

2023

WHY DISCOVERY



The case for **medical scheme cover**

Budgeting for future healthcare needs is incredibly complex – healthcare needs of individuals are inevitable, unexpected and demand only the highest quality of care. In addition, the cost of private healthcare varies greatly depending on the needs of the individual and the care required. This can easily leave households with large financial deficits or the inability to access care. Medical scheme cover removes this uncertainty for households, offering members access to and funding for the highest quality healthcare when required.

THE HIGHEST CLAIMS ON DISCOVERY HEALTH MEDICAL SCHEME IN 2021 ILLUSTRATE THE UNPREDICTABLE NATURE OF HEALTHCARE NEEDS:

R6.4m	Long-term use of a ventilator (Infections) Age 51 Executive	
R5.6m	Infection of the nervous system Age 45 Classic Comprehensive	
R5.2m	Long-term use of a ventilator (Toxic effects) Age 36 Classic Saver	
R4.7m	Major surgical procedures in newborn babies with very low birth-weight (<1000g) Age 0 Classic Saver	
R4.5m	Pneumonia or whooping cough Age 38 Coastal Saver	
R4.5m	Surgical procedures on the lungs or air passages Age 32 Classic Delta Saver	
R4.2m	Major surgical procedures in newborn babies with very low birth-weight (<1000g) Age 0 Classic Delta Saver	
R4.0m	Heart surgery Age 49 Classic Saver	
R3.9m	Surgical procedures for infectious or parasitic diseases Age 62 Classic Saver	
R3.7m	Surgical procedures for multiple major injuries Age 42 KeyCare Plus	



Individuals of various ages, levels of health and income can be faced with an unexpected healthcare event that has the potential to be financially devastating.

Preplanning for such an event would be unfeasible - based on the Scheme's average risk contribution in 2021 of R1,886 per month, claims of this nature would require **284 years** worth of contributions to fund. In the absence of medical scheme cover, it is unlikely that these members would have been able to access the care required.

Discovery Health Medical Scheme allowed these members to access high quality private healthcare at the time they needed it most, while removing the financial burden of pre-funding for healthcare.

Discovery Health Medical Scheme **puts members first**

Discovery Health Medical Scheme is passionate about caring for its members and ensures that each member has access to the care that they need, at the time they need it most.

AIRLIFT TO COVID-19 ICU PROVES LIFE-SAVING

'That flight marked the turning point in my recovery,' says **Paul Deppe**. 'Had I not got to an ICU when I most needed it, I don't know if I'd be here today. Looking back, I wouldn't have wanted to be treated at any other hospitals or be a member of any medical scheme other than Discovery Health Medical Scheme.'

Paul Deppe's ordeal with COVID-19 began on 27 June 2021, when he tested positive for COVID-19 two days after a scratchy throat and treatment by his GP for bronchitis. 'Initially my symptoms were not that bad. I was starting to plan my return to work after 10 days in isolation when I woke up on day nine with a tight chest. His son Jared took him to casualty at Life Fourways Hospital but, as with many hospitals at the time, the COVID-19 ICU was full. He was transferred to Life Empangeni Private Hospital via an emergency mercy flight.

Paul thinks back to the point of his hospital transfer: 'I felt I was not going to see my family again,' he says. 'I hadn't even said goodbye. I thought I was going to die.' He believes that the highly efficient scramble by Discovery Health and the Life Hospitals to get him transferred



PAUL DEPPE

- with swift cost approvals by Discovery Health Medical Scheme - saved his life. The process included locating the spare ICU bed and securing the plane and attendant medical crew.

He adds: 'Discovery Health Medical Scheme really cares for its members. When you really need it, the Scheme is there for you. I've been with this Scheme for a very long time on the Classic Comprehensive Plan and never had a single worry. My COVID-19 experience cost well over R500 000 - and it was all covered.'

AFTER HEART TRANSPLANT, PEDRO (17) AIMS FOR WORLD TRANSPLANT GAMES

Pedro Basson, 17, is determined to play tennis at the World Transplant Games in Australia next year. This remarkable teenager is back on the tennis court mere months after a heart transplant, which he received after falling suddenly and severely ill after going on a tennis tour.

[Watch](#) our moving conversation between Dr Ryan Noach, CEO of Discovery Health, Paul Basson, and his son Pedro about Pedro's journey, his heart transplant, and future goals.

Paul, Pedro's father, recalls after Pedro suddenly fell ill: "We were shocked when the hospital said Pedro was in a critical condition. They admitted him straight into their critical care unit. He had heart failure, and he also tested positive for COVID-19, the coxsackievirus and a staphylococcus bacterial infection. The doctors did an echocardiogram on Pedro and found that he had myocarditis and cardiomyopathy. I was in disbelief!"

- Cardiomyopathy is a condition that affects the heart muscle, where the heart muscle becomes stretched and weak and is unable to function as an effective pump.



PEDRO BASSON

- Myocarditis is inflammation of the heart muscle that can reduce the heart's ability to pump blood.

"Pedro's illness, extended hospitalisation and heart transplant operation were very expensive. We are so full of gratitude to Discovery Health Medical Scheme for all they've done. Without their support, it would've all been unthinkable," says Paul.



[Click here](#) to read about how Discovery Health Medical Scheme cared for Dale Cavell-Clarke after surviving a hijacking-related shooting.



[Click here](#) to read about how Discovery Health Medical Scheme helped Chantelle van Wyk with her miraculous birth.

Key financial considerations when **choosing a medical scheme**

Assessing the financial position of schemes in the industry has become incredibly complex over the last two years. While some schemes have struggled to manage the claims demands of COVID-19, others have benefitted from lower demand for non-COVID-19 healthcare. Over these years, medical schemes have adopted different approaches in managing their excess reserves. It is crucial for members to assess both the short and long-term value offered by a medical scheme, while ensuring that the scheme is financially robust to manage future healthcare expectations.

FLEXIBILITY

AFFORDABILITY

SUSTAINABILITY

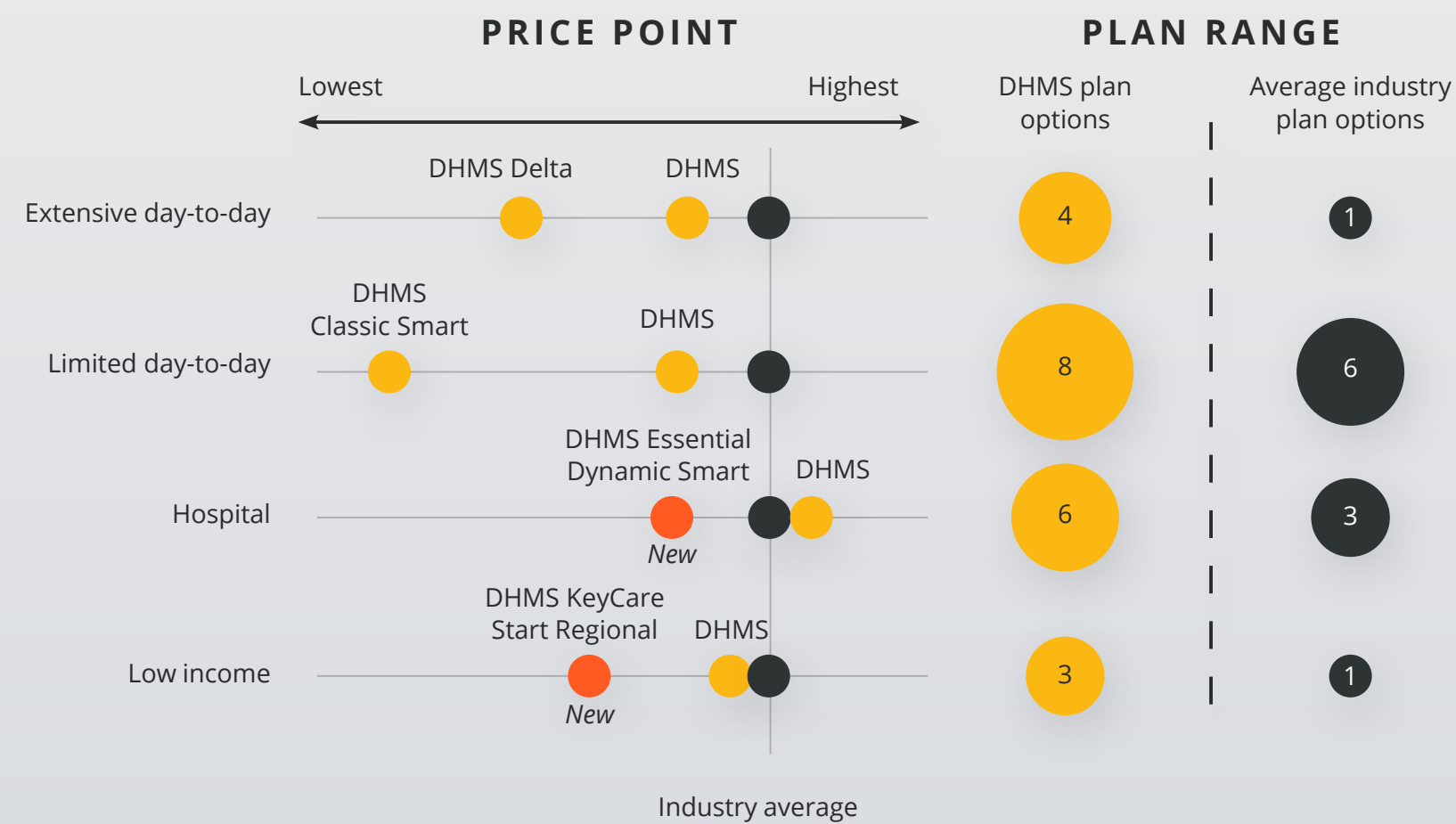
FLEXIBILITY

Discovery Health Medical Scheme has 25 plan options, differentiated by varying benefit levels, structures and price points. This allows members the flexibility to change options and adapt their benefits and price point to meet their changing health, lifestyle and financial circumstances. Having the ability to trade-off benefits for a more affordable plan option allows members to maintain essential medical cover, while meeting the financial requirements of their current circumstances. Similarly, having the ability to upgrade to higher benefit options is key in managing changing health circumstances, while maintaining value for members.



MOST FLEXIBLE BENEFITS AND PRICE POINTS IN THE MARKET

Considering industry options covering more than 2,500 members, Discovery Health Medical Scheme offers the greatest flexibility in the industry with 21 options compared to the next 6 largest open schemes, on average, offering only 11 options.



Above analysis only includes plans with more than 2,500 members



EXCITING NEW PLAN OPTIONS OFFERING HIGHEST VALUE FOR MEMBERS THROUGH NEW AGE NETWORK DESIGN

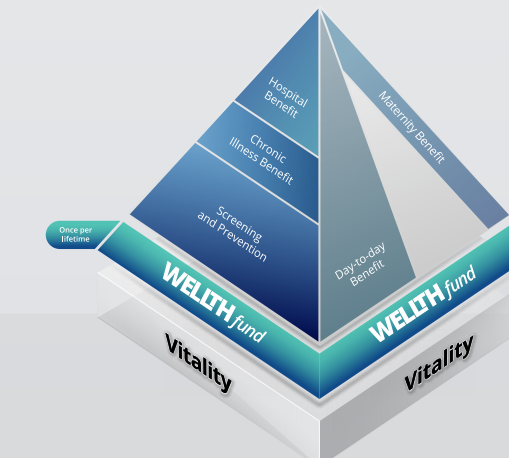
In 2023, Discovery Health Medical Scheme has enhanced its plan range offering greater flexibility and maximum value to members with the introduction of two new plans. These plans embed the most innovative plan and network designs in the market, unlocking exceptional value for members.

KEYCARE START REGIONAL



Unique partnership between Mediclinic, Intercare and Discovery Health Medical Scheme enables access to high-quality, coordinated healthcare in this ecosystem, at one of the most affordable price points in the industry.

ESSENTIAL DYNAMIC SMART



The next generation of network plans manifests in Essential Dynamic Smart, offering members a dynamic hospital network that is able to guide them to the most efficient pathway personalised to their needs. This hyper-efficient network unlocks exceptional value for both in- and out-of-hospital private healthcare.

Key financial considerations when **choosing a medical scheme**

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FLEXIBILITY

AFFORDABILITY

SUSTAINABILITY

COVID-19 has caused significant fluctuations in healthcare demand, temporarily increasing the reserve position of medical schemes. Medical schemes have adopted various approaches to using these reserves, which has made affordability comparisons between schemes very complex. The Scheme's approach to deferring contribution increases has delivered immediate affordability for its members, while ensuring contribution levels remain in line with future expectations of medical inflation to avoid future price shocks.



OFFERING SHORT-TERM AFFORDABILITY

Discovery Health Medical Scheme members have enjoyed 15 months of lower contributions through contribution deferrals over the last two years. Members have enjoyed current year benefits at the lower prior year's rates, supporting members to maintain their scheme cover, while offering them immediate financial relief.

The Scheme will continue this strategy into 2023, offering members 2023 benefits at 2022 rates for the first three months of the year.

The cumulative effect of these 18 months of contribution deferrals will save members R8.7 billion over the 3 years, at an average saving per policy of R6,400.



R8.7 bn

SAVINGS FOR MEMBERS BETWEEN 2021 - 2023 THROUGH THE CONTRIBUTION INCREASE DEFERRALS



ENSURING LONG-TERM AFFORDABILITY

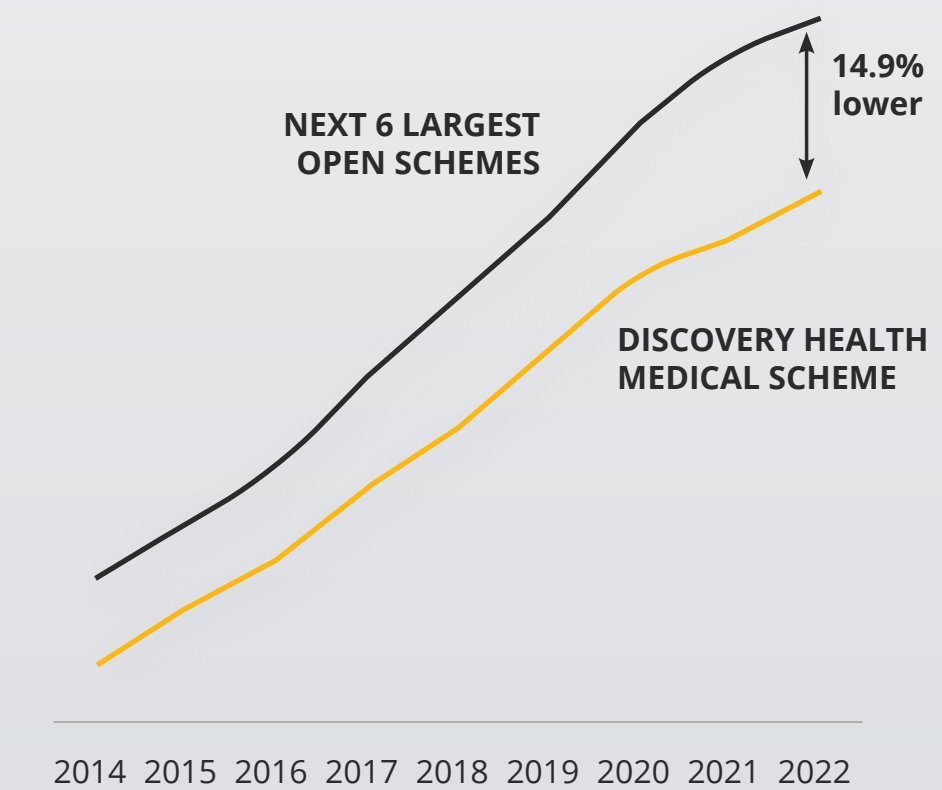
Discovery Health Medical Scheme continues to offer members exceptional value. Historic contribution increases on Discovery Health Medical Scheme have been lower than the rest of the industry, resulting in contributions that are on average 14.9% more affordable than the next 6 largest open schemes.

Not only has Discovery Health Medical Scheme been able to maintain affordability for members, but the Scheme has also managed to consistently increase contributions in line with healthcare inflation.

The latest 2021 financial performance of competitor medical schemes indicate that these schemes may not be as effectively priced as Discovery Health Medical Scheme to manage future healthcare inflation, with many schemes incurring no surplus despite the temporarily lower healthcare utilisation levels in 2021.

Discovery Health Medical Scheme is effectively priced to manage future claims expectations and can consistently manage future medical inflation within 3-4% of CPI going forward, without the need of price shocks or benefit adjustments.

DHMS RELATIVE CONTRIBUTION DIFFERENTIAL



Key financial considerations when **choosing a medical scheme**

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FLEXIBILITY

AFFORDABILITY

SUSTAINABILITY

A financially robust scheme should be able to meet any immediate claims demand from its members and ensure demographic stability by attracting young and healthy lives to offset the aging of existing members.

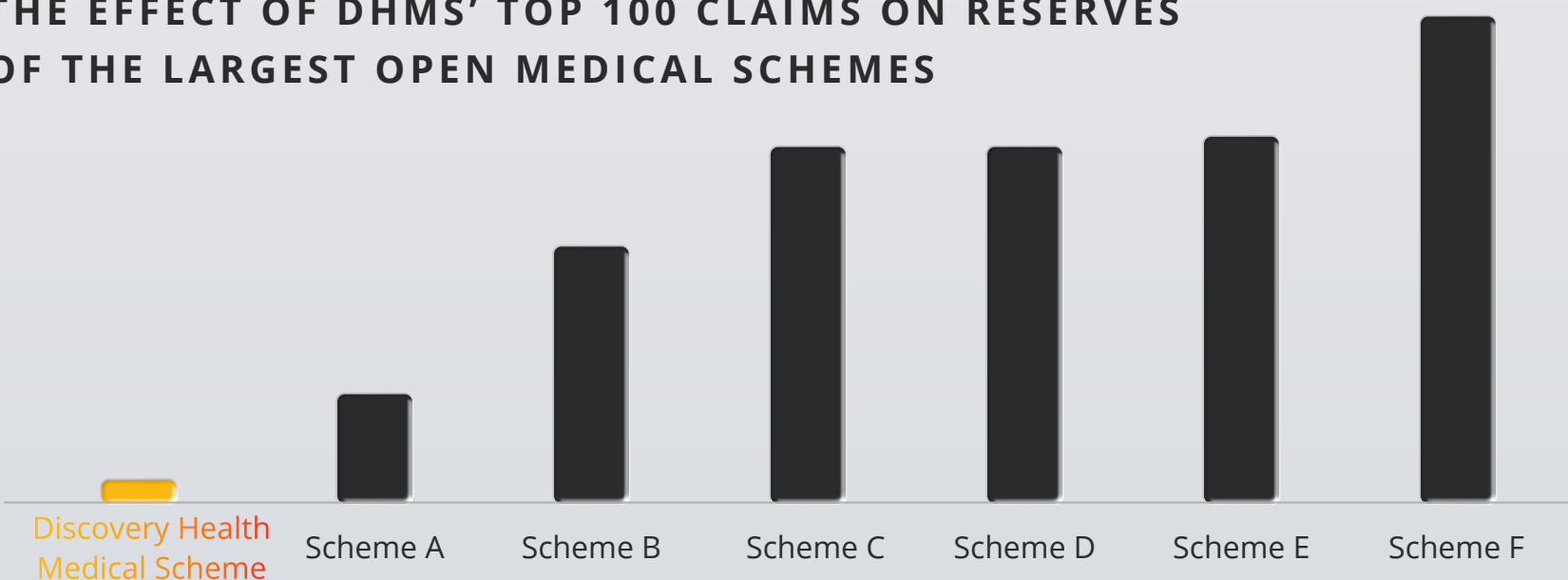


FINANCIAL STRENGTH

Due to the size and stability of Discovery Health Medical Scheme, members can be reassured that the Scheme is well-equipped to handle any claims volatility. With a solvency level of 36% and reserve levels of R27 billion, the Scheme is in a strong position to cover future healthcare claims.

To illustrate this, Discovery Health Medical Scheme's top 100 claims in 2021 cost the Scheme R364 million, which only constitutes 1% of the Scheme's reserves. Should the same financial pressure be placed on the next two largest open medical scheme, the impact on solvency would be substantially higher, reducing reserves by 5% and 17% respectively.

THE EFFECT OF DHMS' TOP 100 CLAIMS ON RESERVES OF THE LARGEST OPEN MEDICAL SCHEMES



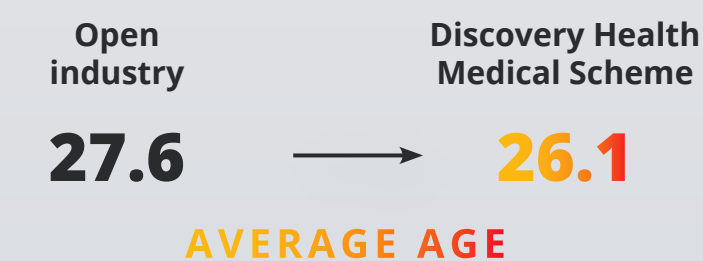
DEMOGRAPHIC STABILITY

Healthcare needs increase as members age. For every year that a medical scheme's overall membership ages, healthcare claims are expected to increase by an additional 3%. Increased demand of healthcare claims of medical schemes translate into higher future contribution increases.

The need to ensure a healthy, sustainable scheme profile becomes crucial in maintaining the value for members. Discovery Health Medical Scheme has managed to consistently attract and retain young and healthy lives on the Scheme. Over the last 10 years, the Scheme's profile has only aged by 0.3 years per annum. In 2021 and 2022, the Scheme has seen a particular flight to quality, with the Scheme attracting a higher proportion of healthy lives than the industry.



Younger new joiner profile

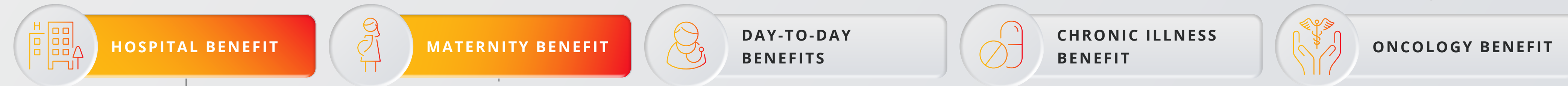
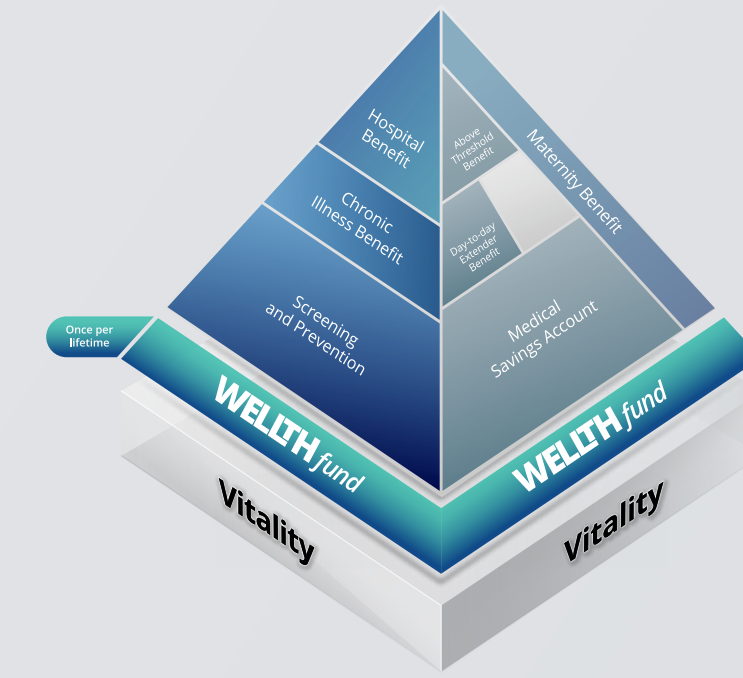


Healthier new joiner chronic profile



Comprehensive and **differentiated benefits**

Discovery Health Medical Scheme offers members comprehensive medical cover, with unique, high-value benefits that are supported by an innovative healthcare delivery ecosystem.

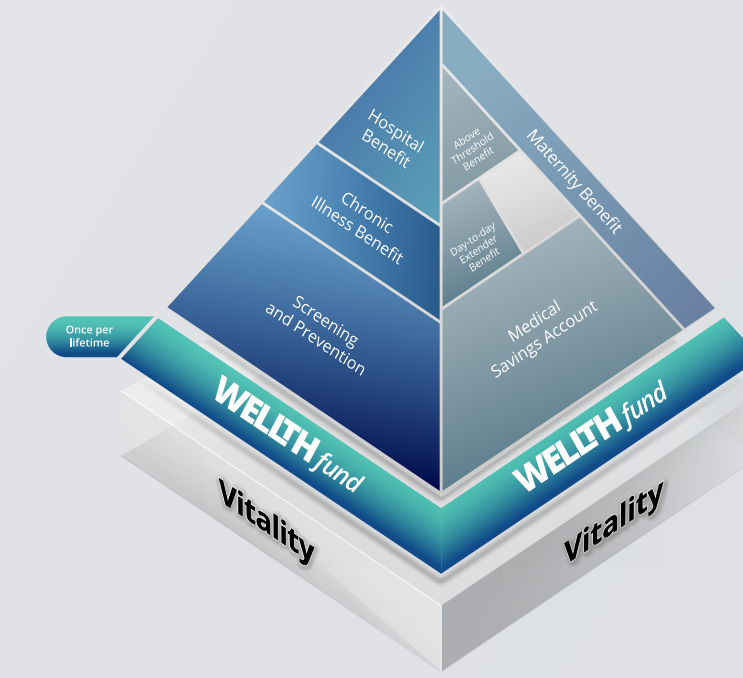


HIGH-VALUE BASE COVER	HOSPITAL BENEFIT	MATERNITY BENEFIT
	<p>Discovery Health Medical Scheme offers members comprehensive cover for hospital admissions. An analysis from the Council for Medical Schemes' annual report highlights the Scheme's exceptional in-hospital cover ratio of 97%. When compared to the cover ratio of the average medical scheme in the industry (93%), it is clear that the unique benefit design of the Scheme results in higher cover levels for members, equating to an additional R2,070 of cover on the average hospital admission.</p> <div data-bbox="1092 853 1482 1172" style="text-align: center;"> <p>+R2,070 per admission</p> <p>Rest of open industry DHMS</p> </div>	<p>Discovery Health Medical Scheme offers comprehensive maternity benefits. The benefit is particularly differentiated by its extensive cover post-birth and for high-risk pregnancies.</p> <p>These include:</p> <ul style="list-style-type: none"> Benefits during pregnancy: 8-12 antenatal consultations, 2D scans, blood tests, private ward cover, nurse consultations, essential registered devices Differentiated post-natal care: 2 GP or paediatrician visits, mental health consultations, nutrition assessment, lactation consultation, nurse consultations Differentiated high-risk pregnancies screening: Nuchal Translucency or Non-Invasive Prenatal Test
KEY DIFFERENTIATED BENEFITS	<p>HOSPITAL AT HOME</p> <p>Hospital at Home gives members the choice of treatment in the comfort of their home for various illnesses. Powered by integrated cutting-edge technology and supported by clinical protocols, highly-skilled staff and appropriate medical scheme benefits, Hospital at Home offers members differentiated, high-quality care at their convenience.</p>	<p>TRAUMA RECOVERY EXTENDER BENEFIT</p> <p>Discovery Health Medical Scheme members have access to additional out-of-hospital benefits that are crucial for recovery following certain traumatic events, including allied and psychology healthcare services, prescribed medicine, external medical items and prosthetics.</p>
	<p>ASSISTED REPRODUCTIVE THERAPY BENEFIT</p> <p>The Infertility and Assisted Reproductive Therapy treatment benefit provides members with funding for therapies including drug treatment, surgical repair and assisted reproductive techniques, the first of its kind in the open medical scheme industry.</p>	

BENEFITS

Comprehensive and **differentiated benefits**

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DAY-TO-DAY BENEFITS

HIGH-VALUE BASE COVER

The extensive Discovery Health Medical Scheme plan range offers members the flexibility to choose between plans which offer new generation (Medical Savings Account) day-to-day benefits and those which offer traditional day-to-day benefits. These new generation plans provide members with the flexibility of deciding which services they use the savings for and allows members to carry over any unused savings to the next year. These plans are particularly appreciated by the “worried well”, members who value the benefits and the protection it offers, without the need of using the savings. In addition, those with higher day-to-day benefit needs can choose higher-end plans which offer an Above Threshold Benefit. Members also have access to screening and prevention benefits that cover vital tests to detect early warning signs of illness.

KEY DIFFERENTIATED BENEFITS

WELTH fund

In 2023, Discovery Health Medical Scheme will be investing in the health of its members through the introduction of the WELLTH Fund. The WELLTH Fund allows members discretionary access to a comprehensive range of risk-funded supplementary screening and prevention benefits, including general health, physical health, women’s health, men’s health, children’s health, mental health and certain monitoring devices.

Members unlock the WELLTH Fund by completing a Health Check. This gives access to additional funding of R2,500 per adult and R1,250 per child, with up to R10,000 available per family.

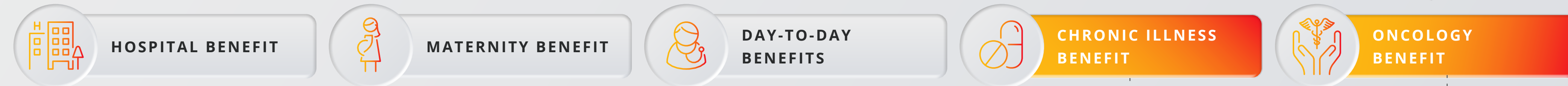
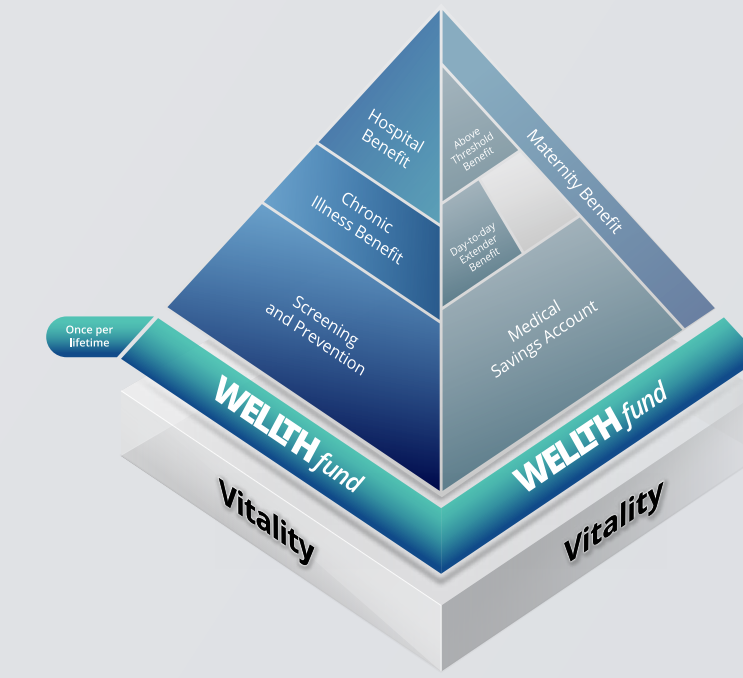
Adult **+R2,500** Child **+R1,250** Family **Up to R10,000**


DISEASE PREVENTION PROGRAMME

The programme is unique in medical schemes, in that it proactively identifies members that are at risk of developing diabetes or cardiovascular disease, and enrolls them in a 12-month programme with risk benefits and health coaching, all to improve their health and reduce the risk of illness.

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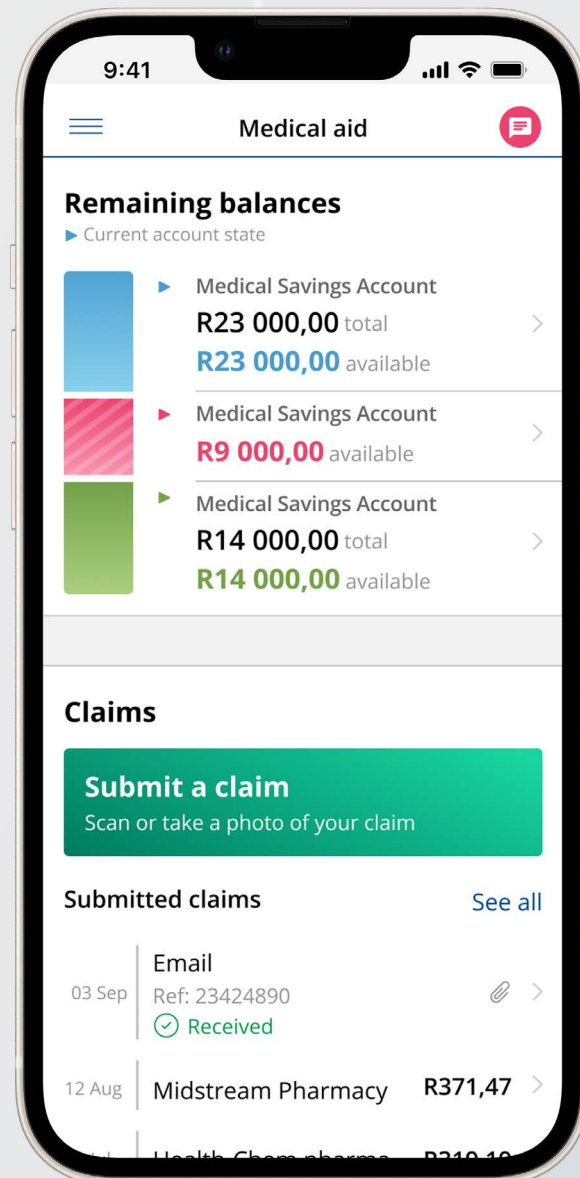
	CHRONIC ILLNESS BENEFIT	ONCOLOGY BENEFIT
HIGH-VALUE BASE COVER	<p>Discovery Health Medical Scheme provides full cover for 27 Prescribed Minimum Benefits (PMB) CDL conditions across all plans as well as cover for 22 additional conditions on extensive day-to-day plans. Members are also offered flexibility in their medication choice through a formulary and a Chronic Drug Amount (CDA) for non-formulary medication. The CDA makes provision for each medicine class each month, providing members with choice around the medicines that they are able to access to treat their chronic condition.</p>	<p>Discovery Health Medical Scheme is known for having one of the most comprehensive oncology benefits in the industry. The Scheme has partnered with ICON and the South African Oncology Consortium (SAOC) to ensure members receive high-quality value-based care. Members on KeyCare plans receive ICON Essential cover, while members on non-KeyCare plans have access to ICON Enhanced cover and SAOC Tier 3 guidelines, which includes PMB and non-PMB levels of treatment.</p> <p>2023 BENEFIT INCREASES TO ONCOLOGY THRESHOLDS </p> <p>Discovery Health Medical Scheme offers cover for non-PMB treatment, with a 20% copayment applying for claims in excess of the threshold on non-Keycare plans. In 2023, oncology thresholds have been increased by 25%:</p> <ul style="list-style-type: none"> ■ R500,000 on Comprehensive and Executive plans ■ R375,000 on the Classic Smart Comprehensive plan ■ R250,000 on all other plans (excluding KeyCare plans).
KEY DIFFERENTIATED BENEFITS	<p>DISEASE MANAGEMENT PROGRAMMES</p> <p>Discovery Health Medical Scheme offers clinical care programmes that guide and support members through a variety of healthcare journeys, reducing fragmentation in the healthcare cover they receive for certain chronic conditions. These programmes offer the necessary tools and benefits that facilitate the active management of their conditions.</p> <p>MENTAL HEALTH CARE PROGRAMME</p> <p>Discovery Health Medical Scheme's Mental Health Care Programme offers particular differentiation for members for the treatment of major depression, from a wider range of out-patient benefits to monitor and manage acute and/or episodic depression to a Relapse Prevention Programme to support members at risk of relapse.</p>	<p>ONCOLOGY EXTENDER BENEFIT</p> <p>The Extended Oncology Benefit gives members on the Executive and Comprehensive plans access to full cover for specific high-cost cancer treatment, the only benefit of its kind in the market.</p> <p>ONCOLOGY INNOVATION BENEFIT</p> <p>The Oncology Innovation Benefit gives members on non-KeyCare plans access to a defined list of ultra-high-cost medicines and new technologies for a defined list of cancers.</p>

BENEFITS

Enhanced member experience

Discovery Health Medical Scheme is committed to providing members with a seamless servicing experience across the range of platforms available for members to engage with.

MEMBER APP

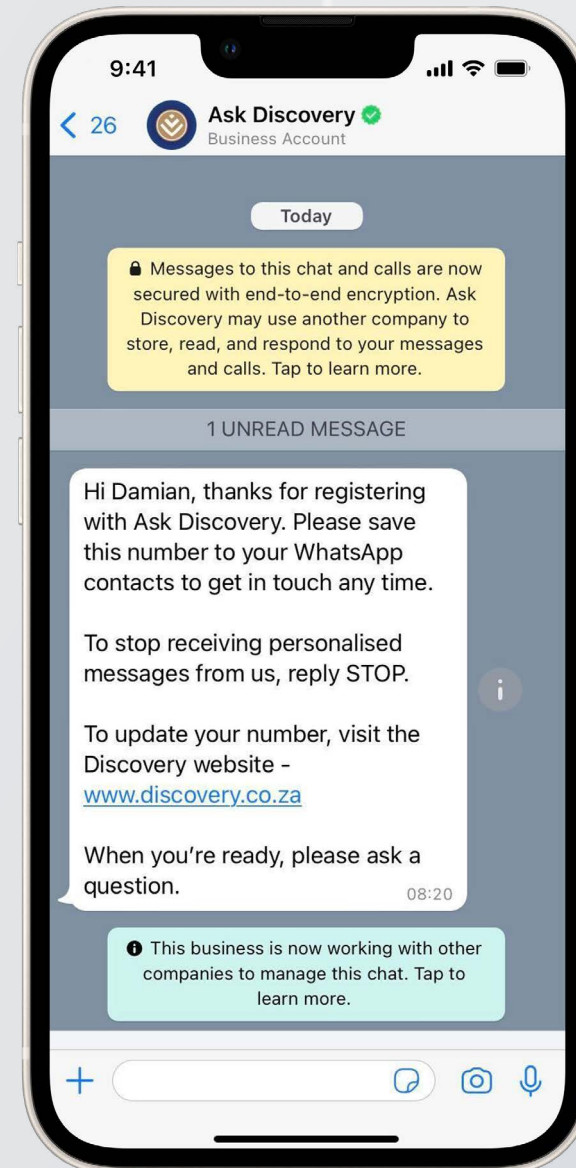


Discovery's member app provides market leading servicing functionality, allowing members to effortlessly manage their plan, generate a complete timeline of servicing history, as well as access important medical documents within seconds. This functionality also extends to the ability to submit and track claims in real time, as well as medicine to your door.

Members also have access to the Find a Provider tool, a digital tool that uses artificial intelligence capabilities to help members find doctors and hospitals in their networks matched to their needs and benefits.

The member app is linked across all Discovery products, allowing a seamless integrated experience for members.

ASK DISCOVERY



Ask Discovery is our artificial intelligence chat bot, available on our website and integrated into WhatsApp. This enables members to receive immediate automated responses to product-related questions.

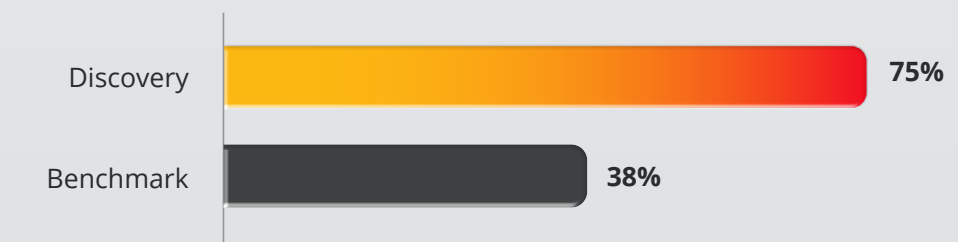
Ask Discovery has been well-received by members. Over 470,000 members have registered to use the Ask Discovery WhatsApp service, with an average of 33,000 chats taking place per month.

CALL CENTRE SERVICE

Discovery uses affinity matching which provides real-time automatic matching of call centre agents to members based on affinity, significantly improving member to agent interactions.

By identifying callers upfront, the previous client interactions are identified and assessed, which allows Discovery to predict the service requirements of the caller upfront using a proprietary algorithm. The predictive and proactive routing of more complex calls to more specialised consultants ensures that the Scheme's members receive the highest level of service, and high rates of first call resolution.

First call resolution



Members who have more complex servicing requirements or are dealing with unresolved servicing concerns are proactively identified and contacted in order to ensure that their concerns are being dealt with timeously and appropriately.

Integrated value

Discovery Health Medical Scheme members can access valuable integrated benefits and rewards through Vitality and Discovery Bank. Integration unlocks a range of lifestyle and wellness rewards for Discovery Health Medical Scheme members at no additional cost.

ACCESS TO PREMIUM HEALTH, WELLNESS AND LIFESTYLE BENEFITS THROUGH VITALITY

All Discovery Health Medical Scheme members have access to Vitality, the world's leading behaviour change programme. Vitality helps members get healthier and rewards them for making better choices with a premium range of health, lifestyle, and leisure benefits.

MEMBERS GET ACCESS TO THREE MONTHS OF FREE VITALITY ACTIVE OR VITALITY PREMIUM

Discovery Health Medical Scheme members find exceptional value through the once-per-lifetime Vitality free offer:

45%

take-up of Vitality free offer by new DHMS members

64%

retention rate of members who experience the programme and choose to stay on

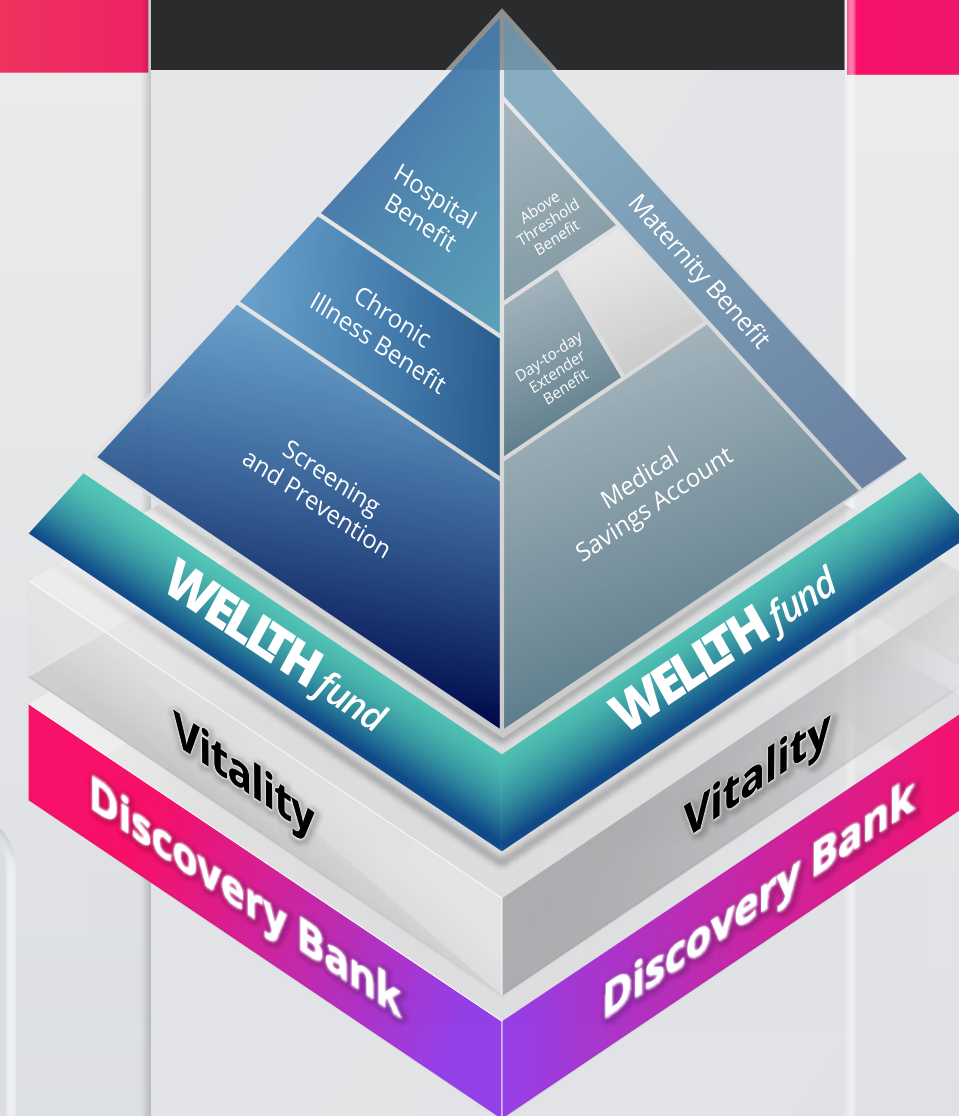
R700

in rewards earned per month by engaged members

UPFRONT AND ONGOING PREMIUM DISCOUNTS FROM LIVING HEALTHILY, THROUGH DISCOVERY LIFE INTEGRATION

Upfront premium discounts of **up to 42%**

Up to 100% of your Life premiums back after 5 years



SEAMLESS PAYMENTS ECOSYSTEM THROUGH DISCOVERY BANK

Discovery Health Medical Scheme members have exclusive access to the Discovery Account, at zero monthly account fees. With the Discovery Account you get:



HEALTH PAY

Instantly settle out-of-pocket expenses at participating GPs, pharmacies and other healthcare providers, without the hassle of submitting claims or reconciliation.



VITALITY PAY AS YOU GYM

Get access to over 170 Virgin Active and Planet Fitness gyms nationwide from R75 per visit, offering members a flexible way to get fit.



VITALITY TRAVEL

Get access to the Vitality Travel platform which unlocks a 10% discount on local and international flights, accommodation and car hire.



[Download the Discovery app](#)

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