of specified categories of medical services. Unlike the procedure codes and billing guidelines, benchmark tariffs are not compulsory, meaning that MAFs are not bound to adhere to them.

Instead, each Namaf-affiliated MAF determines its own benefits and members' contributions with reference to the benefit options as set out in their rules. Each Fund has different benefit options, which in turn differ in how they are structured. The benefits (level of reimbursement) are specified in terms of a percentage of the benchmark tariff. The funds make use of actuarial advice in setting their contributions with reference to the benefit structure offered in their rules. The variations in benefits offered by different MAFs relate to the types of services and procedures covered and the extent and level to which they are covered as a percentage of the benchmark tariff. The MAFs, in turn, pay medical service providers relative to the benchmark tariff as a percentage that can exceed 100%. This is done through their Administrators and managed care organisations.

In addition, benchmark tariffs do not prescribe what a healthcare provider can or should charge a patient for a specific treatment or service. The healthcare provider can charge more or less than the benchmark tariff, subject to their preference. Suppose a healthcare provider charges more than an MAF's benefit tariff for a treatment or service. The MAF will only pay the benefit tariff amount, and the patient is responsible for paying the difference.

iii. Codes for ethical, surgical, and consumable products

The National Pharmaceutical Product Index (NAPPI) codes used in South Africa identify and classify ethical (e.g. medicines), surgical (e.g. prostheses, surgical instruments), and consumable (e.g., gloves, syringes) medical products.

NAPPI codes enable the electronic transfer of information throughout the healthcare delivery chain. Service providers and MAFs can identify items and medicines used in the course of a patient's treatment and the prices of these items and medicines by using the NAPPI codes.

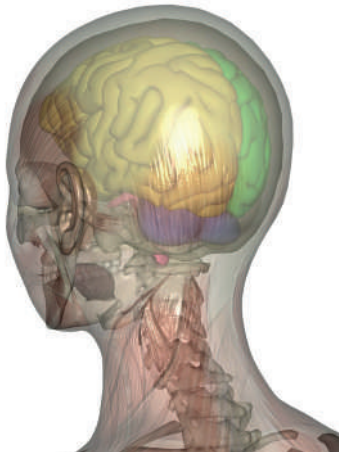
Collaborative Progress on the Namibia NAPPI Price File

Namaf has made significant strides in implementing the Namibia NAPPI Product and Price File, reflecting strong collaboration across administrators, software vendors, and healthcare facilities. Following Management Committee approval, the NAPPI Price File went live on 01 October 2025, with all administrators successfully retrieving and accessing the file via the Namaf CRM.

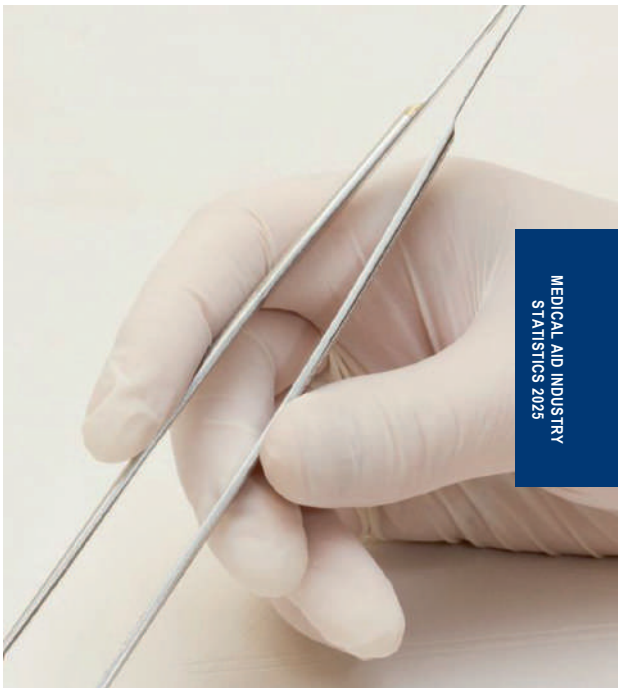
Healthcare providers and facilities actively engaged with the process: 12 hospitals signed contracts with MediKredit to receive the file, while software vendors coordinated to ensure system integration and ongoing technical support. Follow-up meetings addressed integration challenges, and new fixed-format files were created to accommodate prices excluding VAT, responding to industry needs.

This collaborative effort not only ensures smooth adoption of the NAPPI Price File across the industry but also lays the foundation for developing a comprehensive medicine and consumables benchmark. By aligning stakeholders around standardized pricing data, Namaf is enabling fair, transparent, and sustainable reimbursement practices that support equitable healthcare delivery in Namibia.

In conclusion, a comprehensive coding structure is the best risk management strategy for industry waste, abuse, and fraud and an effective tool for controlling expenses. Therefore, the industry needs to adopt ICD-10 and NAPPI codes to complement Namaf's existing procedure coding structure.

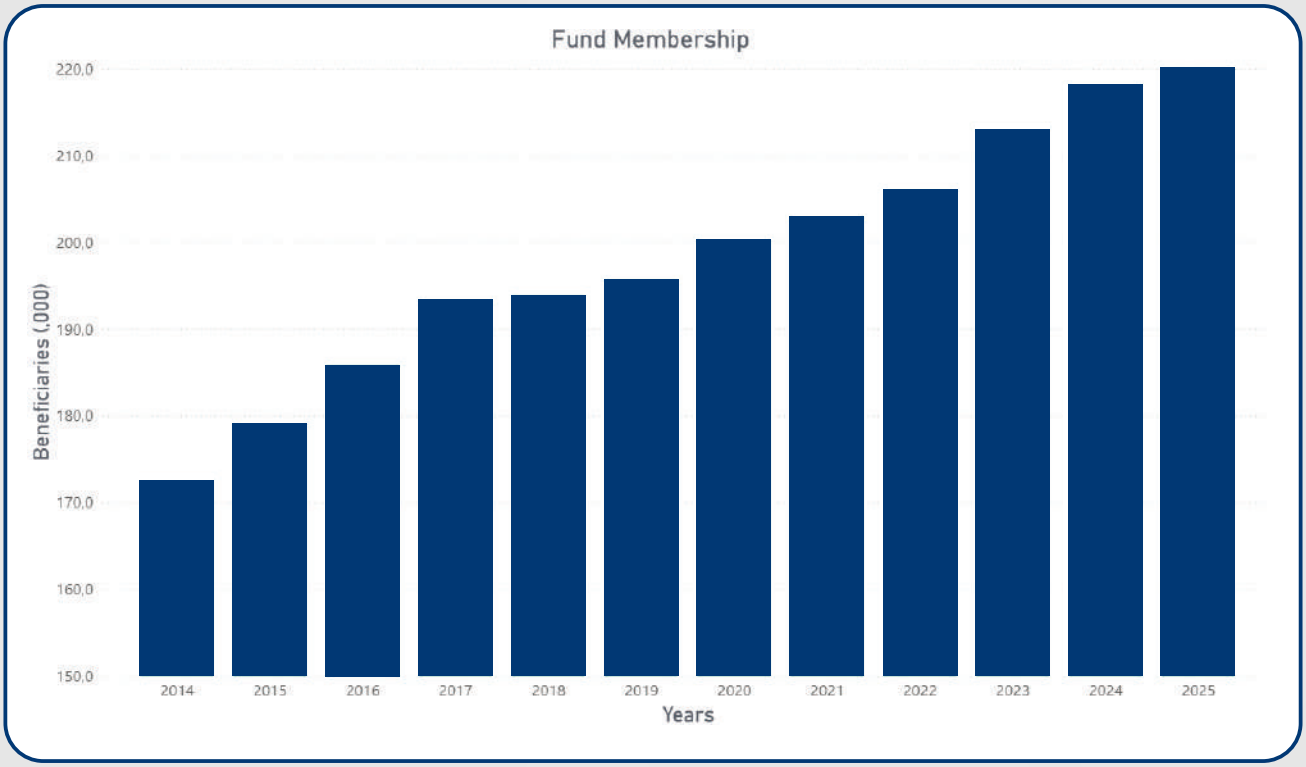


Medical Aid Industry
STATISTICS 2025

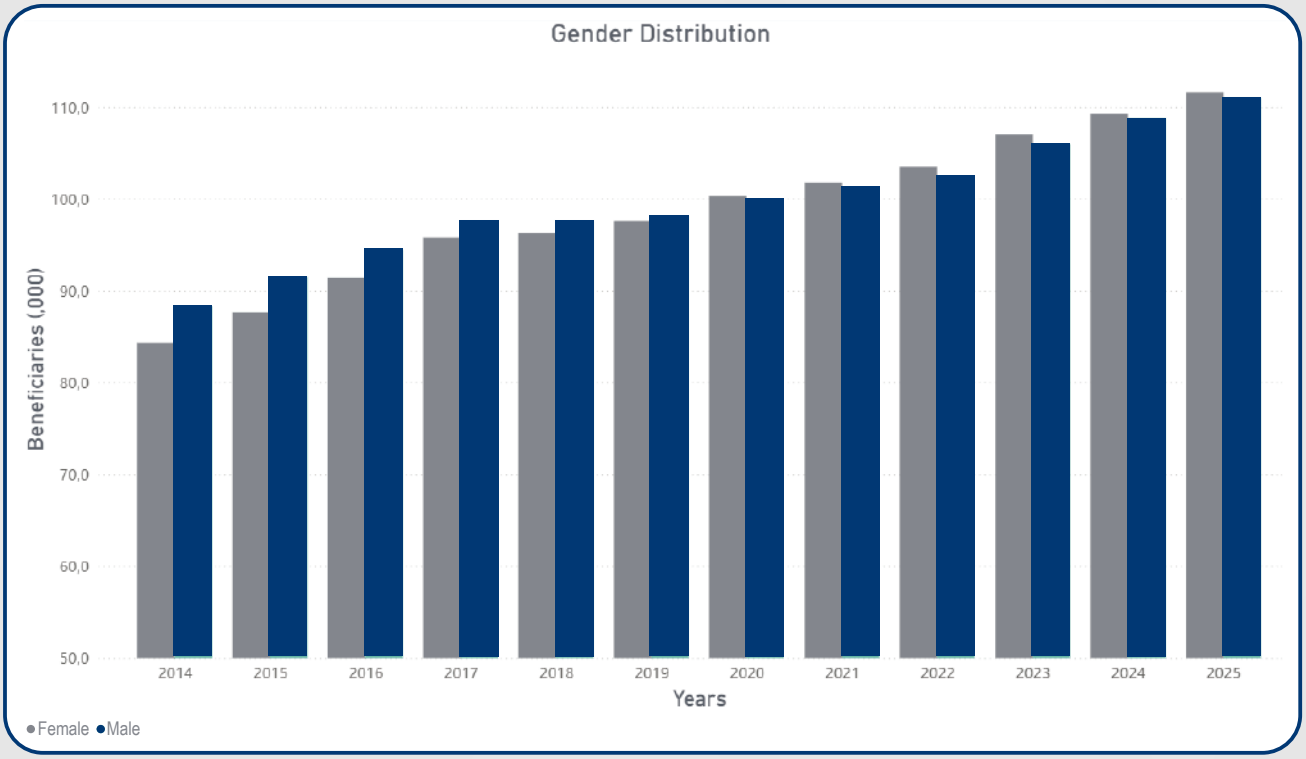


1. MEMBERSHIP

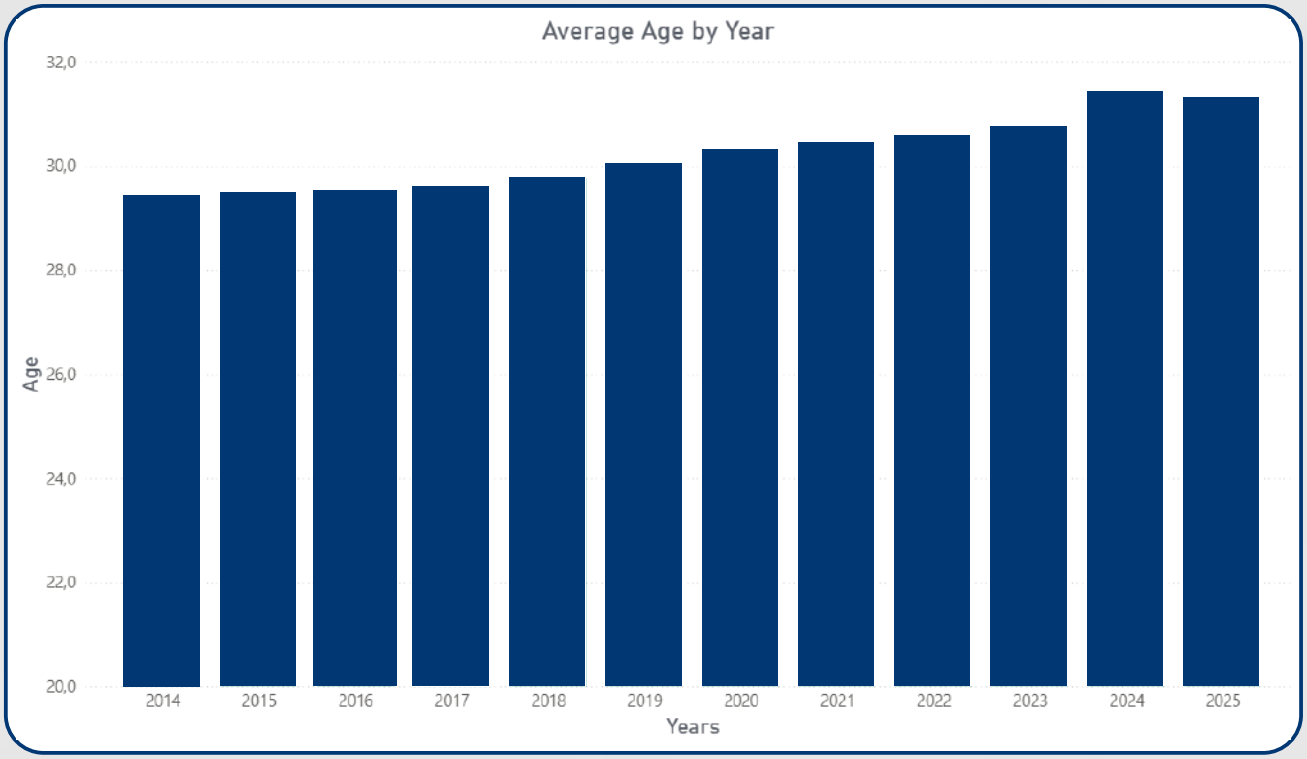
Membership in registered medical aid funds has grown steadily over time, reaching 220 000 beneficiaries by the end of 2025.



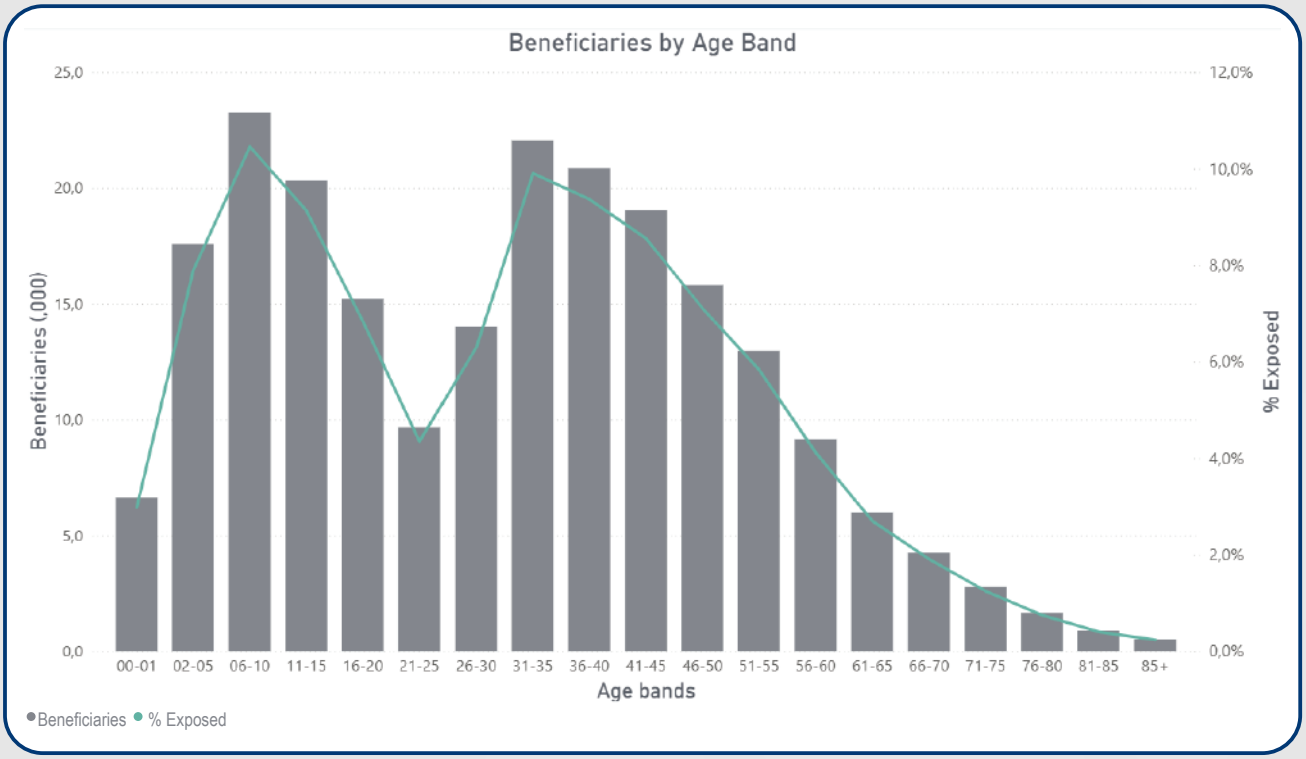
The proportions of male and female beneficiaries have remained similar over time.



Although ageing accelerated slightly in 2025, the average age of beneficiaries in registered medical aid funds has remained broadly stable over time, increasing by only 1.83 years over the past decade.

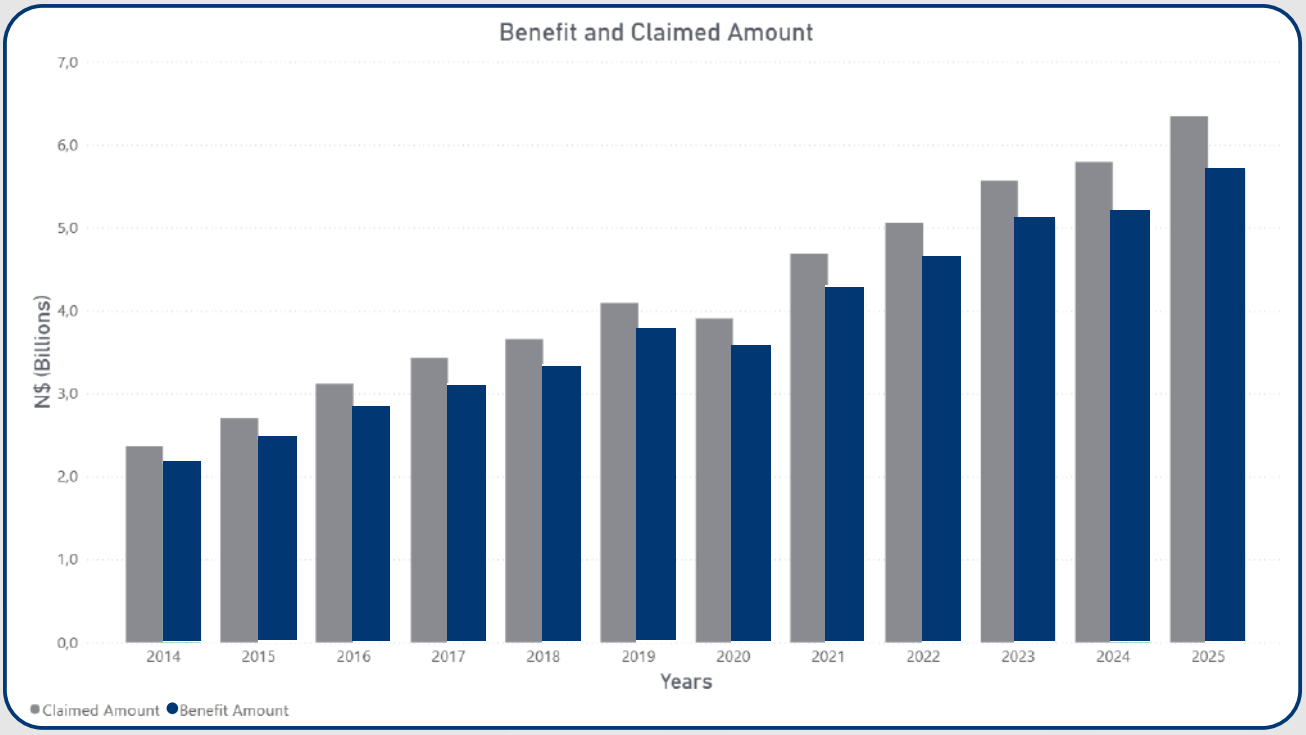


One reason the average age has remained relatively stable is that a large share of beneficiaries in registered medical aid funds falls within the younger age bands, while a smaller share falls within the older age bands.

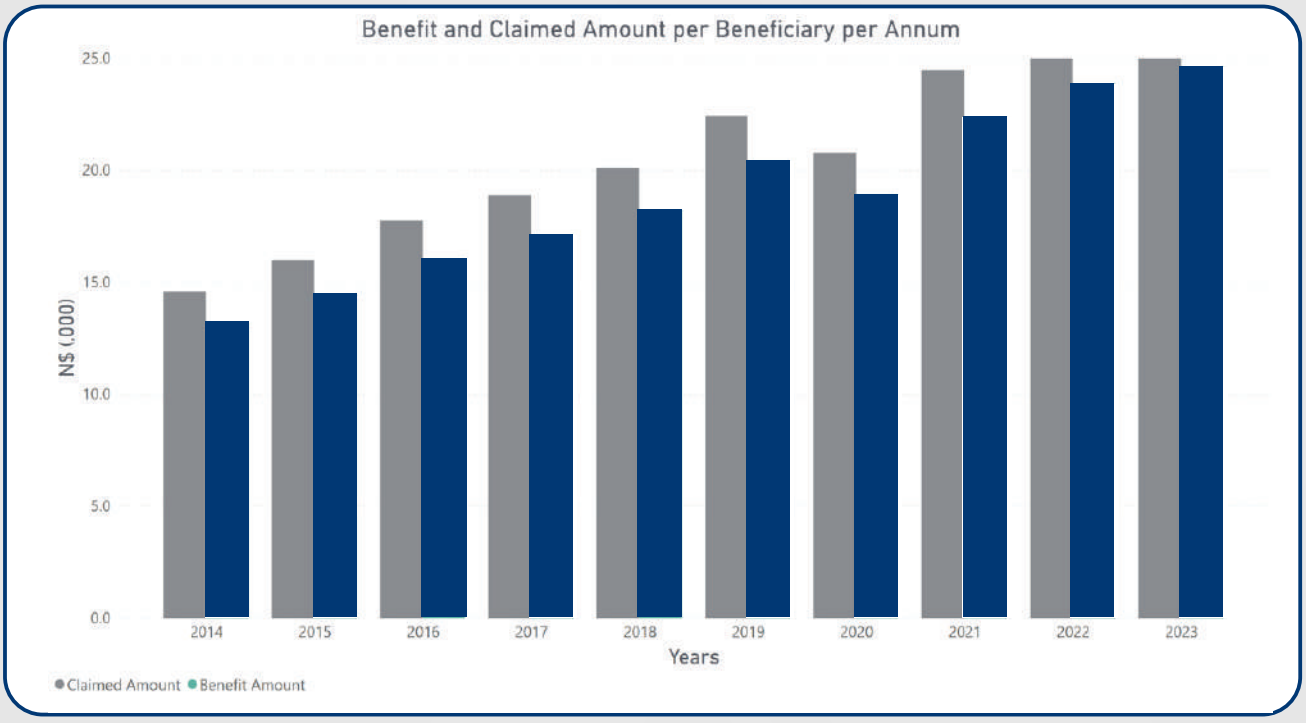


2. CLAIMS TRENDS

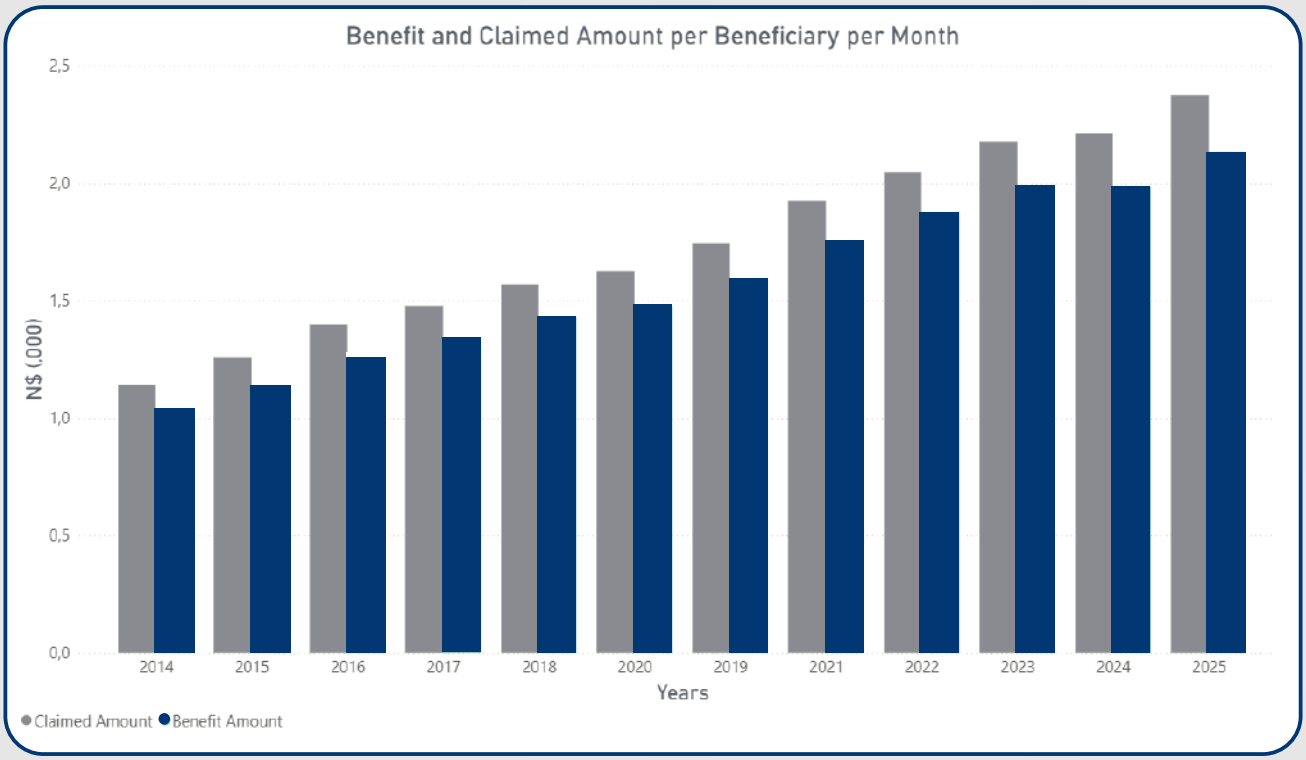
Total claims and benefits have risen steadily over time, with claims received by registered medical aid funds reaching N$6.34 billion by the end of 2025. The effects of the COVID-19 pandemic on the use of elective, or planned, healthcare services are evident in the 2020 claims and benefit figures. In nominal terms, both claims received and benefits paid declined in 2020 compared with 2018 and 2019 but recovered and exceeded pre-pandemic levels from 2021 onward.



The total value of claims received and paid by registered medical aid funds translates into N$28 500 claimed per average covered beneficiary for the 2025 benefit year and N$25 580 paid per average covered beneficiary per annum for the 2025 benefit year. These average amounts are significantly higher than the average claims per beneficiary received and paid in the pre-pandemic 2018 and 2019 benefit years, as well as in the post-pandemic years.

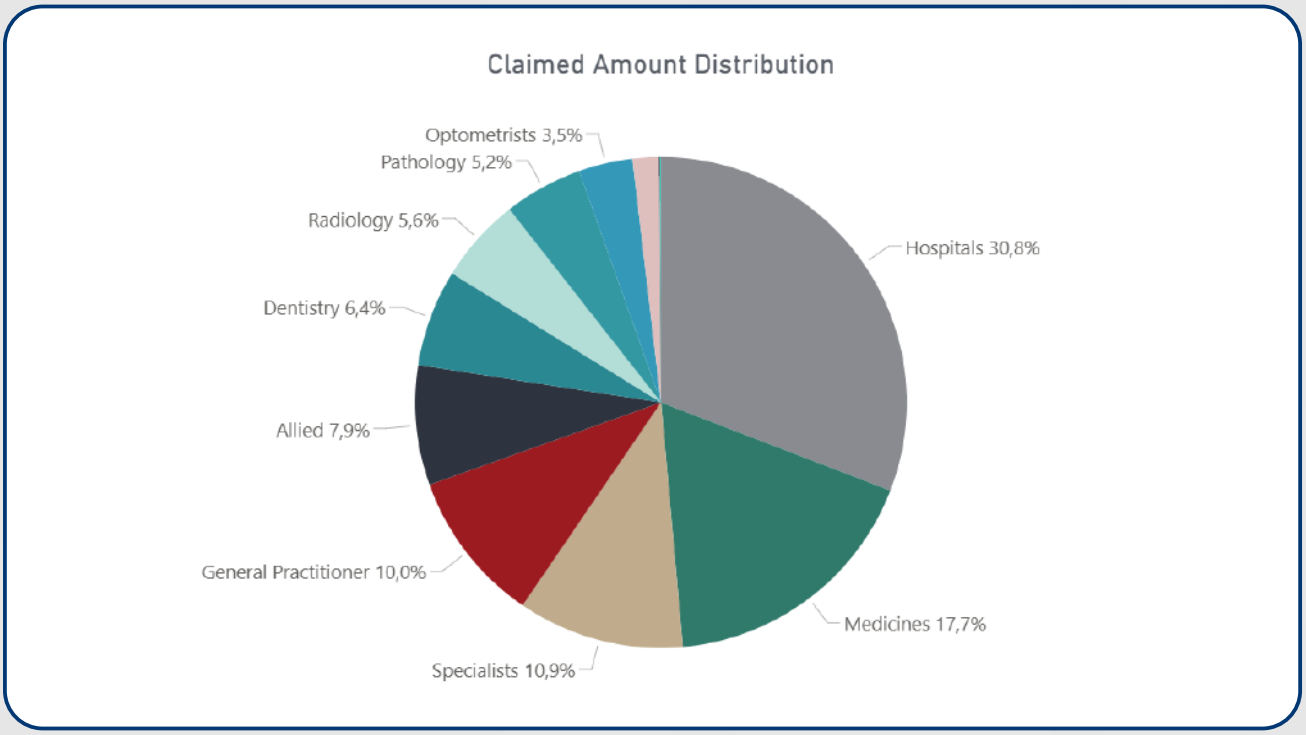


The above figures translate into a total claimed amount of N$2 370 per average beneficiary per month for the 2025 benefit year and a total benefit amount of N$2 130 per average beneficiary per month for the 2025 benefit year.

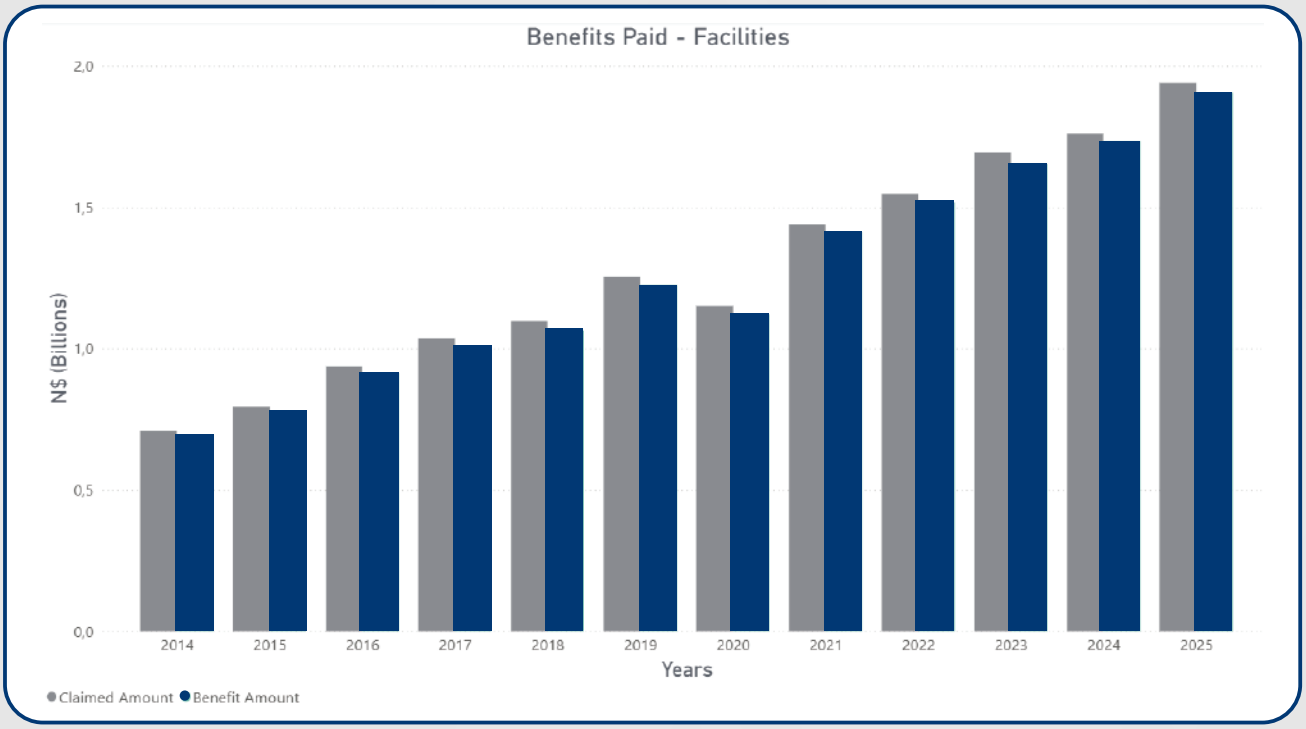


3. CLAIMS BY DISCIPLINE

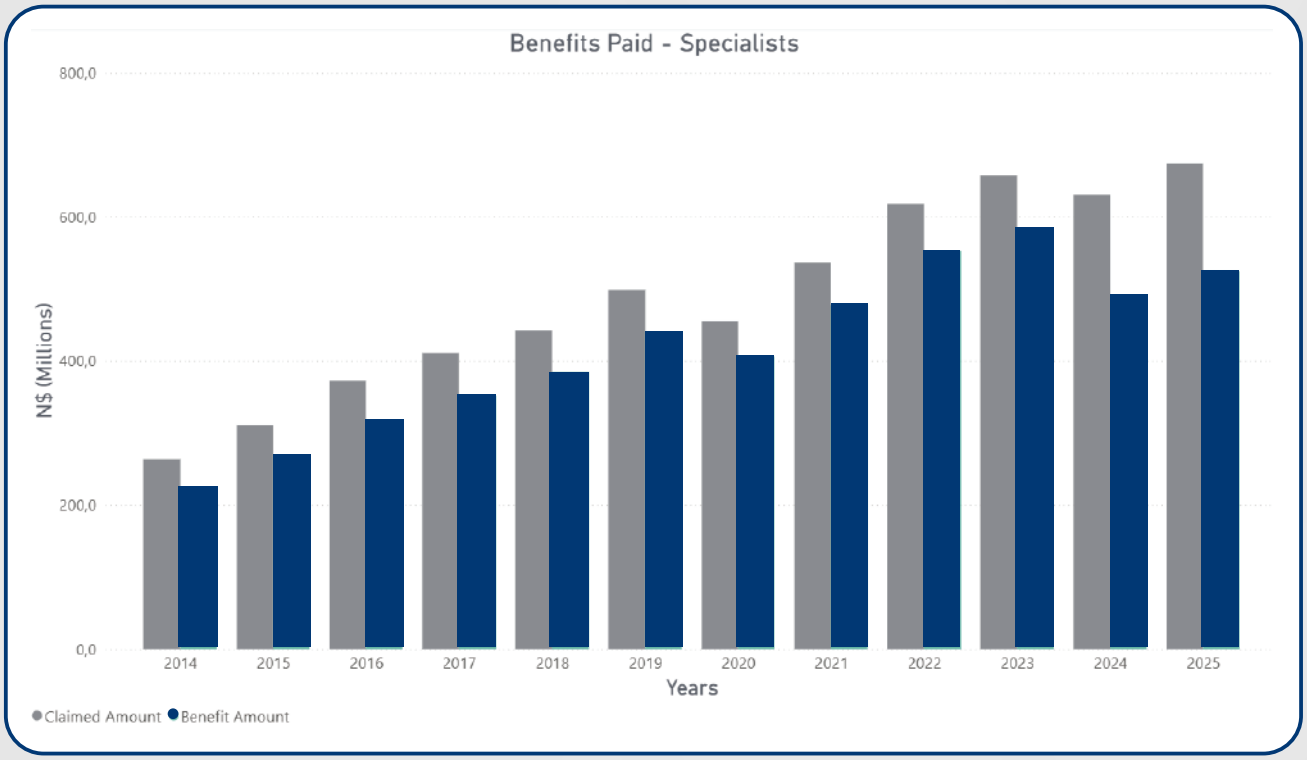
Private hospitals accounted for just under a third of the total claims paid in 2025 by registered medical aid funds, followed by medicines at 17.7%, specialists at 10.9%, and general practitioners at 10.0%. The proportions of benefits paid towards general practitioners, specialists, hospitals, and medicines decreased compared with prior years, while the proportion of benefits paid towards allied disciplines and optometrists increased.



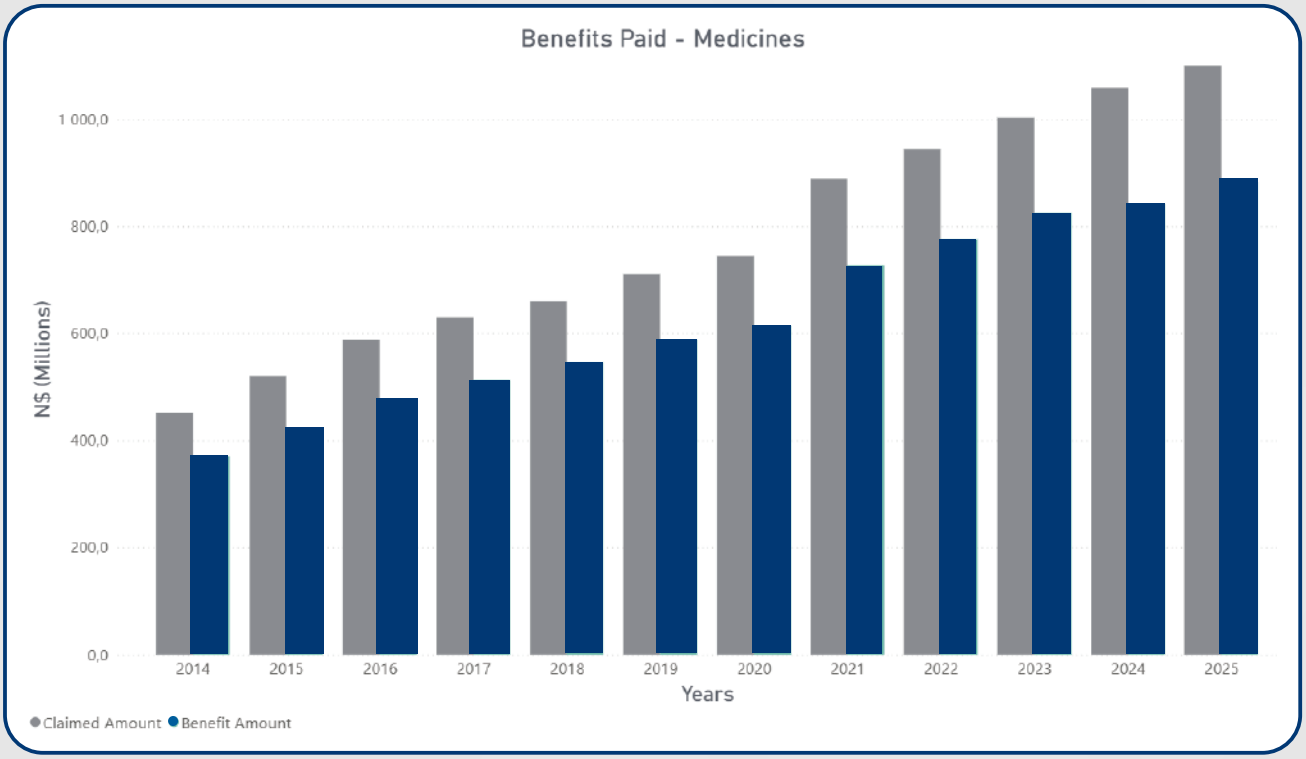
The total value of the claims paid to private hospitals in 2025 was approximately N$1.91 billion while about N$1.94 billion was claimed.



The total value of claims paid to medical specialists was about N$524.36 million in 2025, while N$674.35 million was claimed. It is important to note that a lower proportion of claims received was paid in respect of specialists compared with private hospitals.



An even lower percentage of claims received was paid in respect of medicines, with claims to the value of N$1.12 billion having been received and claims to the value of approximately N$882.3 million having been paid.



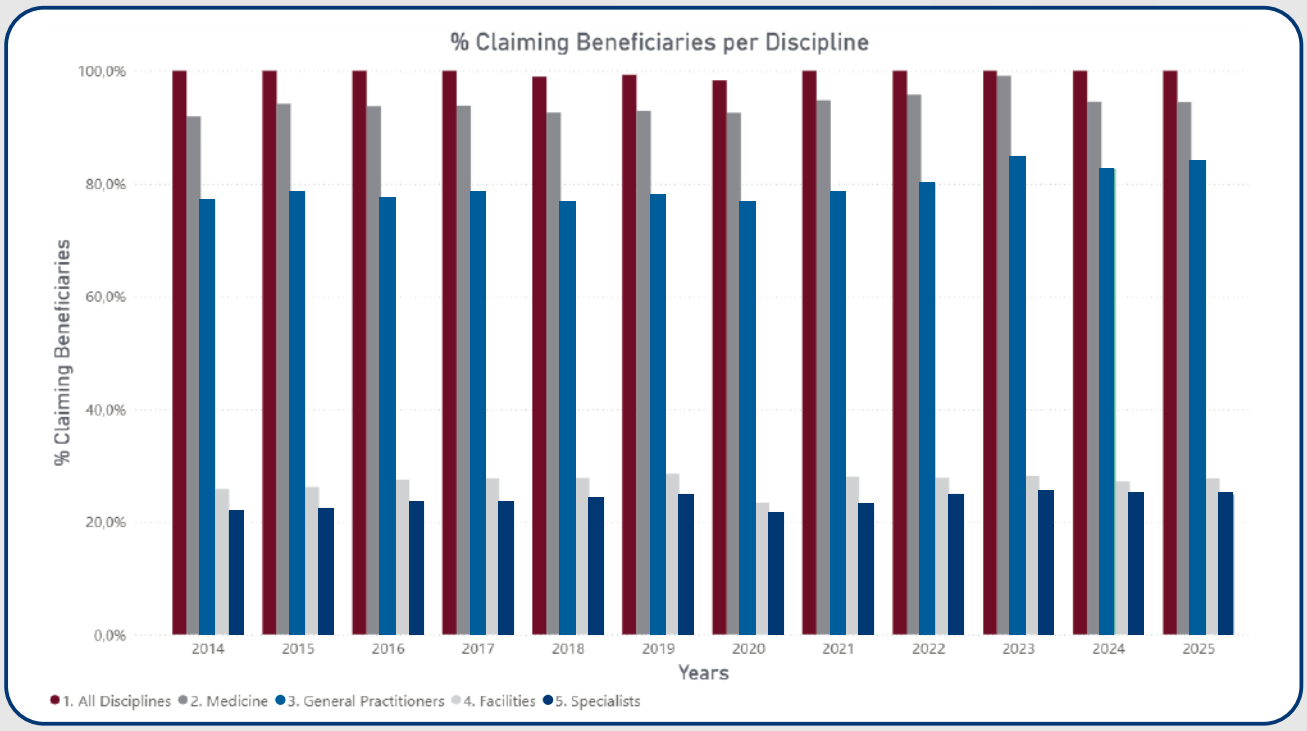
4. KEY DRIVERS

The total cost of claims received and/or paid by medical aid funds is typically determined by two factors:

- The volume of the claims which is known as utilisation of benefits and/or services in the medical aid funding environment; and
- The price per claim line or item.

The figure below shows that the overall utilisation of services at a discipline or provider type level has remained relatively constant over time. In 2025:

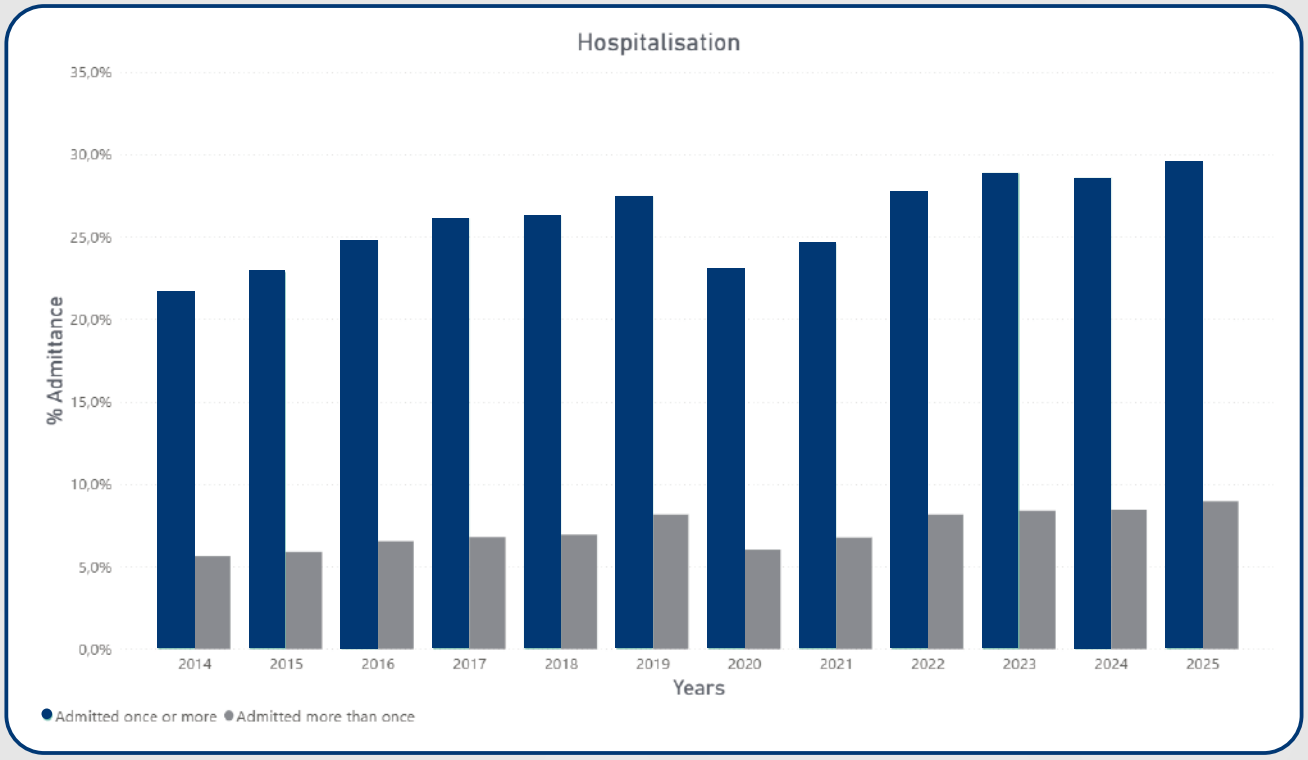
- All beneficiaries belonging to a registered medical aid fund submitted a claim of some description;
- 99.1% of beneficiaries submitted a claim for medicines;
- 77.2% of beneficiaries submitted a claim originating from an encounter with a general practitioner;
- 26.8% of beneficiaries submitted a claim originating from a hospital encounter; and
- 25.4% of beneficiaries submitted a claim originating from an encounter with a medical specialist.



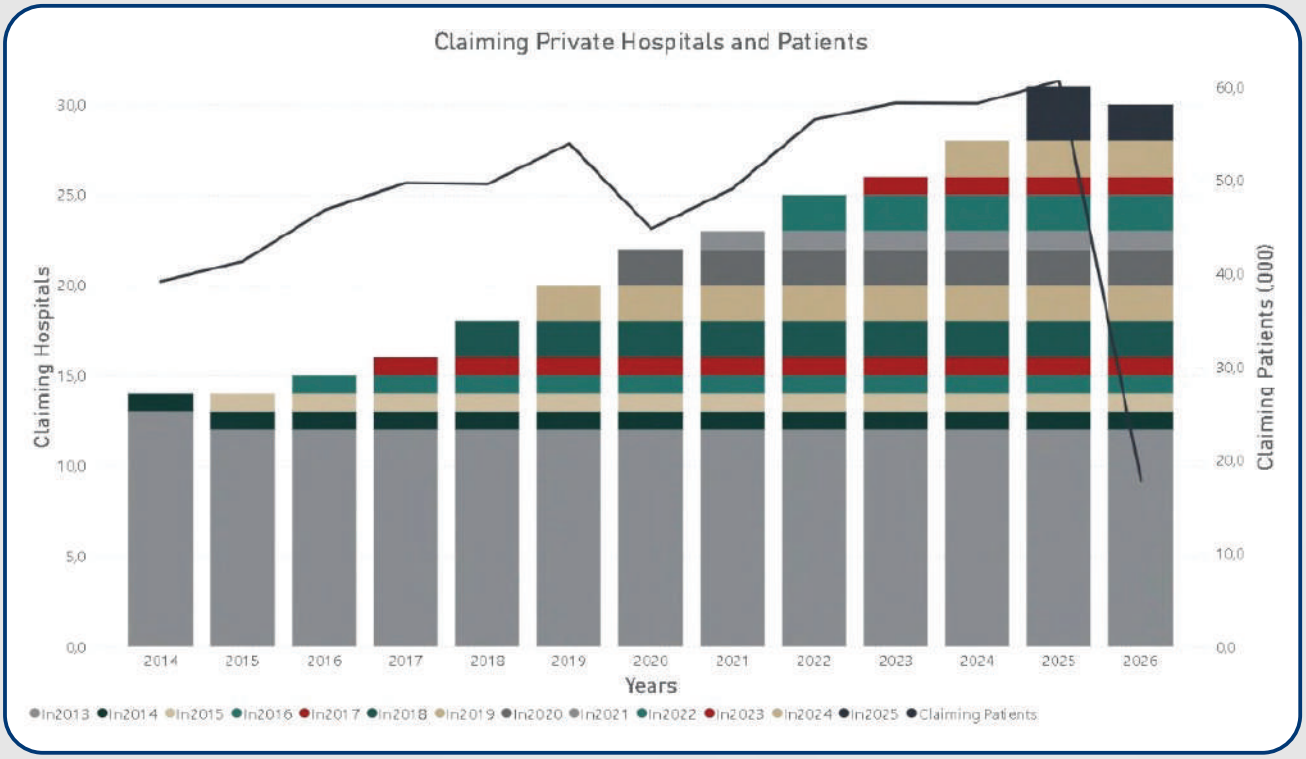
The trends in the figure above appear relatively constant over time, but this is because such a high percentage of beneficiaries submitted a claim. The impact of the COVID-19 pandemic on the utilisation of healthcare services is again visible.

The figure below shows trends over time in hospitalisation for beneficiaries who were admitted at least once and those who were admitted more than once, respectively.

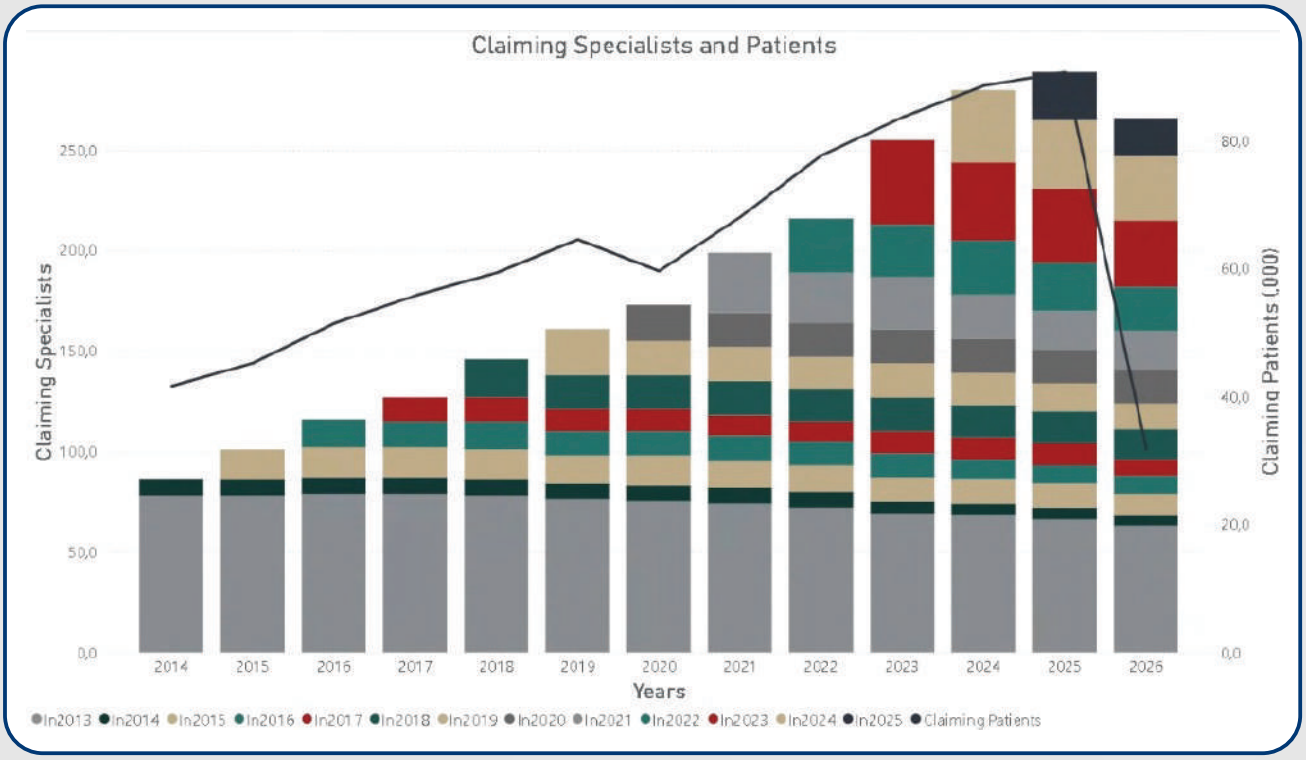
The figure shows that the rate of hospitalisation increased from 22.86% to 29.53% over the ten years to December 2025, while the proportion of beneficiaries with more than one admission per year increased from 5.88% to 8.96% of total covered beneficiaries. These increases should be read together with the observation above that the average age of covered beneficiaries remained relatively constant over the same period.



It is well known that the number of hospitals and hospital beds has increased significantly in recent years. The figure below shows how the number of admissions has increased as the number of hospitals has grown over time, confirming the view that access to care is one of the key drivers of service utilisation. In turn, this forms part of the principle of so-called supplier-induced demand.



The figure below shows the effect over time of increases in the number of specialists in Namibia on the utilisation rates of specialist services. The notion of supplier-induced demand is again applicable, but it is important to note that a proportion of the increased utilisation of specialist services reflects the fact that certain services were previously unavailable in Namibia. This suggests that increased utilisation of services is not always negative, although the pressure on the overall cost of funding healthcare will increase correspondingly.



It is again worth noting that the number of beneficiaries who accessed specialist services reduced significantly in 2020 and 2021, which can be attributed to the effects of the COVID-19 pandemic. In 2022 and 2023, the utilisation of specialist services returned to pre-pandemic levels.

The number of claiming specialists also increased markedly in 2022 and 2023.

5. SUMMARY

The report analyses trends in the membership and claims experience of registered medical aid funds up to 2025. It notes steady beneficiary numbers, a balanced gender ratio, and a stable average age, while claims and benefits paid have increased significantly. The analysis suggests that these increases were driven primarily by improved access to healthcare services, such as hospitals and specialists, rather than by changes in the underlying healthcare needs of the covered population, with COVID-19 causing temporary reductions in utilisation that later returned to pre-pandemic levels.

6. KEY TAKEAWAYS & RISKS

- The central cost pressure experienced by medical aid funds is not explained by ageing alone. Beneficiary numbers reached 220 000 by end-2025 and the population aged by only 1.83 years over the past decade, yet total claims increased to N$6.34 billion, or N$28 500 per average beneficiary per year. This suggests that utilisation and/or price intensity, rather than demographic shift, is the more important driver of claims inflation.

- Hospital utilisation is the most material structural risk. The hospitalisation rate increased from 22.86% to 29.53% over 10 years, while beneficiaries with more than one admission per year increased from 5.88% to 8.96%. Because private hospitals account for just under a third of all claims paid and approximately N$1.91 billion in benefits, repeat admissions represent a disproportionate source of cost pressure.

- A supply-side utilisation effect requires active management. Rising admissions are linked to growth in the number of hospitals and beds, while specialist utilisation is linked to growth in the number of specialists. This creates a strategic tension, namely that better access improves care availability, but it can also expand demand and increase funding pressure even when underlying member risk has not changed materially.

- The gap between claims received and claims paid is significantly wider for specialists and medicines than for hospitals. In 2025, about N$674.35 million was claimed for specialists versus N$524.36 million paid, and N$1.12 billion was claimed for medicines versus approximately N$882.3 million paid. This may indicate tariff, benefit design, or affordability tensions that could affect member experience, provider relations, and future scheme behaviour.

- A key interpretation risk is that broad utilisation rates appear stable while intensity is worsening. Although nearly all beneficiaries submitted some claim and discipline-level utilisation appears relatively constant, the more important signal is the rise in hospital and repeat-admission rates.

The figure below shows trends over time in hospitalisation for beneficiaries who were admitted at least once and those who were admitted more than once, respectively.

Annual Financial STATEMENTS

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	The Association is a juristic body, established in terms of the Medical Aid Funds Act, 1995 (Act 23 of 1995) to control, promote, encourageand co-ordinate the establishment, development and functioning of Medical Aid Funds in Namibia
Directors	P. Theron R Kalipi D Garosas E Molatudi G Tjombe V Muchero D Somseb S Kauapirura L Namoloh
Registered office	Ground Floor, Office No.1 South Port Building, Hosea Kutako Drive Windhoek Namibia
Bankers	Nedbank Namibia Limited
Auditors	PKF-FCS Auditors

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MANAGEMENT COMMITTEE'S RESPONSIBILITIES AND APPROVAL

The Management Committee is required by the Medical Aid Funds Act (Act No.23 of 1995), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the association as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities® . The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities® and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Management Committee acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Management Committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

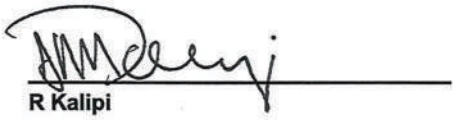
The Management Committee are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Management Committee have reviewed the association's cash flow forecast for the year to 31 December 2026 and, in the light of this review and the current financial position, they are satisfied that the association has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the association's annual financial statements. The annual financial statements have been examined by the association's external auditors and their report is presented on page 4 to 6.

The annual financial statements set out on pages 9 to 22, which have been prepared on the going concern basis, were approved by the on 28 April 2026 and were signed on its behalf by:

P. Theron



R Kalipi

PKF FCS Auditors

Member Practice: 20601

Partners:
Jeanine Du Toit
Patterson Tjipueja
Uwe Wolff

128 6th Street, P.O. Box 4440, Walvis Bay
+264 64 215 100 | auditorswvb@pkf-fcs.com

3 Kerby Street, P.O. Box 9779, Windhoek
+264 61 387 800 I auditorswhk@pkf-fcs.com

pkf.com; pkf-fcsnam.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Namibia Association of Medical Aid Funds

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Namibia Association of Medical Aid Funds (the association) set out on 9 to 22, which comprise the statement of financial position as at 31 December 2025; statement of comprehensive income; statement of changes in equity; and statement of cash flows for the year then ended; and notes to the annual financial statements, including a summary of significant accounting policies and the Management Committees' report.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Namibia Association of Medical Aid Funds as at 31 December 2025, and its financial performance and cash flows for the year then ended, in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities® and the requirements of the Medical Aid Funds Act (Act No.23 of 1995).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Annual Financial Statements section of our report. We are independent of the association in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the fact that the annual financial statements of the entity has been prepared on Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities. Although the entity meets the criteria of a Public Interest Entity (PIE) under PAAB regulations, the entity has elected to apply NAC:001 due to the straightforward and non-complex nature of its operations. The application of full International Financial Reporting Standards would result in extensive disclosures that are not proportionate to the entity's role as a juristic body coordinating medical aid funds in Namibia

Other Information

The Management Committee is responsible for the other information. The other information comprises the information included in the document titled "Namibia Association of Medical Aid Funds annual financial statements for the year ended 31 December 2025", which includes the Detailed Income Statemnet as required by the Medical Aid Funds Act (Act no.23 of 1995) as set on page23 to 24. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Annual Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities® and the requirements of the Medical Aid Funds Act (Act No.23 of 1995), and for such internal control as the Management Committee determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.

- Conclude on the appropriateness of the Management Committee use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern.

PKF FCS Auditors

Member Practice: 20601

Partners:
Jeanine Du Toit
Patterson Tjipueja
Uwe Wolff

128 6th Street, P.O. Box 4440, Walvis Bay
+264 64 215 100 | auditorswvb@pkf-fcs.com

3 Kerby Street, P.O. Box 9779, Windhoek
+264 61 387 800 I auditorswhk@pkf-fcs.com

pkf.com; pkf-fcsnam.com

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We draw your attention to the fact that we have performed certain accounting duties (preparation of annual financial statements). We believe our independence is not impaired.

PKF-FCS Auditors

PKF FCS Auditors Chartered Accountants

PKF-FCS Auditors
Patterson Tjipueja
Partner
Registered Accountants and Auditors
Chartered Accountant (Namibia)

28 April 2026

Windhoek

MANAGEMENT COMMITTEE'S REPORT

The Management Committee have pleasure in submitting their report on the annual financial statements of Namibia Association of Medical Aid Funds for the year ended 31 December 2025.

1. Review of financial results and activities

The annual financial statements have been prepared in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities® and the requirements of the Medical Aid Funds Act (Act No.23 of 1995). The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

2. Management Committee

The Management Committee in office at the date of this report are as follows:

Management Committee	Office	Nationality	Changes
P. Theron	President	Namibian	
R Kalipi	Vice-President	Namibian	
D Garosas	Treasurer	Namibian	
E Molatudi	Member	Namibian	
G Tjombe	Co-opted Member	Namibian	
V Muchero	Co-opted Member	Namibian	
D Somseb	Member	Namibian	
S Kauapirura	Member	Namibian	
E Mansfeld	Member	Namibian	Resigned 10 June 2025
L Namoloh	Member	Namibian	Appointed 7 August 2025

3. Events after the reporting period

The Management Committee is not aware of any material event which occurred after the reporting date and up to the date of this report.

4. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Management Committee believe that the association has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Management Committee have satisfied themselves that the association is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Management Committee is not aware of any new material changes that may adversely impact the association. The Management Committee is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association.

5. Terms of appointment of the auditors

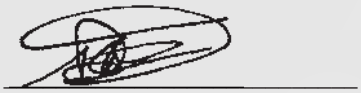
PKF-FCS Auditors were appointed as the Association's auditors

6. Auditors

PKF-FCS Auditors continued in office as auditors for the company for 2025.

At the AGM, the shareholder will be requested to reappoint PKF-FCS Auditors as the independent external auditors of the company and to confirm Patterson Tjipueja as the designated lead audit partner for the 2026 financial year.

Management Committee's Report



28 April 2026

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note(s)	2025 N$	2024 N$
Assets			
Non-Current Assets			
Property, plant and equipment	2	422,833	353,871
Intangible assets	3	737,428	813,022
Other financial assets	4	1,537,373	4,702,770
		2,697,634	**5,869,663**
Current Assets			
Trade and other receivables	5	103,554	364,980
Other financial assets	4	8,188,070	5,021,834
Cash and cash equivalents	6	85,468	366,384
		8,377,092	5,753,198
Total Assets		**11,074,726**	**11,622,861**
Equity and Liabilities			
Equity			
Retained income		10,355,660	10,927,879
Liabilities			
Non-Current Liabilities			
Finance lease liabilities	7	103,475	48,910
Current Liabilities			
Trade and other payables	9	281,092	433,079
Provisions	8	334,499	212,993
		615,591	**646,072**
Total Liabilities		**719,066**	**694,982**
Total Equity and Liabilities		**11,074,726**	**11,622,861**

STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	2025 N$	2024 N$
Revenue	10	17,742,623	16,903,746
Other income	11	18,000	-
Operating expenses	12	(19,081,474)	(16,595,477)
Operating (loss) profit		**(1,320,851)**	**308,269**
Investment revenue	16	754,516	713,814
Finance costs	17	(5,884)	(39,151)
(Loss) profit for the year		**(572,219)**	**982,932**
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		**(572,219)**	**982,932**

STATEMENT OF CHANGES IN EQUITY

	Note(s)	2025 N$	2024 N$
Balance at 1 January 2024		**9,944,947**	**9,944,947**
Profit for the year		982,932	982,932
Other comprehensive income		-	-
Total comprehensive income for the year		**982,932**	**982,932**
Balance at 1 January 2025		**10,927,879**	**10,927,879**
Loss for the year		(572,219)	(572,219)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(572,219)**	**(572,219)**
Balance at 31 December 2025		**10,355,660**	**10,355,660**

Note(s)

STATEMENT OF CASH FLOWS

	Note(s)	2025 N$	2024 N$
Cash flows from operating activities			
Cash receipts from customers		18,022,049	16,634,677
Cash paid to suppliers and employees		(18,796,756)	(16,170,847)
Cash (used in) generated from operations	18	(774,707)	463,830
Interest income	16	754,516	713,814
Finance costs		(5,884)	(39,151)
Net cash from operating activities		**(26, 075)**	**1,138,493**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(235,145)	(242,990)
Purchase of intangible assets	3	(73,422)	-
Purchases of other financial assets	4	(839)	(550,425)
Net cash from investing activities		**(309,406)**	(793,415)
Cash flows from financing activities			
Cash repayments on finance lease liabilities	7	54,565	-
Total cash movement for the year		**(280,916)**	**345,078**
Cash and cash equivalents at the beginning of the year		366,384	21,306
Total cash at end of the year	6	**85,468**	**366,384**

ACCOUNTING POLICIES

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the Namibian Generally Accepted Accounting Practice - NAC 001: Namibian Statement on Financial Reporting for Small and Medium Sized Entities® , and the Medical Aid Funds Act (Act No.23 of 1995). The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The association reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the association holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the association and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the association.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Office equipment	Straight line	3 years
IT equipment	Straight line	3 years
Mobile Phones	Straight line	2 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

1.2 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets as follows:

Item	Depreciation method	Average useful life
Practice Code Numbering System	Straight line	10 years

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

received, net of direct issue costs.

1.6 Impairment of assets

The association assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Share capital and equity

Equity instruments issued by the association are recognised at the proceeds

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted. Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.9 Provisions and contingencies

Provisions are recognised when the association has an obligation at the reporting date as a result of a past event; it is probable that the association will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.10 Revenue

Revenue is recognised to the extent that the association has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the association. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.11 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 N$	2024 N$

2. Property, plant and equipment

	2025			2024		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Furniture and fixtures	463,915	(345,285)	118,630	371,584	(260,015)	111,569
Office equipment	282,046	(138,198)	143,848	228,056	(86,288)	141,768
IT equipment	380,278	(318,004)	62,274	342,213	(290,589)	51,624
Mobile phones	237,424	(139,343)	98,081	130,426	(81,516)	48,910
Total	**1,363,663**	**(940,830)**	**422,833**	**1,072,279**	**(718,408)**	**353,871**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	111,569	36,091	(29,030)	118,630
Office equipment	141,768	53,990	(51,910)	143,848
IT equipment	51,624	38,065	(27,415)	62,274
Mobile phones	48,910	106,999	(57,828)	98,081
	353,871	**235,145**	**(166,183)**	**422,833**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures				
Office equipment	123,162	11,499	(23,092)	111,569
IT equipment	81,689	91,905	(31,826)	141,768
Mobile phones	10,944	58,070	(17,390)	51,624
	-	130,428	(81,518)	48,910
	215,795	**291,902**	**(153,826)**	**353,871**

Figures in Namibia Dollar

3. Intangible assets

	2025			2024		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
Practice Code Numbering system	1,499,395	(761,967)	737,428	1,425,973	(612,951)	813,022

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Closing balance
Practice Code Numbering system	813,022	73,421	(149,015)	737,428

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Closing balance
Practice Code Numbering System	955,619	(142,597)	813,022

	Note(s)	2025 N$	2024 N$
4. Other financial assets			
At fair value			
Nampost Fixed deposit that earns interest at 7.60% per annum, interest is capitalised at maturity date, being 14 June 2024.		-	4,702,770
Bonds Namibian Government GC32 bonds bearing a fixed coupon of 9.00% per annum, payable semi annually, and maturing on 15 April 2032		528,513	-
IJG Securities Money Market Trust Corporate money market fund that earns interest at the 3-month JIBAR rate, interest is capitalised at the end of each month.		8,188,070	5,021,834
Treasury Bills Namibian Government Treasury Bills with a yield of 7.00% per annum and a maturity date of 13 November 2026		1,008,860	-
		9,725,443	**9,724,604**
Non-current assets			
At fair value		1,537,373	4,702,770
Current assets			
At fair value		8,188,070	5,021,834
		9,725,443	**9,724,604**
5. Trade and other receivables			
Trade receivables		38,161	291,019
Deposits		65,393	73,961
		103,554	**364,980**
6. Cash and cash equivalents			
Cash and cash equivalents consist of:			
Cash on hand		722	417
Bank balances		84,746	365,967
		85,468	**366,384**

	Note(s)	2025 N$	2024 N$
7. Finance lease liabilities			
Minimum lease payments which fall due			
- within one year		103,475	48,910

Net finance lease liabilities

The company entered into hire purchase agreements with a telecommunications provider for the acquisition of mobile devices for the benefit of its management team. These arrangements meet the definition of finance leases under IFRS 16 Leases, as substantially all the risks and rewards incidental to ownership have transferred to the Association.

As a result, the mobile devices have been recognised as right-of-use assets on the statement of financial position, and a corresponding lease liability has been recorded.

The mobile devices have been capitalised at the present value of the lease payments, and are being depreciated over their useful lives or the lease term, whichever is shorter.

Lease payments are apportioned between finance costs and the reduction of the lease liability using the effective interest method.

Depreciation and finance costs related to the leased assets have been recognised in the statement of profit or loss and other comprehensive income

8. Provisions

Reconciliation of provisions - 2025

	Opening balance	Leave accrual	Closing balance
Leave pay provision	212,993	121,506	334,499

Reconciliation of provisions - 2024

	Opening balance	Leave accrual	Closing balance
Leave pay provision	135,242	77,751	212,993

9. Trade and other payables

Trade payables	89,024	272,832
Payroll Accruals	192,068	160,247
	281,092	**433,079**

10. Revenue

Subscription fees	17,742,623	16,448,956
Training income	-	454,790
	17,742,623	**16,903,746**

11. Other income

Other income	18,000	-

	Note(s)	2025 N$	2024 N$
12. Operating expenses			
Operating expenses include the following expenses:			
Operating lease charges			
Premises			
• Contractual amounts		982,226	995,040
Depreciation and amortisation		315,199	296,423
Employee costs		7,939,703	6,836,966
13. Auditor's remuneration			
Fees		69,359	60,178
14. Employee cost			
Employee costs			
Salaries, wages, bonuses and other benefits		7,818,197	6,759,215
Leave pay provision charge		121,506	77,751
		7,939,703	**6,836,966**
15. Depreciation, amortisation and impairments			
The following items are included within depreciation, amortisation and impairments:			
Depreciation			
Property, plant and equipment		166,183	153,826
Amortisation			
Intangible assets		149,016	142,597
Total depreciation, amortisation and impairments			
Depreciation		166,183	153,826
Amortisation		149,016	142,597
		315,199	**296,423**
16. Investment revenue			
Interest revenue			
Bank		9,020	11,763
Investment Income		745,496	702,051
		754,516	**713,814**
17. Finance costs			
Finance leases (refer to note 7)		5,884	39,151

	Note(s)	2025 N$	2024 N$
18. Cash (used in) generated from operations			
Net (loss) profit before taxation		(572,219)	982,936
Adjustments for non-cash items:			
Depreciation, amortisation, impairments and reversals of impairments		315,199	296,421
Movement in provisions		121,506	77,751
Adjust for items which are presented separately:			
Investment income		(754,516)	(713,814)
Finance costs		5,884	39,151
Changes in working capital:			
Decrease / (increase) in trade and other receivables		261,426	(269,069)
(Decrease) / incrrease in trade and other payables		(151,987)	50,454
		(774,707)	**463,830**

DETAILED INCOME STATEMENT

	Note(s)	2025 N$	2024 N$
Revenue	10	**17,742,623**	**16,903,746**
Other income		**18,000**	**-**
Expenses (Refer to page 24)		**(19,081,474)**	**(16,595,477)**
Operating (loss) profit		**(1,320,851)**	**308,269**
Investment income	16	754,516	713,814
Finance costs	17	(5,884)	(39,151)
		748,632	**674,663**
(Loss) profit for the year		**(572,219)**	**982,932**

	Note(s)	2025 N$	2024 N$
Operating expenses			
AWS - cloud services		(274,977)	(274,447)
Actuarial fees and coding support		(2,736,211)	(2,611,625)
Advertising		(275,757)	(106,190)
Auditors remuneration	13	(69,359)	(60,178)
Bank charges		(32,185)	(24,042)
Cleaning		(37,372)	(31,467)
Computer expenses		(488,532)	(413,097)
Data migration project		(346,436)	-
Depreciation, amortisation and impairments		(315,199)	(296,423)
Employee costs		(7,939,703)	(6,836,966)
Entertainment (CEO Strategic Engagement)		(31,044)	(26,597)
ICD-10 Implementation expense		(315,006)	-
Insurance		(54,772)	(50,548)
Lease rentals on operating lease		(982,226)	(995,040)
Legal expenses		(285,624)	(811,584)
Liability cover: Directors		(18,822)	(20,334)
Medicor expenses		(24,000)	(24,000)
Meeting allowance and retainer fees		(1,722,962)	(1,571,023)
Municipal expenses		(139,022)	(134,541)
Nappi Project expenses		(562,899)	(17,940)
Office expenses		(167,550)	(134,016)
PCN file archiving		(45,474)	(55,249)
PCN support and maintenance		(464,817)	(371,594)
Printing and stationery		(121,109)	(106,327)
Professional fees		(44,924)	(93,884)
Provider Behaviour Workshop		-	(110,250)
Publish Industry Report		(123,102)	(106,946)
Repairs and maintenance		(1,150)	(3,124)
Risk Management expenses		-	(110,070)
Security		(8,750)	(8,165)
Staff development		(673,893)	(379,207)
Stakeholder Engagements		(414,521)	(237,402)
Telephone and fax		(175,618)	(137,463)
Training (ICD - 10)		-	(212,464)
Travel (conferences)		(188,458)	(113,879)
Trustee Development expense		-	(109,395)
		(19,081,474)	**(16,595,477)**

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