



2021 CONTRIBUTION AND VACCINE UPDATE

DISCOVERY HEALTH MEDICAL SCHEME

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KEY TRENDS SHAPING THE HEALTHCARE INDUSTRY IN **2021**

TECHNOLOGY:

*enabling digital healthcare services
leveraging platforms and Big Data*



QUALITY CARE:

*Drive for improved health outcomes
and patient-centric care*



ACCESS TO HEALTHCARE:

*Spotlight on expanding equitable
access to healthcare*






Second order effects of COVID-19 manifest over multiple years



2020 / 2021








SURGE

-  Surge in infections
-  Series of significant waves, widespread outbreaks
-  Increased testing
-  Increased COVID-19 hospitalization and mortality
-  **Vaccine development and production**

2021








EBB & FLOW

-  Ebb and flow in infections
-  Localised, smaller outbreaks
-  Ongoing surveillance and testing
-  Initial impact: Long-Covid and health system catch-up
-  **Widespread vaccination**

2022 / 2023 / 2024



RECOVERY

-  Seasonal/Endemic infections
-  Long-covid sequelae and management
-  Latent non-COVID-19 demand
-  Long-term health implications of behavioural disruption
-  **Booster vaccinations**

Physical and mental wellness

EARLY DISRUPTION OF SECOND ORDER EFFECTS CAN CREATE MULTI-YEAR ADVANTAGES

Discovery Health's response to second order COVID-19 effects



INNOVATING TOWARDS BETTER HEALTHCARE

Leveraging key COVID-19 trends to improve healthcare delivery



MANAGING UTILISATION DISCONTINUITY

Balancing the equilibrium of COVID-19 uncertainty to create greater value for members



DISCOVERY VACCINATION PROGRAMME

Supporting an efficient and differentiated vaccine rollout for all South Africans



OFFERING GREATER VALUE

Differentiated benefits to create more value for members



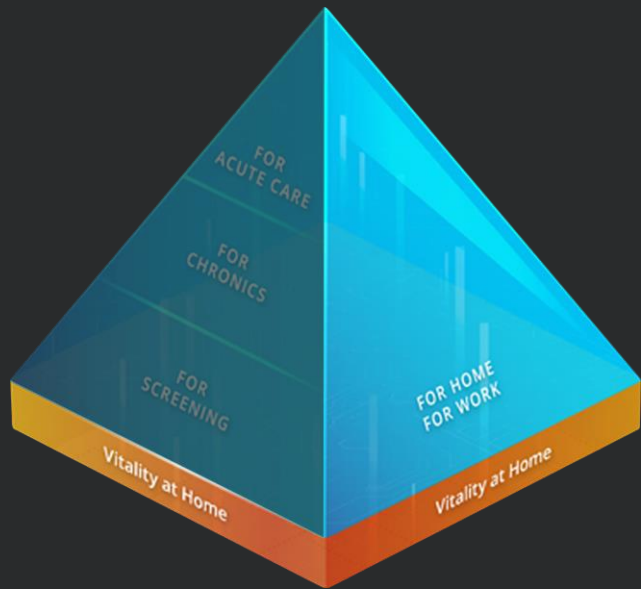
DHMS transforms healthcare delivery for members across the care continuum



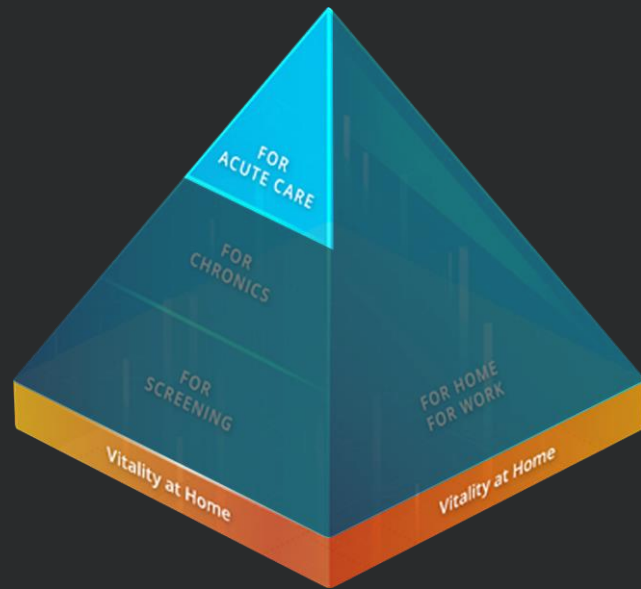
For Home | For Work
Available since 1 April

For Acute Care
Testing underway

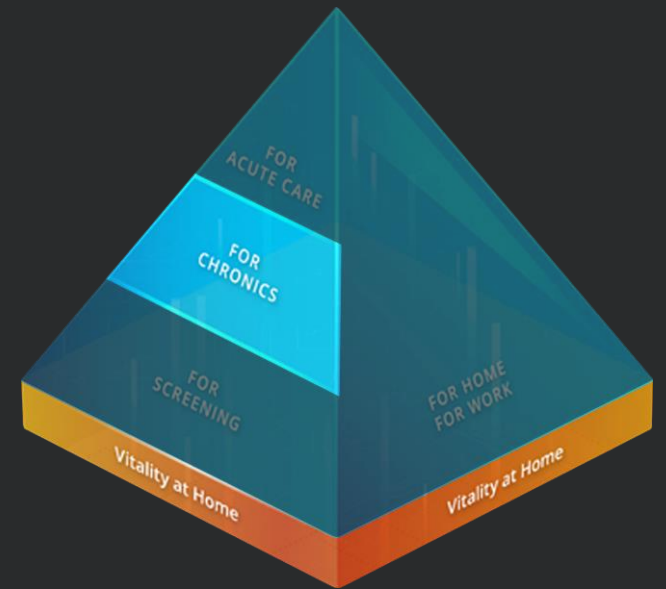
For Chronics
Coming soon



On-demand medical examinations
Virtual consultations
E-scripting



Sophisticated clinical insights
Tools for healthcare professionals
Remote monitoring devices



Educational material
Remote monitoring devices
Personalised coaching consultations



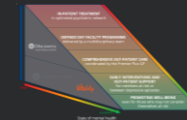
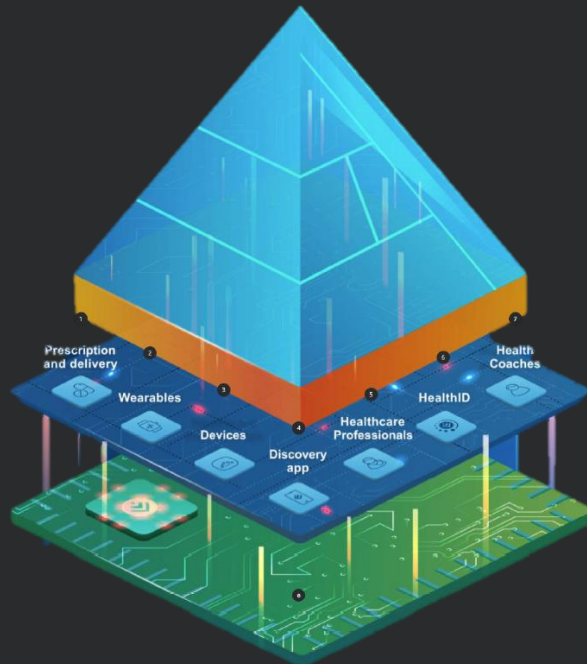
2021 innovation leverages industry trends to deliver better healthcare for members



Enabling digital healthcare services leveraging platforms and Big Data

Benefit enhancements driving improved health outcomes

Available since 1 April to all **DHMS** members



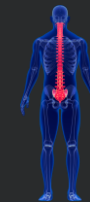
Mental health programme

285

Psychologists in mental health network

8x

Increase in MH programme enrollments



Spinal Surgery network launched February 2021

55

hospitals

760

admissions

DHMS Contribution Freeze created substantial benefit for members

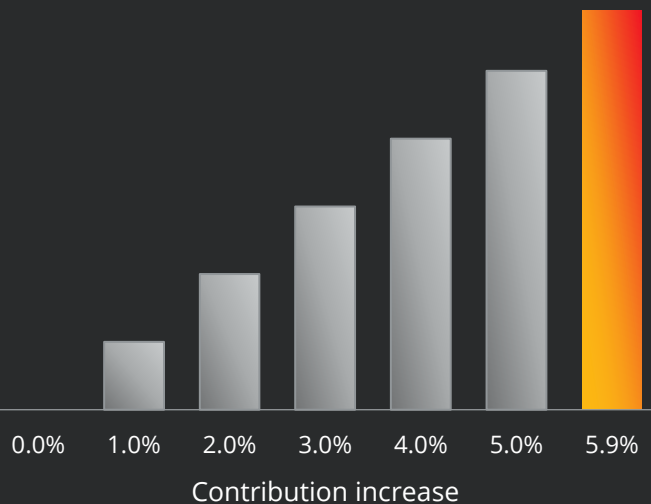


Financial relief for members

~R2.2bn

Saved for members through the Contribution Freeze

Value of the 2021 Contribution Freeze

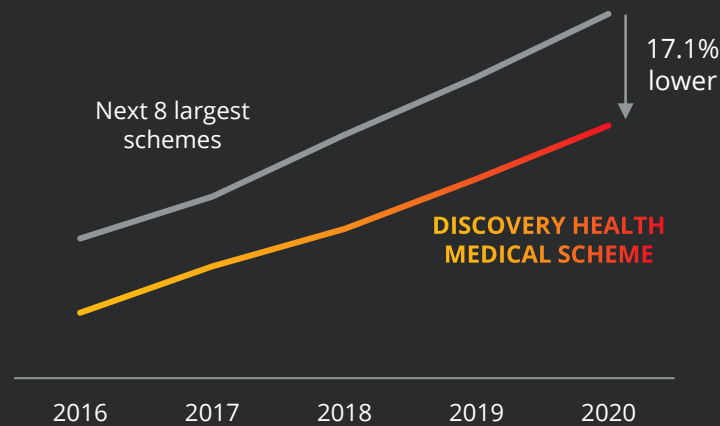


Enhanced value for 2021

17.1%

Average contribution differential between DHMS and other schemes in the industry extended in 2021

Cumulative contribution increases (2009 - 2020)

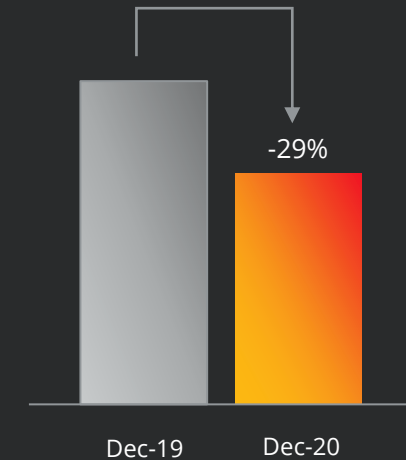


Improved year-end persistency

-29%

Lower withdrawal levels over 2020 year-end

Year-end withdrawals



DHMS new growth represents a flight to quality



Higher quality growth on DHMS in 2021

Driven by healthy demographic profile

On effectively priced plan options

+13% increase in good quality lives joining DHMS

Younger new joiner profile

Strong new growth on effectively priced plan options

New lives represent high quality growth

Open Industry

DHMS

29.1

25.7

Average age

Average age

2021 Q1 new growth

17 000 >17 000

x2.1

Surplus: New lives

Surplus: Existing lives

Net surplus 2021



Healthier new joiner chronic profile

Open Industry

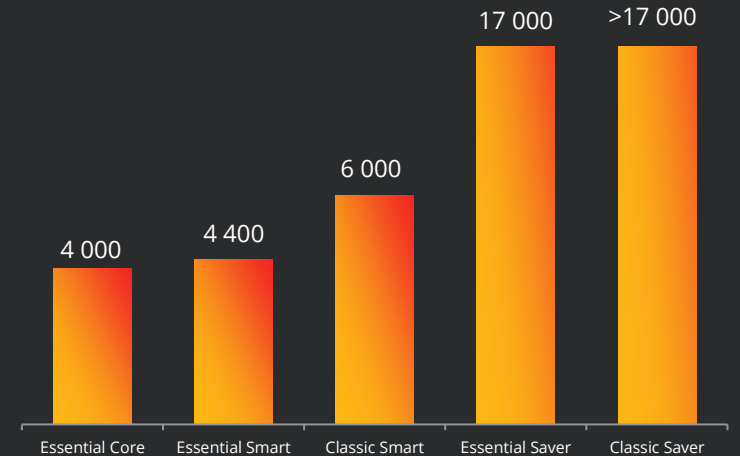
DHMS

12.3%

6.3%

Chronic ratio

Chronic ratio



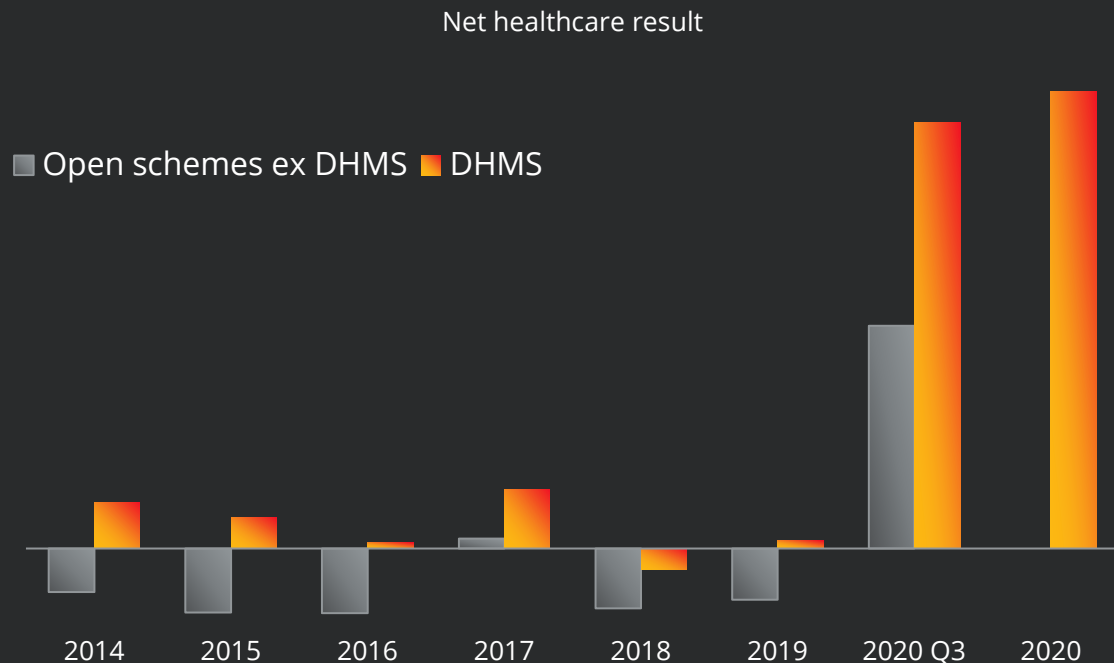
Exceptional industry leading growth on Saver and Smart plans

DHMS is well-placed to manage the healthcare utilisation uncertainty in 2021 and beyond



Favourable 2020 DHMS performance

R7.5bn DHMS unaudited net healthcare result 2020



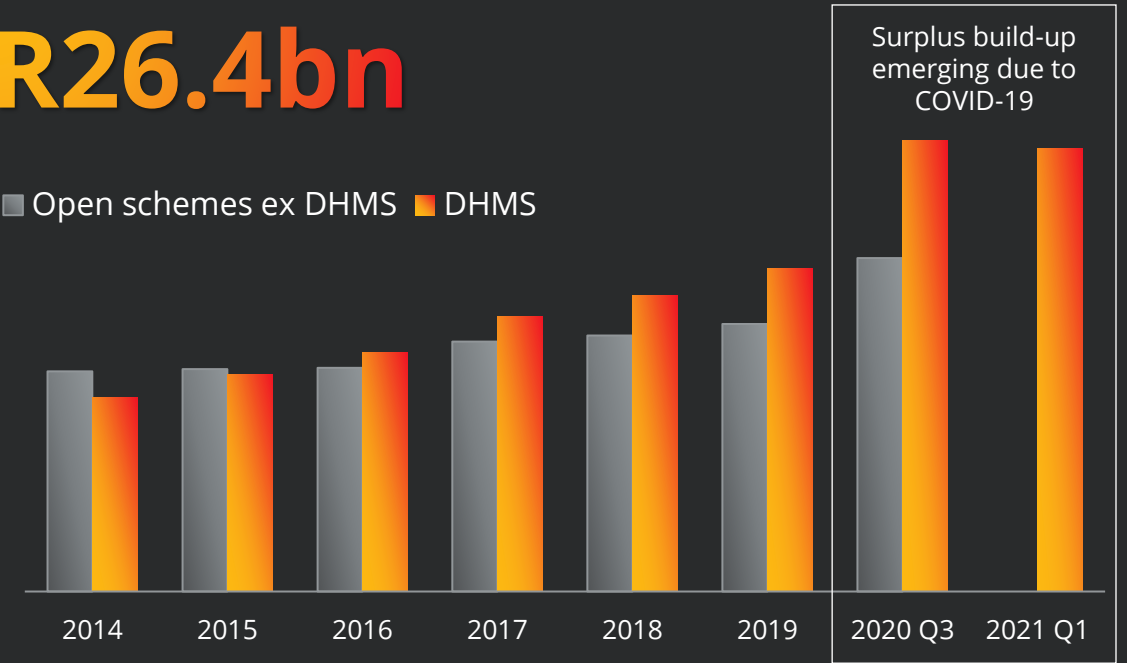
Strong security and surplus to manage utilisation volatility in 2021

AAA Credit rating

35.8% unaudited solvency

R26.4bn

Open schemes ex DHMS | DHMS



Discovery Health's response to second order COVID-19 effects



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Ongoing healthcare uncertainty from future COVID-19 outbreaks



Factors influencing COVID-19 future outbreaks



COVID Wave = $(1 - \text{Immunity}) \times P(\text{contact}) \times \text{Risk Index}$

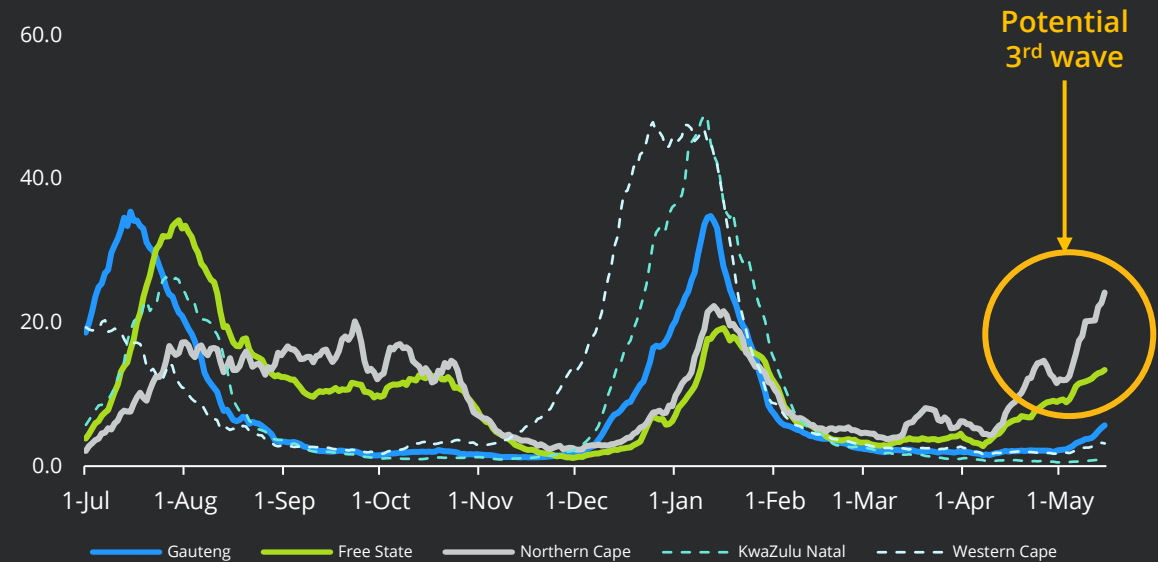
- | | | |
|-------------------|----------------------|------------------|
| Herd immunity | Behaviour | Resilience index |
| Reinfection rates | COVID-19 variants | |
| Vaccines | Community prevalence | |

~55-65% of population already infected in major regions

⇒ R0 < 2.5 will avoid third waves

Regions showing signs of localised surges

Attack rate (17th of May 2021)



Pick-up test rates	Target for control	Northern Cape	Free State	Gauteng
	3-5%	21.2%	14.8%	10.7%

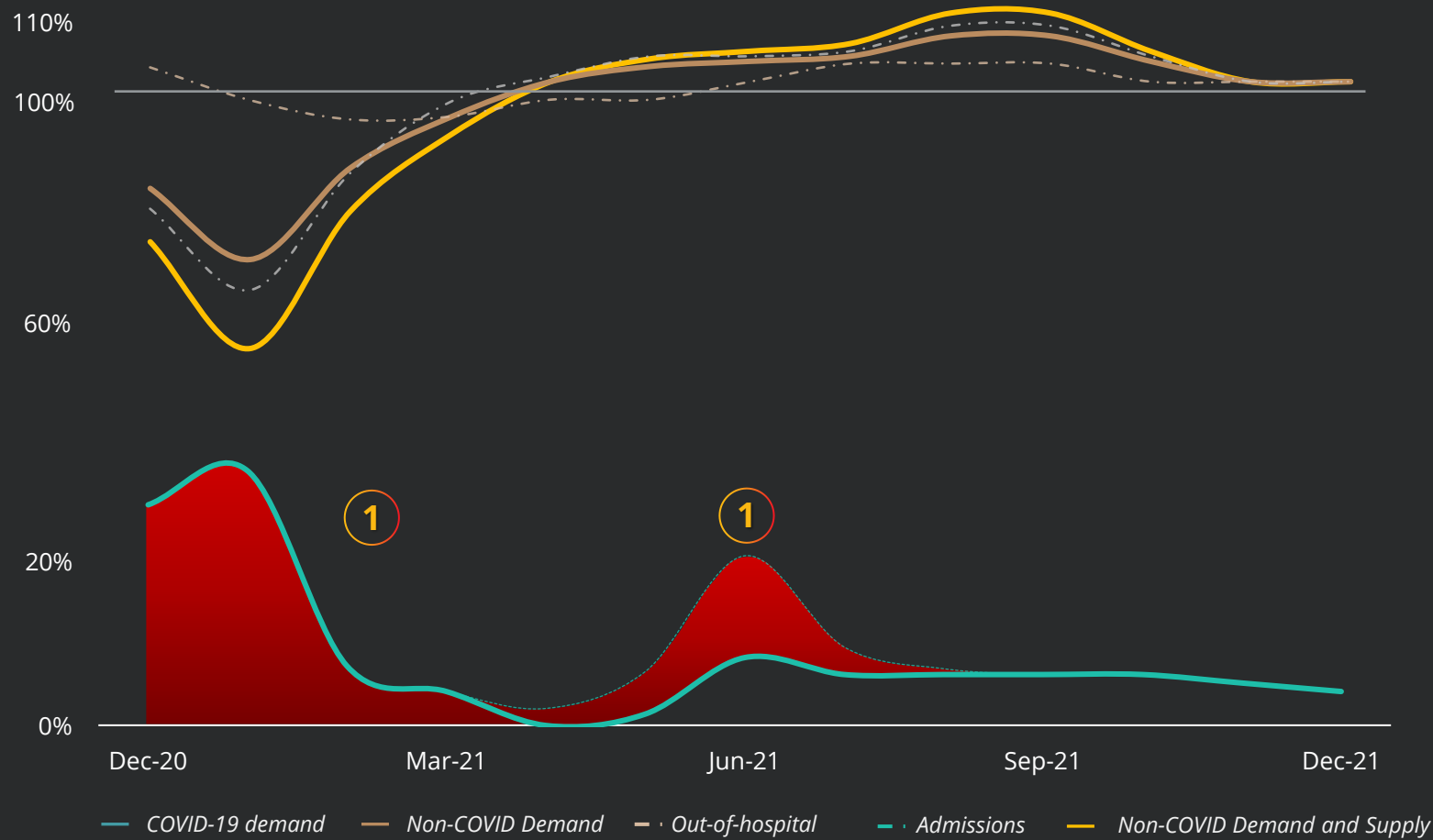
(14th of May 2021)

Fluctuations in healthcare demand expected over 2021

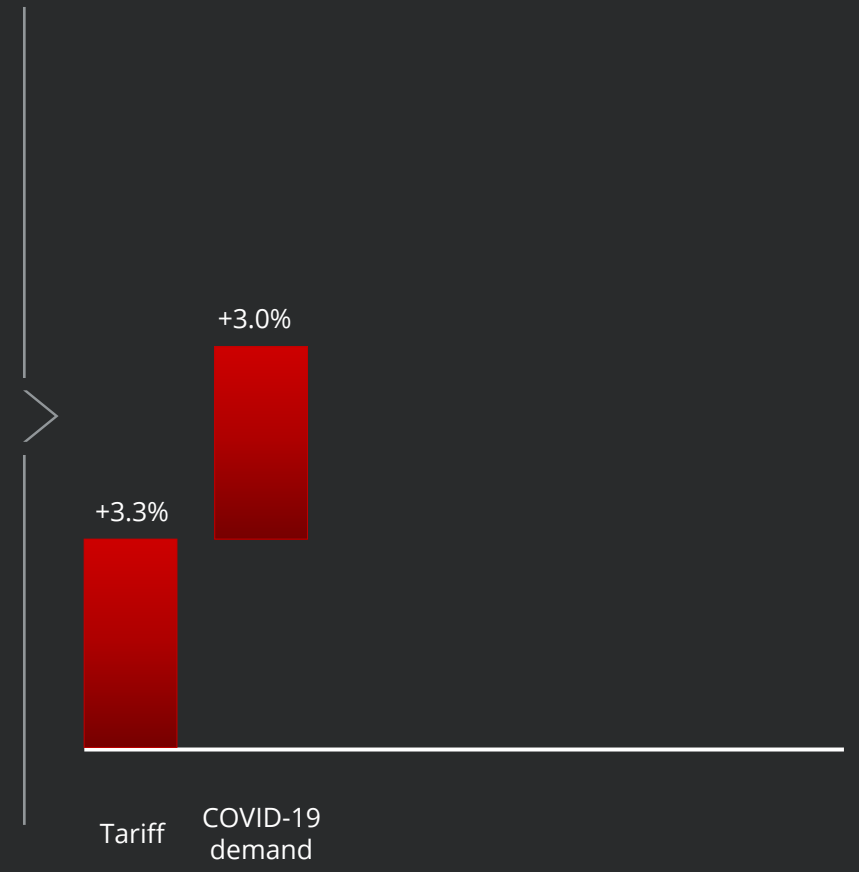


Healthcare Utilisation 2021

1 COVID-19 healthcare demand from 2nd and subsequent waves



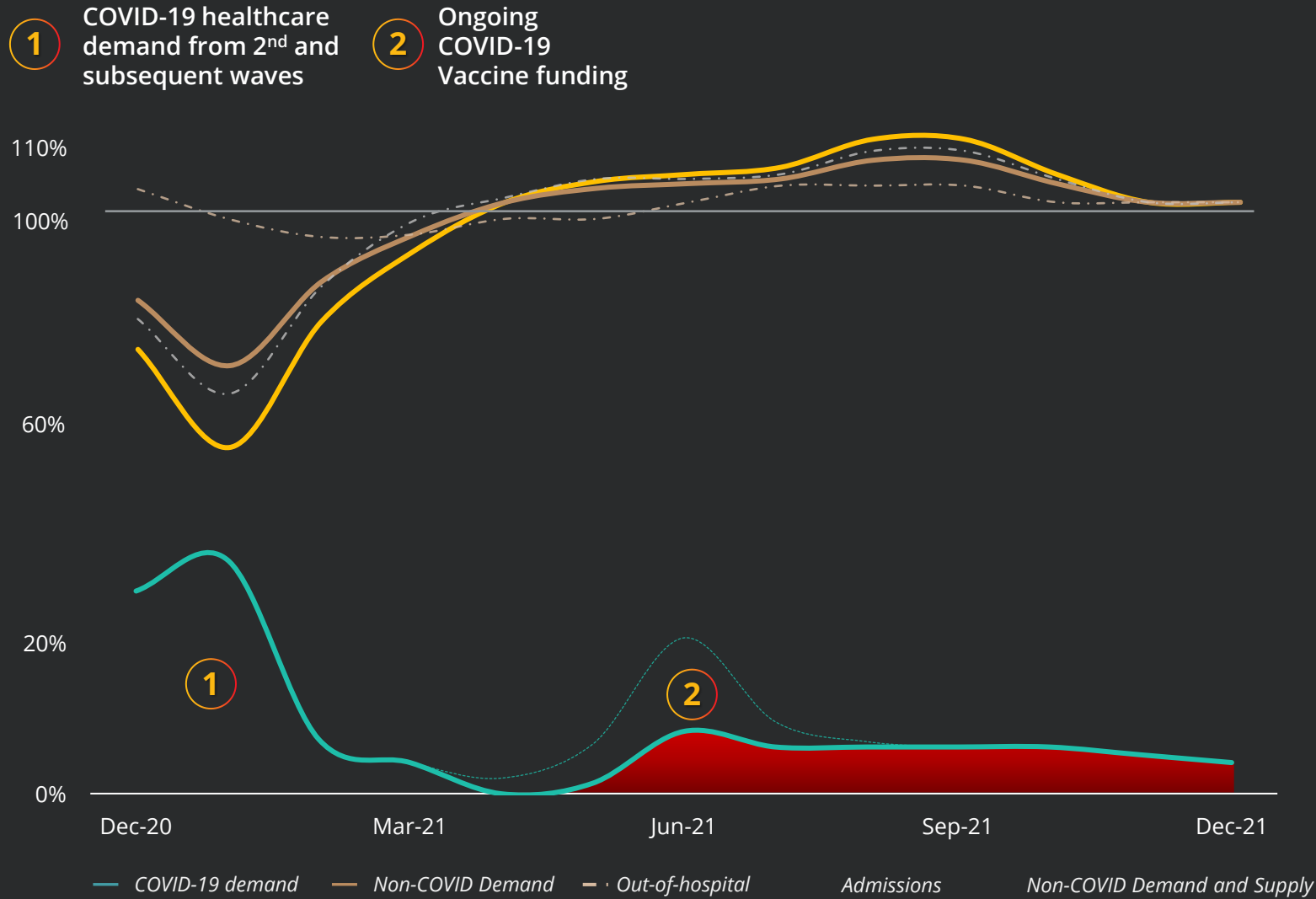
Components of healthcare inflation



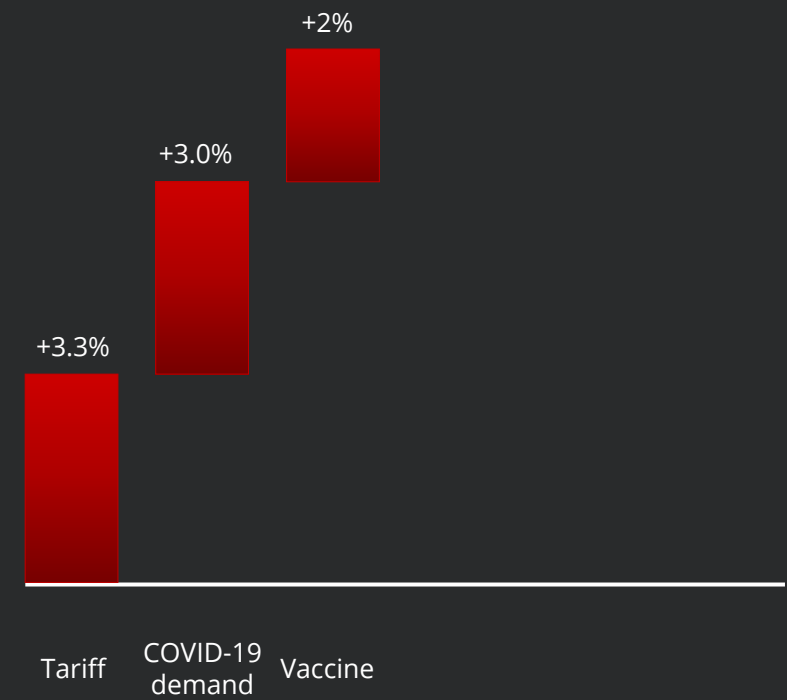
Fluctuations in healthcare demand expected over 2021



Healthcare Utilisation 2021



Components of healthcare inflation

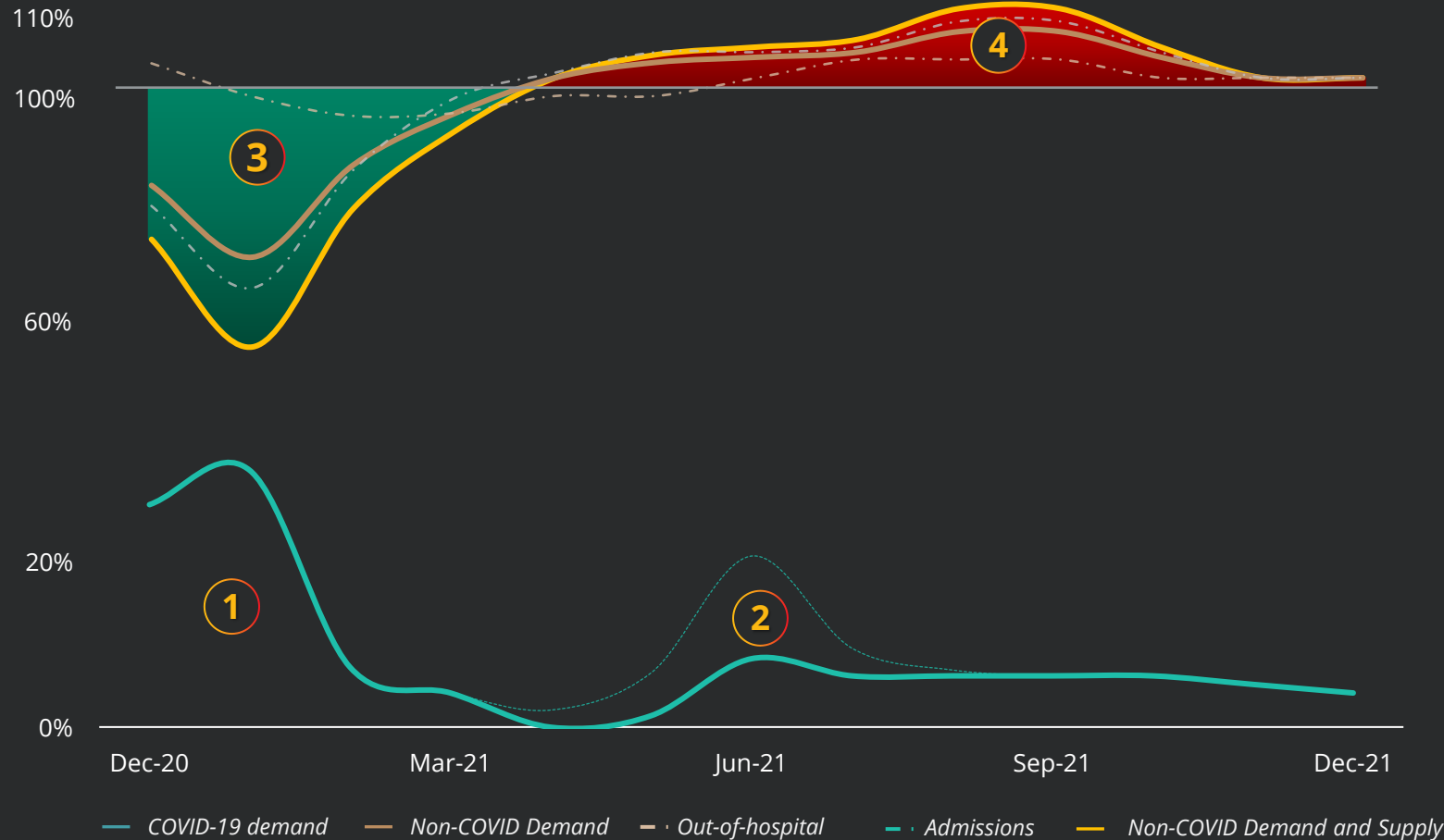


Fluctuations in healthcare demand expected over 2021

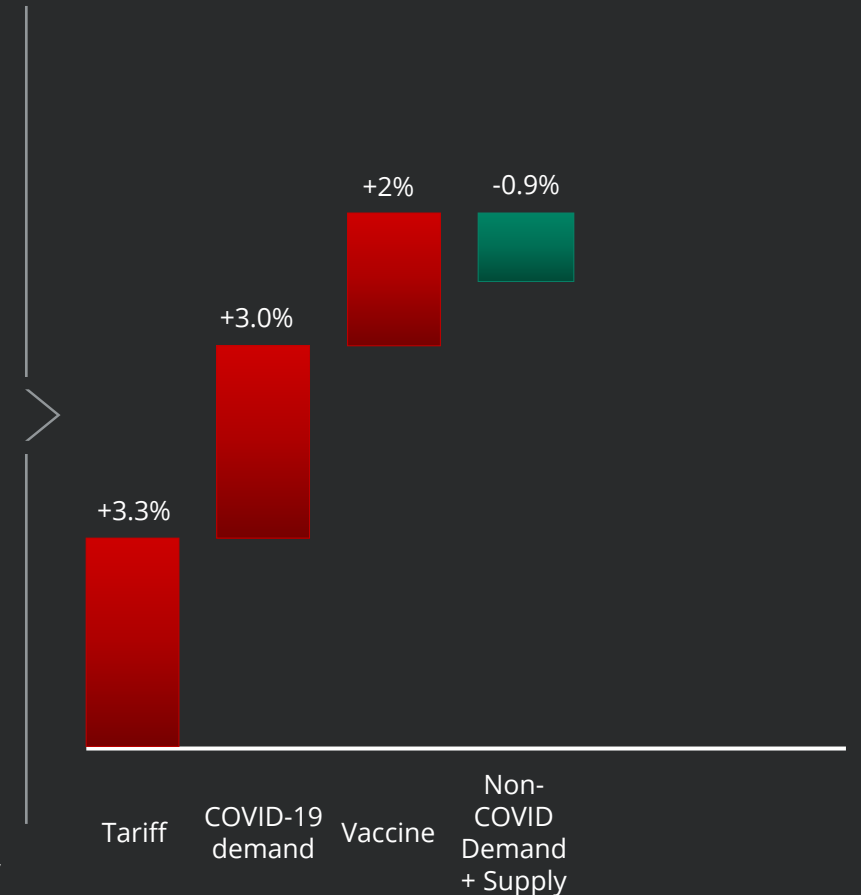


Healthcare Utilisation 2021

- 1 COVID-19 healthcare demand from 2nd and subsequent waves
- 2 Ongoing COVID-19 Vaccine funding
- 3 Reduced non COVID-19 demand and supply
- 4 Return of latent non-COVID demand and supply



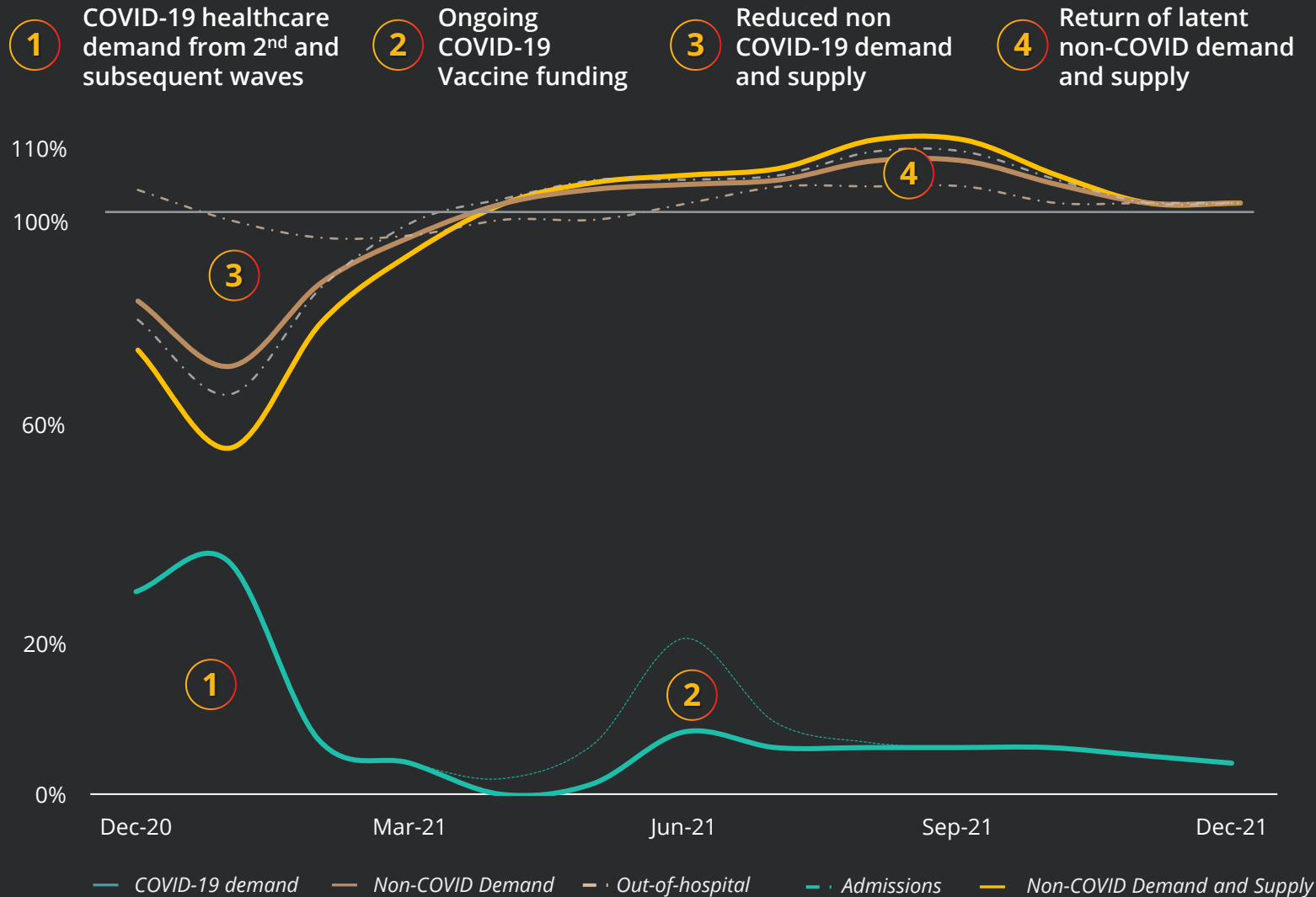
Components of healthcare inflation



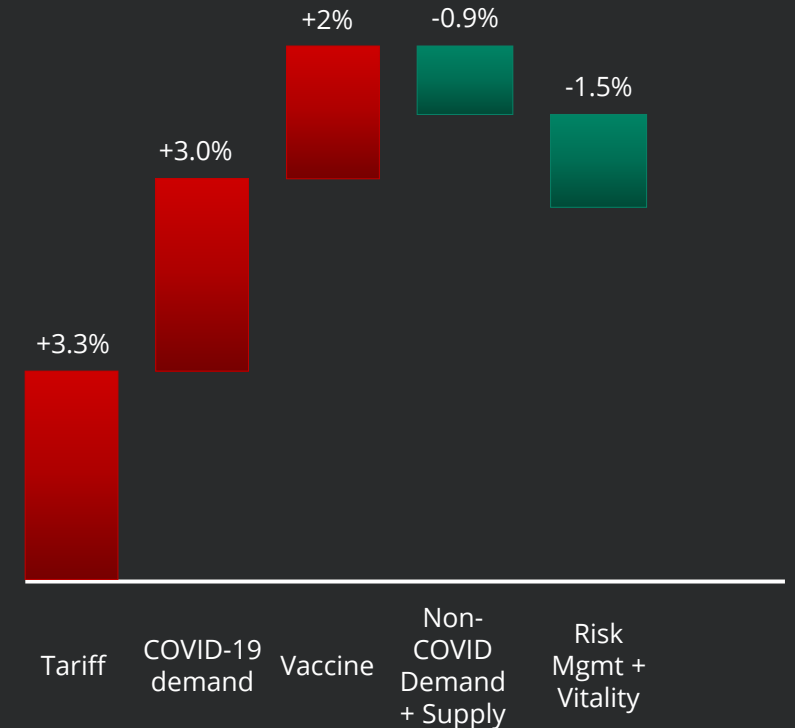
Fluctuations in healthcare demand expected over 2021



Healthcare Utilisation 2021



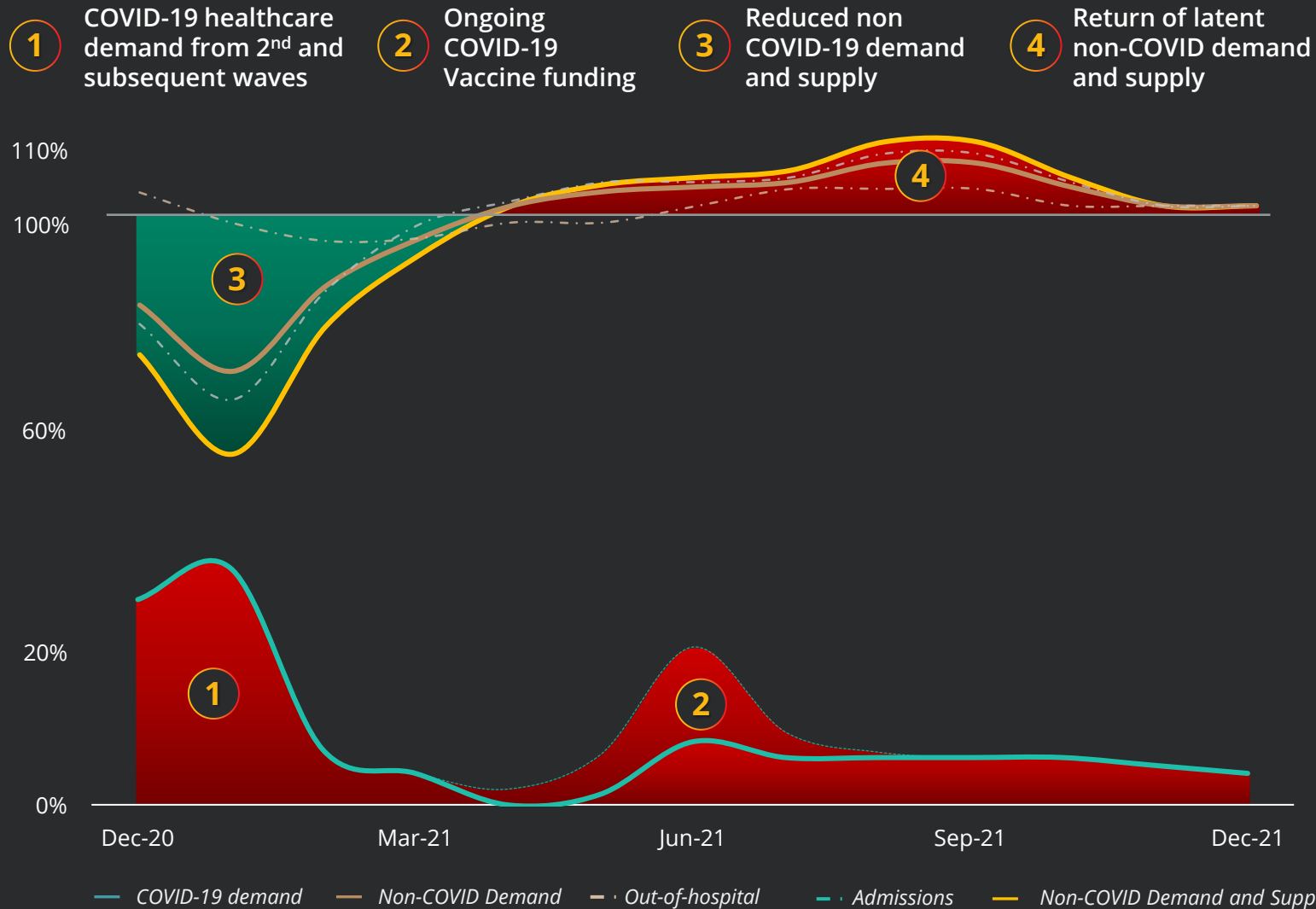
Components of healthcare inflation



2021 Deferred contribution increase

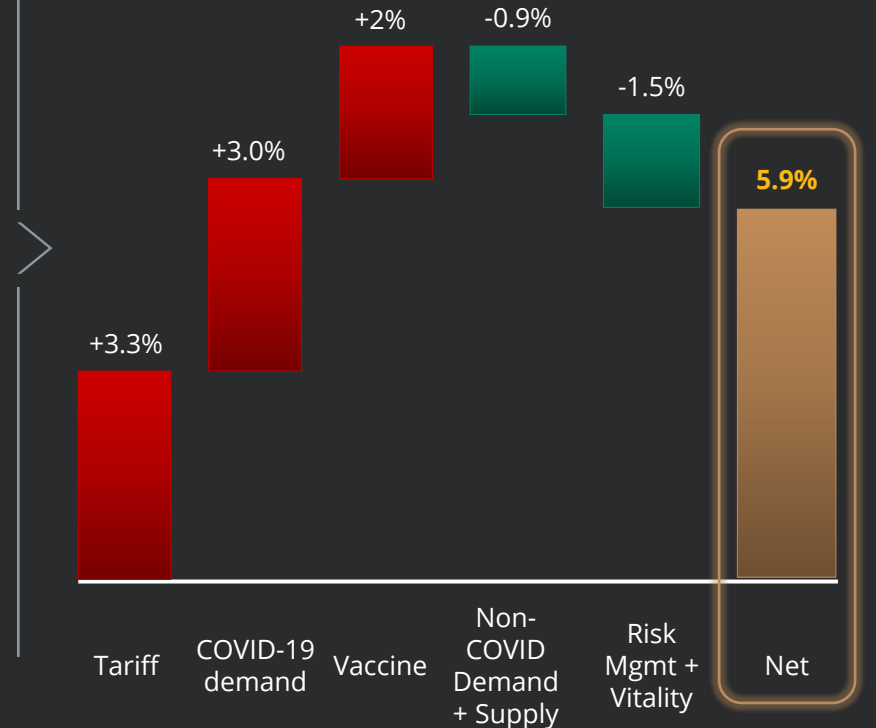


Healthcare Utilisation 2021



5.9% INCREASE ACROSS ALL PLANS

WEIGHTED AVERAGE: 2.95%



Details of the 2021 Deferred contribution increase



Contribution update

FLAT 5.9% INCREASE ACROSS ALL DHMS PLANS

Applicable from 1 July 2021



Benefit update

MEDICAL SAVINGS ACCOUNTS INCREASE BY 5.9%

Savings accounts will increase by 5.9% of the annual savings allocation

ABOVE THRESHOLD BENEFIT CONCESSIONS WILL APPLY

Members who have reached ATB will remain in ATB and benefit from the additional 5.9% MSA increase

NO CHANGES TO LIMITS, DEDUCTIBLES, CO-PAYMENTS AND THRESHOLDS

Increased by 4% in January 2021, no further increase will apply



Plan choice update

MID-YEAR UPGRADES WILL BE ALLOWED

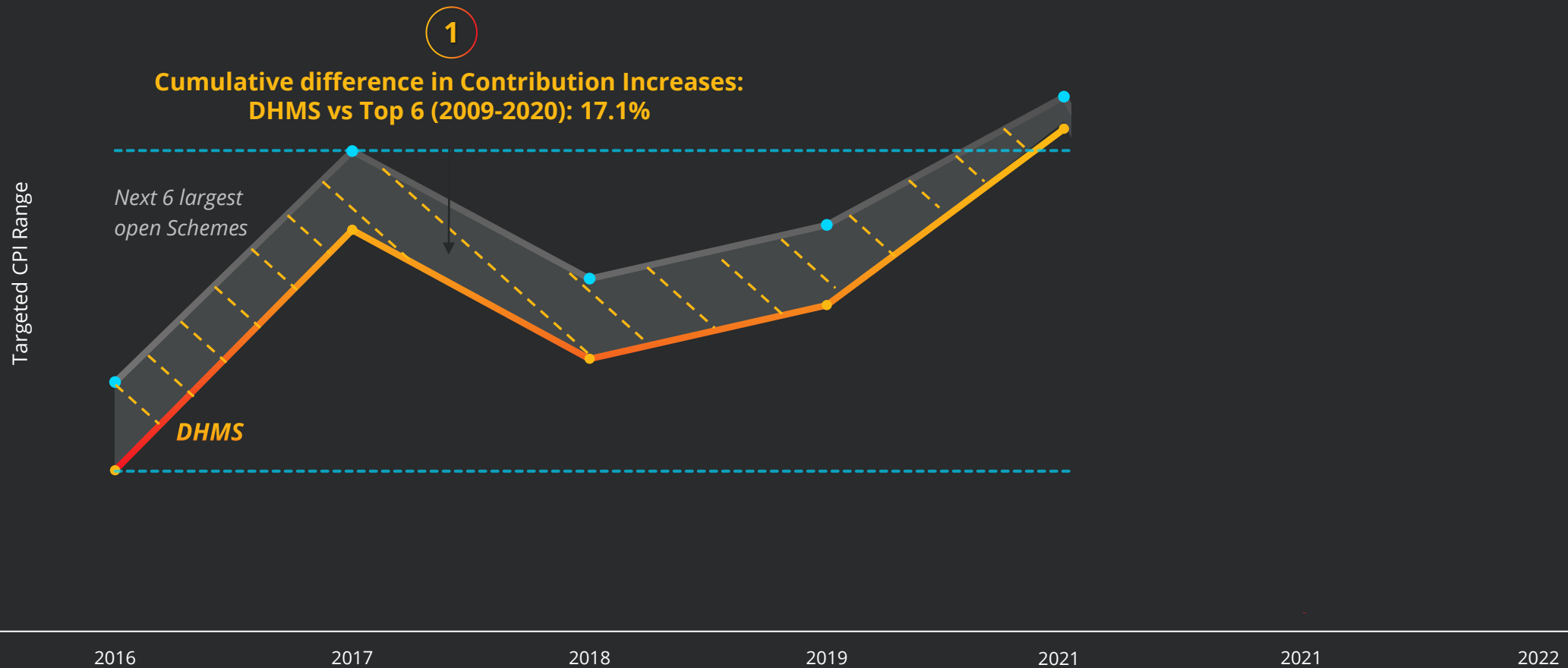
Upgrades effective from 1 July 2021

Deadline for upgrades: 15 June 2021

Managing Healthcare Costs in 2022 and Beyond



DHMS' weighted contribution increases have consistently been below industry levels

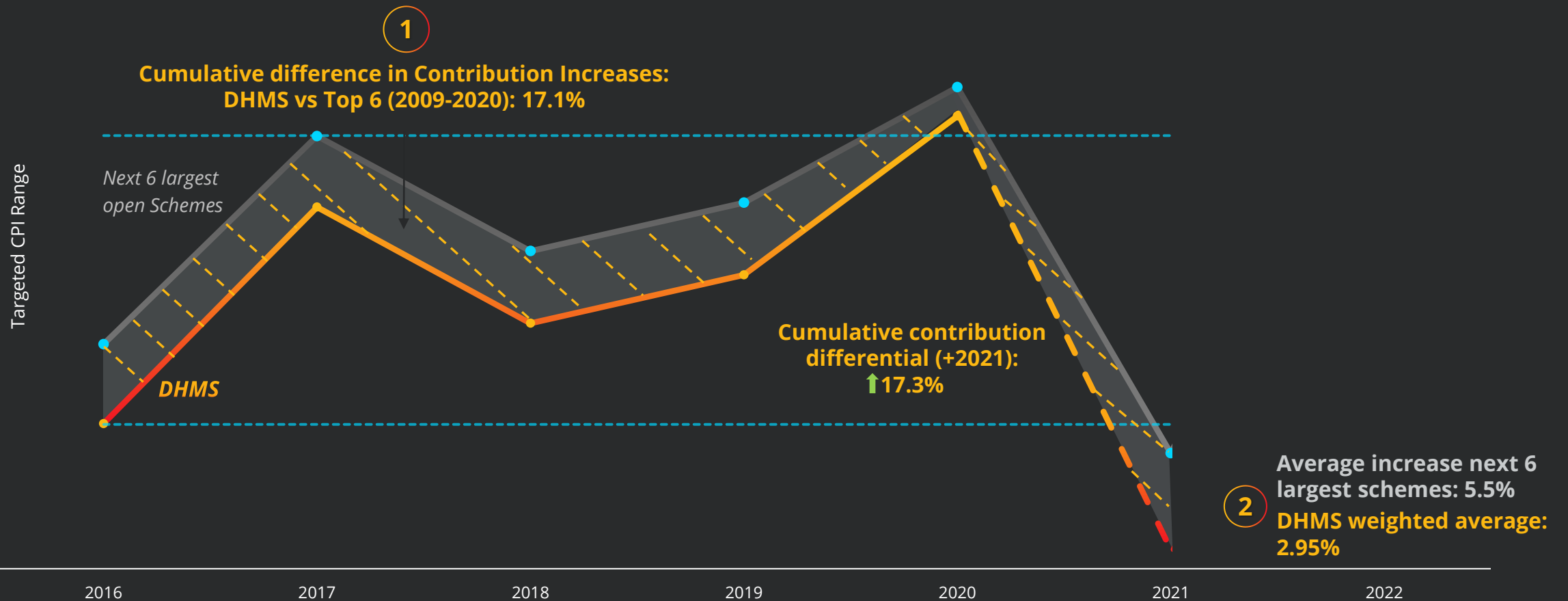


Managing Healthcare Costs in 2022 and Beyond



DHMS' weighted contribution increases have consistently been below industry levels

DHMS contribution freeze increases weighted average contribution differential in 2021



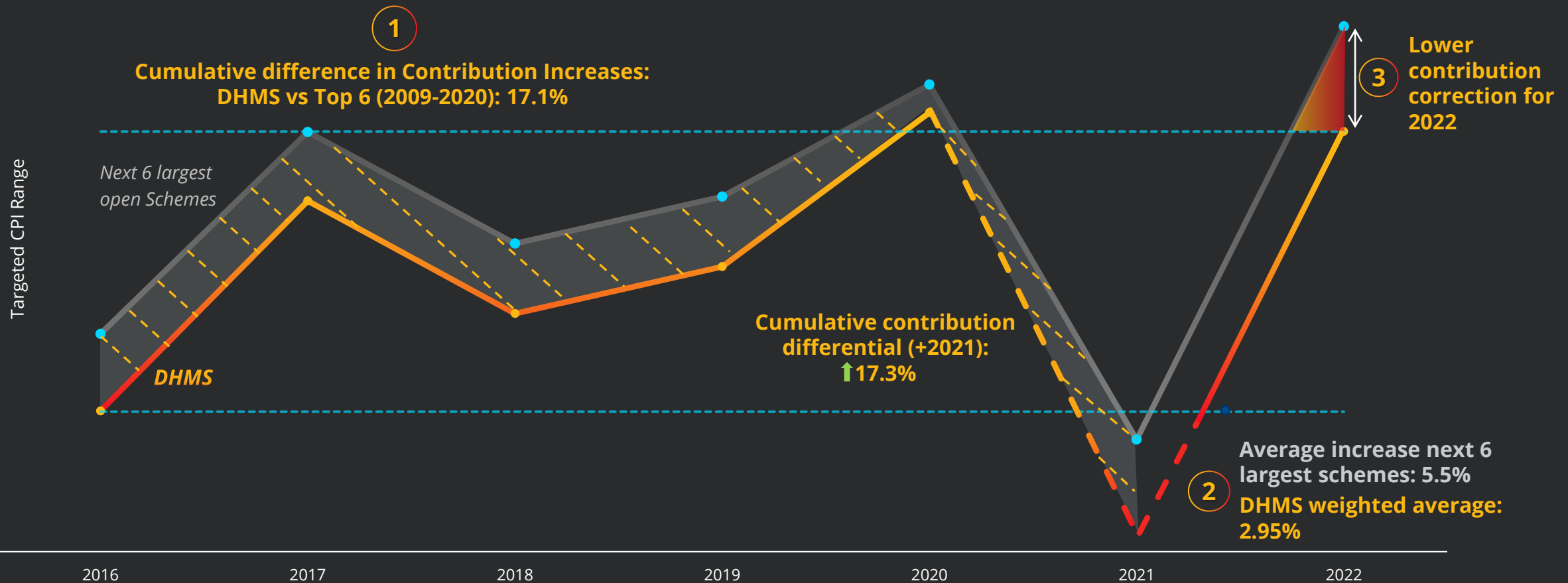
Managing Healthcare Costs in 2022 and Beyond



DHMS' weighted contribution increases have consistently been below industry levels

DHMS contribution freeze increases weighted average contribution differential in 2021

Future pricing corrections on DHMS will be lower than industry to reflect anticipated post-COVID-19 experience



Impact of the 2021 Contribution Freeze Strategy

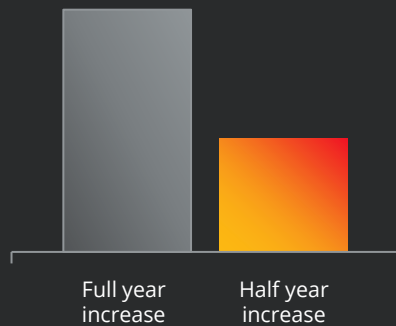


Financial relief
for members

R2.2bn

worth of contribution saved
for DHMS members

Increase in contributions

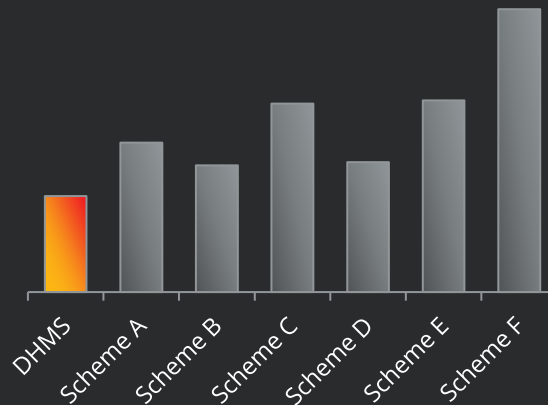


Enhanced value
for 2021

2.95%

lowest weighted average increase
felt by all medical scheme
members in 2021

2021 weighted average increases

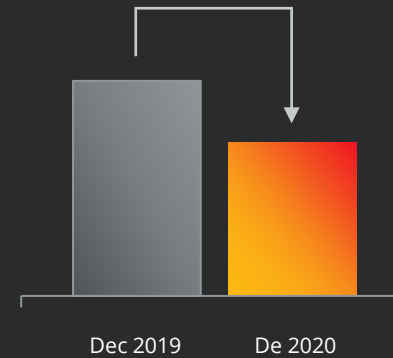


Improved
year-end retention

-29%

lower withdrawal levels
over 2020 year-end

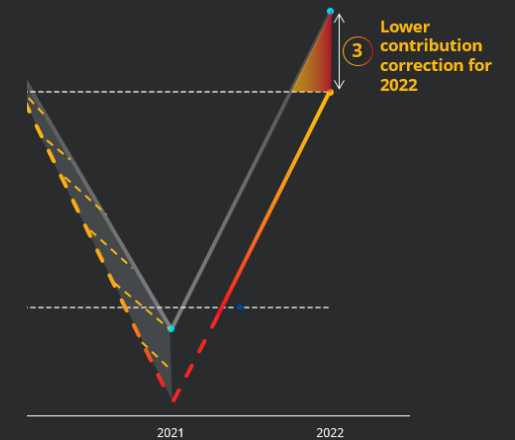
DHMS Withdrawals



Smoothed future
healthcare inflation

**Lower contribution
correction**

required to match future
healthcare inflation



Discovery Health's response to second order COVID-19 effects



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OFFERING GREATER VALUE

Differentiated benefits to create more value for members



The national vaccine programme | Priority groups, throughput capacity and vaccine supply

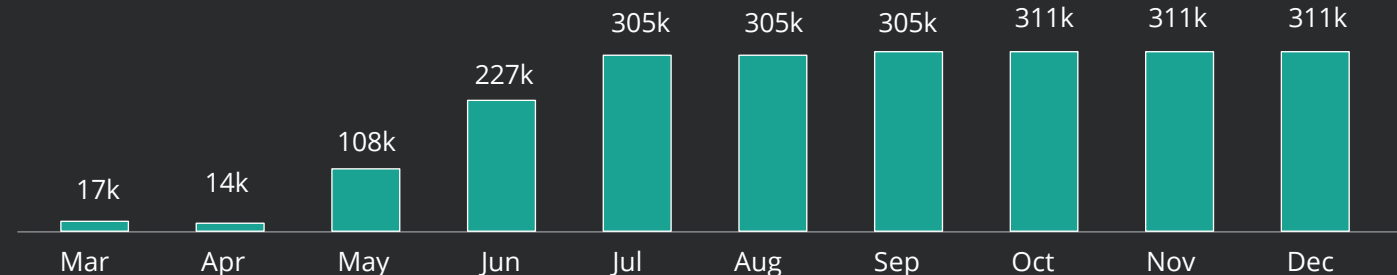


Population risk segmentation

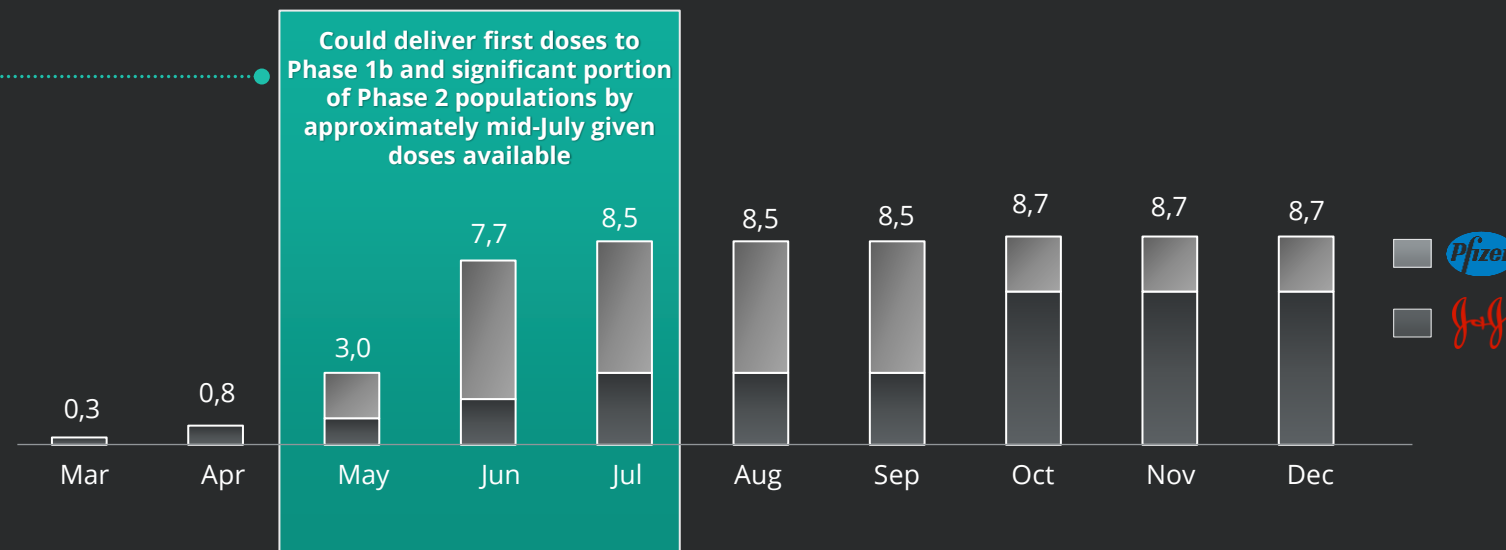
People	Phase	DSY	All
Sisonke (complete)	1A	TBC	0.3
Healthcare worker balance	1B	TBC	0.4
+60 yrs	2	0.6	5.5
50 - 60 yrs	2	0.5	4.8
Sub-total (Phase 1 & 2)	-	1.1	10.7
40 - 50 yrs	2	0.7	6.9
18 - 40 yrs	3	1.3	23.5
Total adults	-	3.1	41.0
12 - 18 years	-	0.3	6.3

*As at 4 May 2021

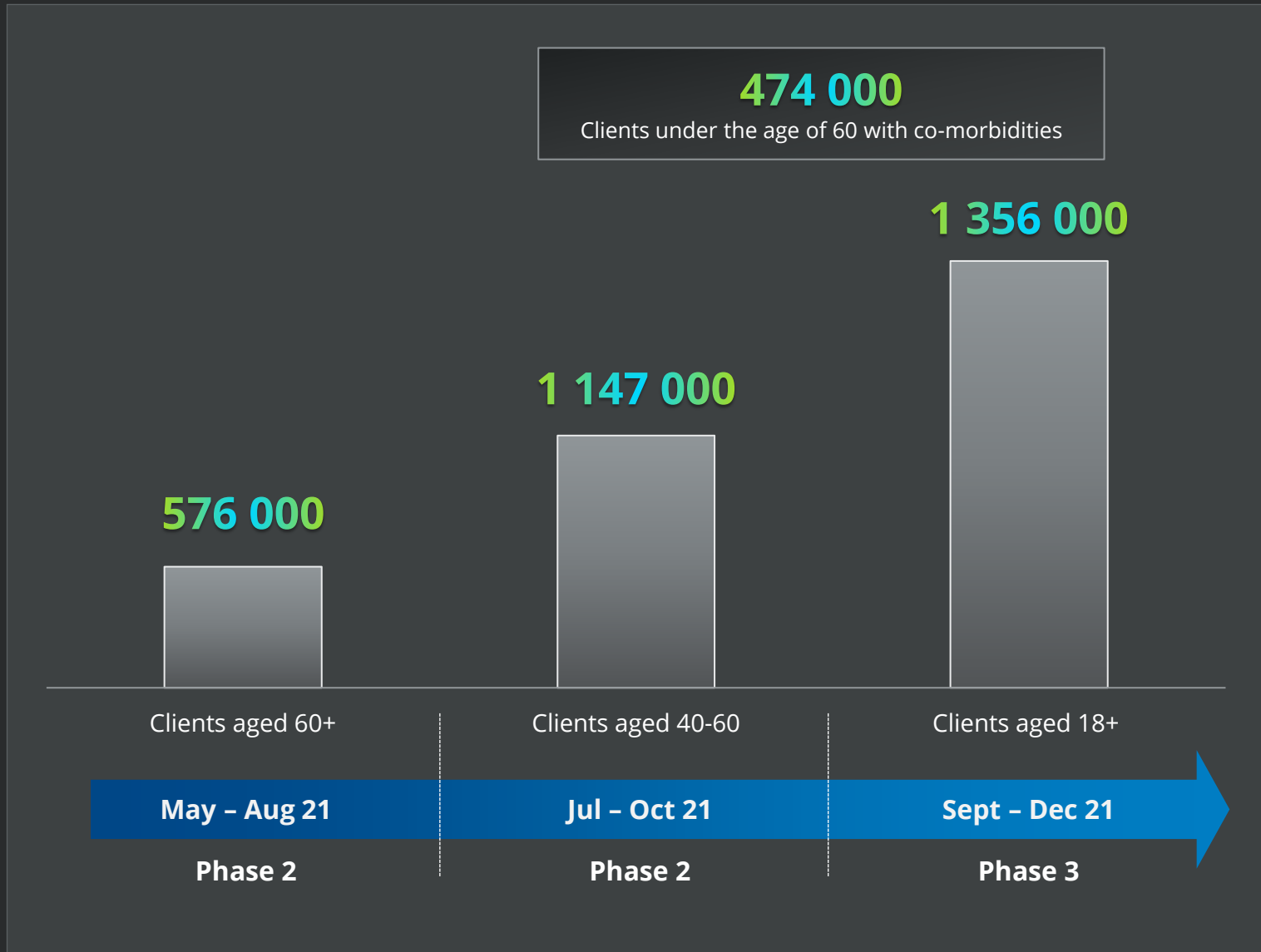
Daily vaccination rate based on minimising a third wave, *doses per day*



Vaccine Supply, *million doses*



Discovery vaccination programme overview



3.1m Discovery adult population clients

5.5m assuming mix of vaccines and a 80% take-up of Discovery clients

40 000 vaccinations / day during Phase 3

0.8-1m vaccinations per month. Objective of getting everyone vaccinated in 5-6 months

Discovery vaccination sites and partner provider network designed to deliver up to 40,000 vaccinations per day at the peak of the rollout



40 000

Vaccinations per day at full capacity to reach the target number of doses by 31 December 2021

DISCOVERY VACCINATION SITE NETWORK

Mass vaccination sites



~5 000

1

Virgin Actives



~750

21

1 Discovery Place



~3 000

1

Discovery Cape Town Office



~1 000

1

Up to 25 000 doses

PARTNER PROVIDER NETWORK



Up to 15 000 doses

Vaccinations / day / site

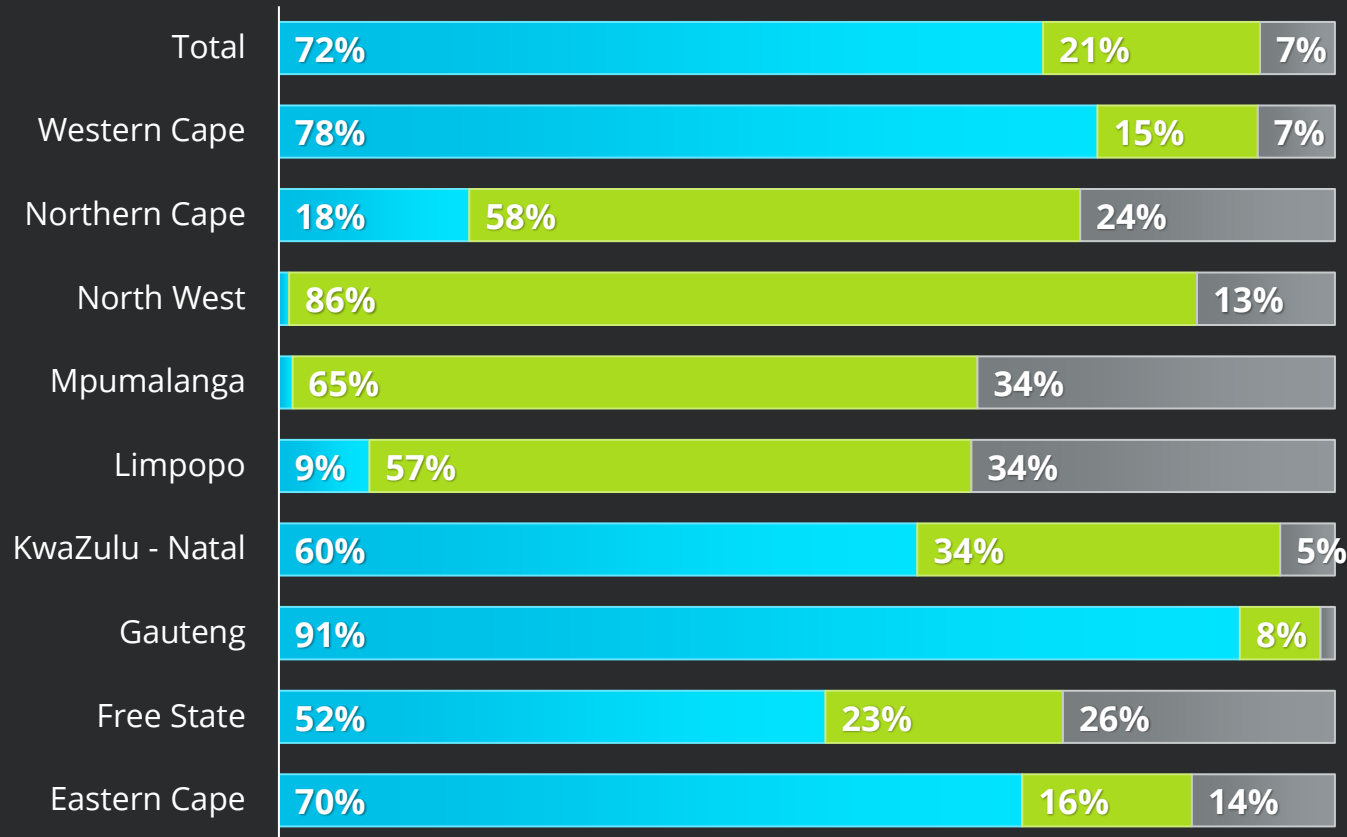
Number of sites

First of the Discovery and partner provider sites to open in May 2021

Network designed so that 93% of clients will have access to a Discovery or provider partner site within 20km



Proportion of Discovery Clients who have a site within 20km



■ Virgin Active or Discovery Offices
 ■ Provider Partner
 ■ GP Network



72% of clients will be within 20km of a **Virgin Active or a Discovery Office**

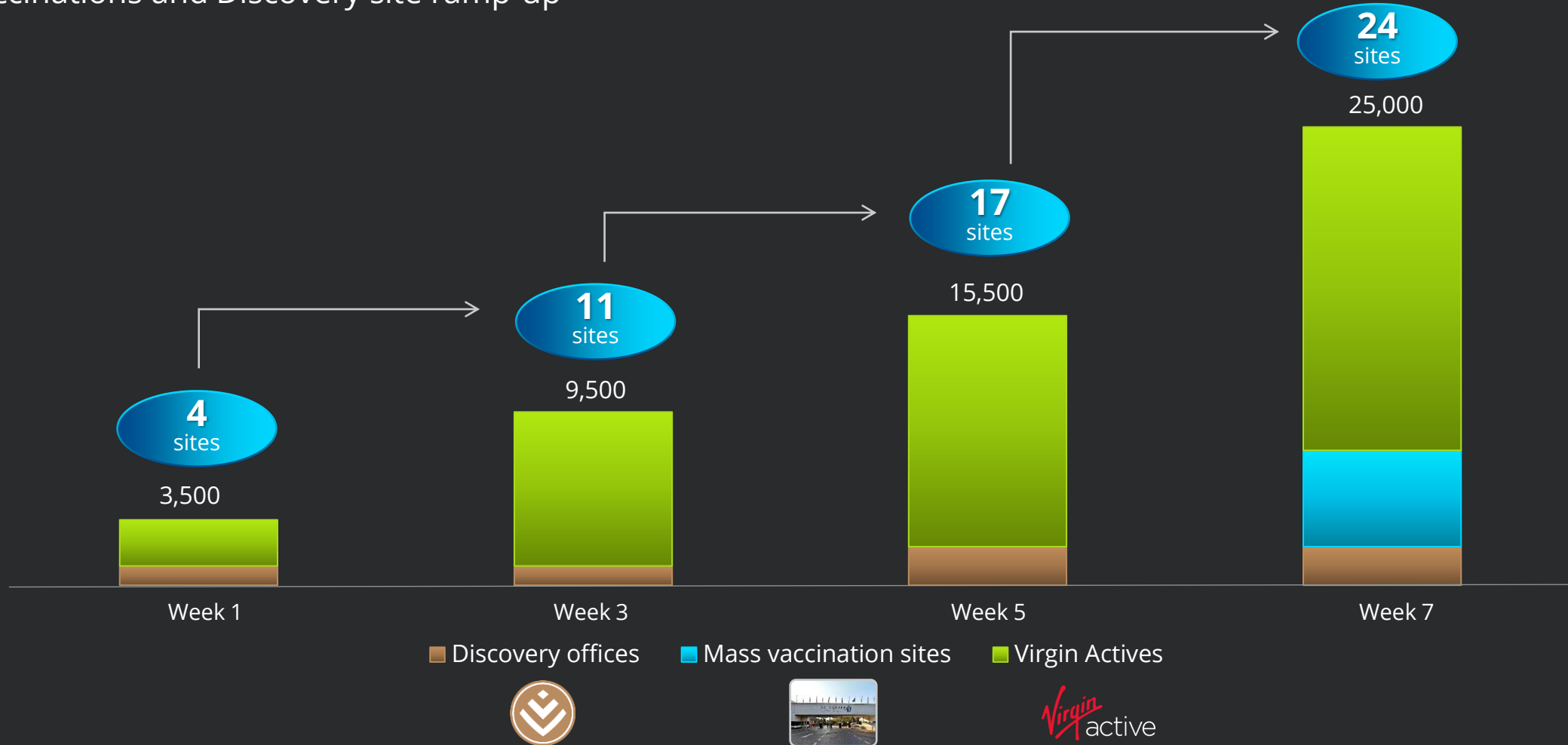
Increases to **93%** when including **pharmacy and hospital partners**

GP partner capacity will be important in most provinces

Sites scale-up to 25 000 vaccinations across 24 sites per day by July



Daily vaccinations and Discovery site ramp-up



Provider partners scale-up in parallel



Discovery COVID-19 vaccine information hub

Benefits

FAQs

Myth busters

Speak to the experts

Vaccine rollout tracker

Registration portal

PROVIDER PARTNERS



LARGE VACCINATION SITES



Differentiated
DISCOVERY
experience

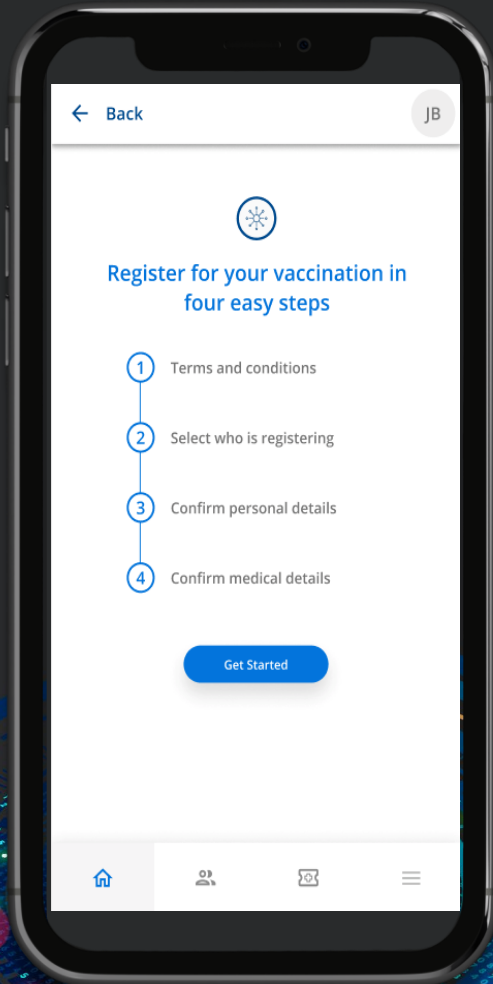
Vaccination certificate

Follow-up reminder

Service

Data and reporting

Digital registration and booking portal through the Connected Care platform



Seamless member experience



Works alongside and in support of the Department of Health's National Electronic Vaccine Distribution System (EVDS)



Identification on arrival, tracking and reminders for second doses, and follow-up



Digital copy of vaccine certificate

Digital vaccine registration portal



Register on Connected Care's COVID-19 Vaccination Navigator

1

Select who is registering

2

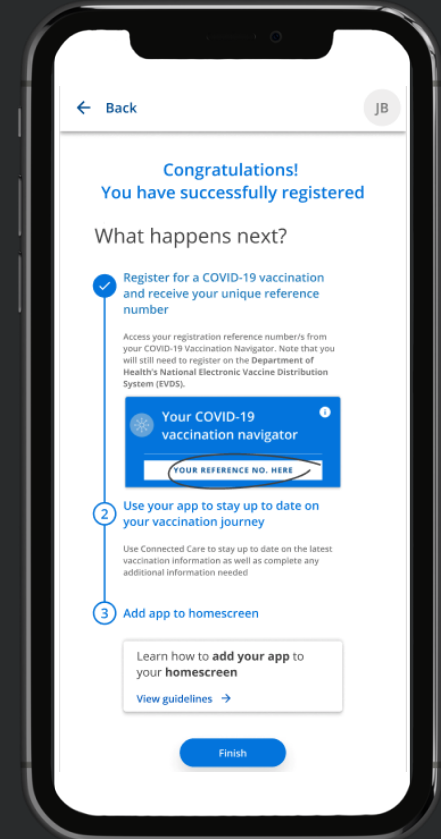
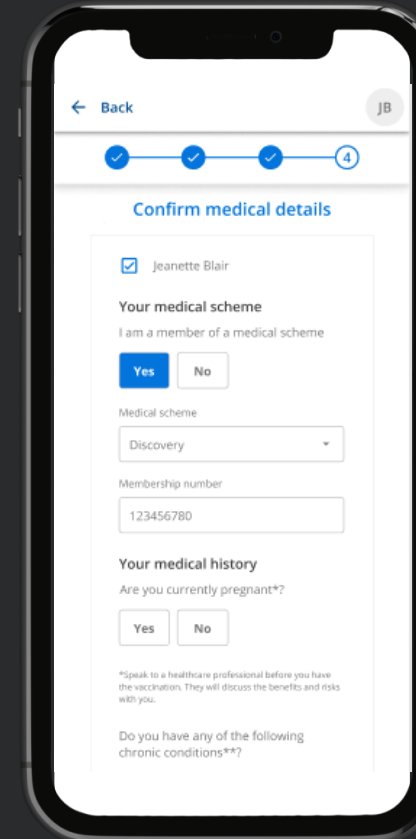
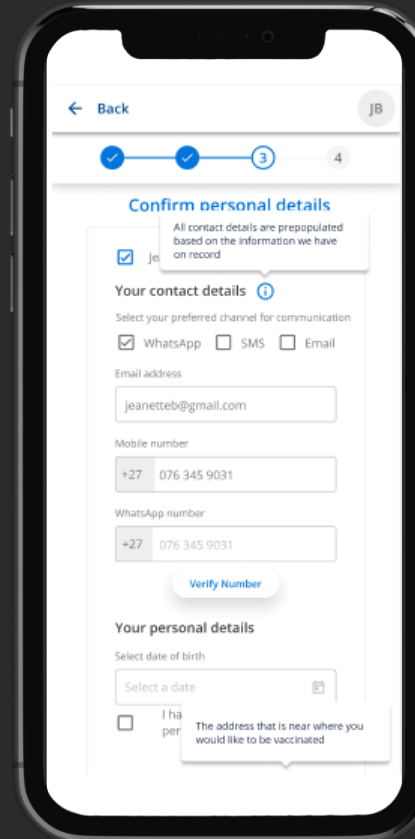
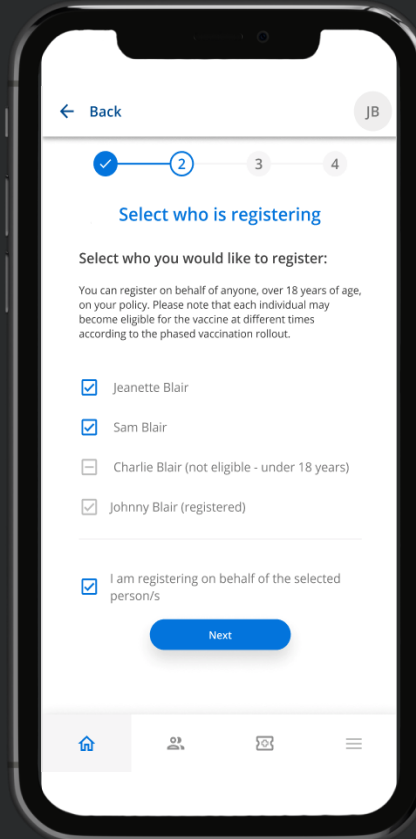
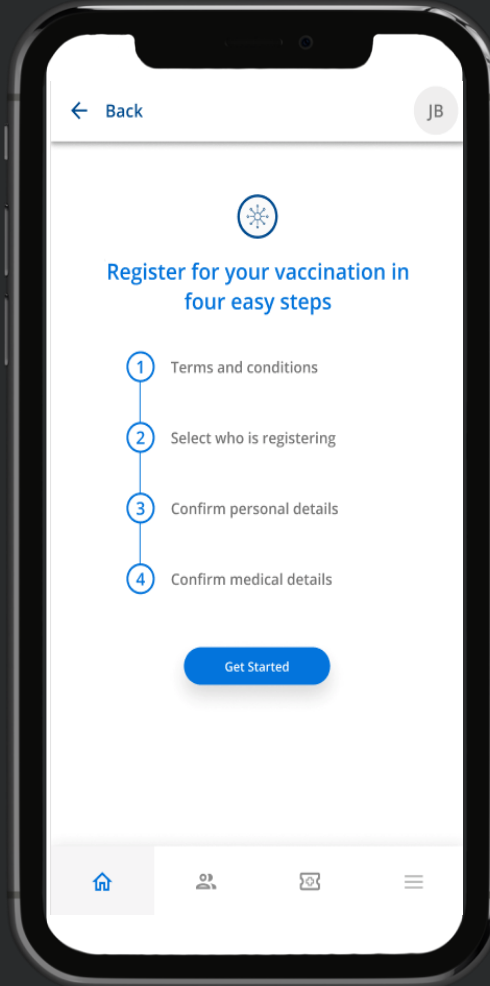
Confirm personal details

3

Confirm medical details

4

Receive your reference number

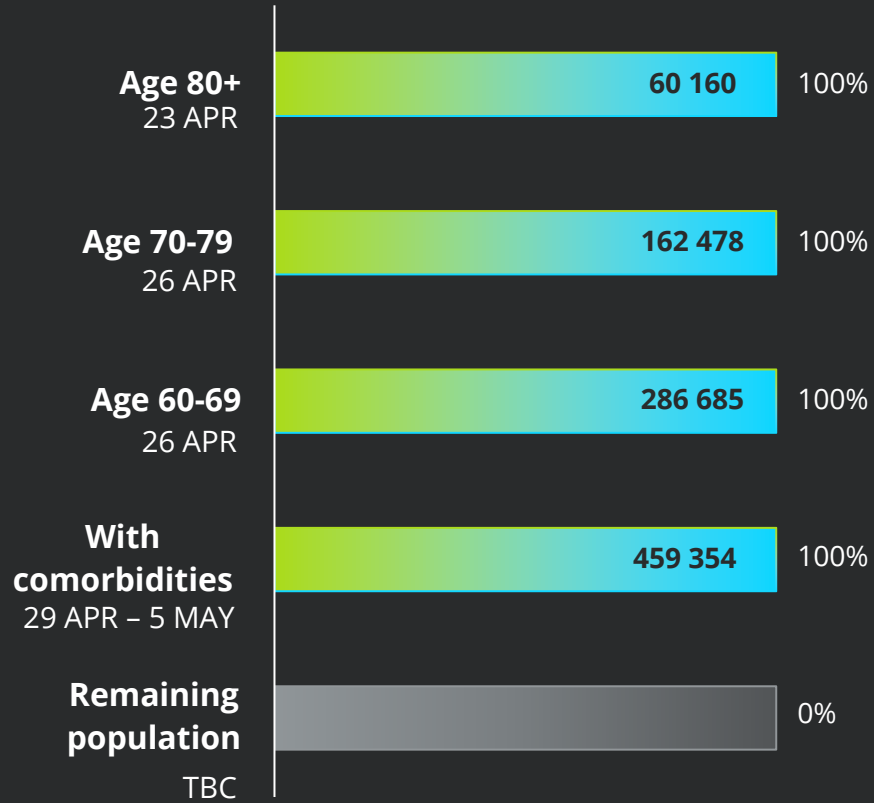


ALL SOUTH AFRICANS ALSO REQUIRED TO REGISTER ON THE NATIONAL EVDS SYSTEM TO RECEIVE AN E-VOUCHER

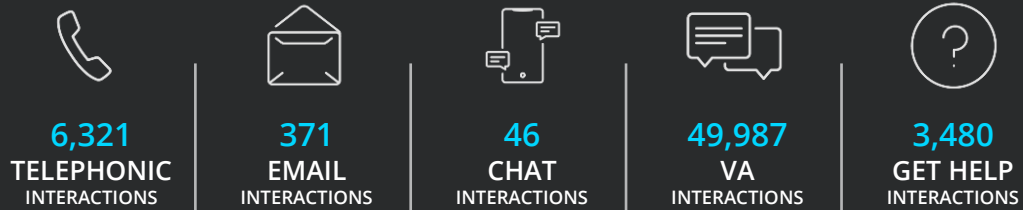
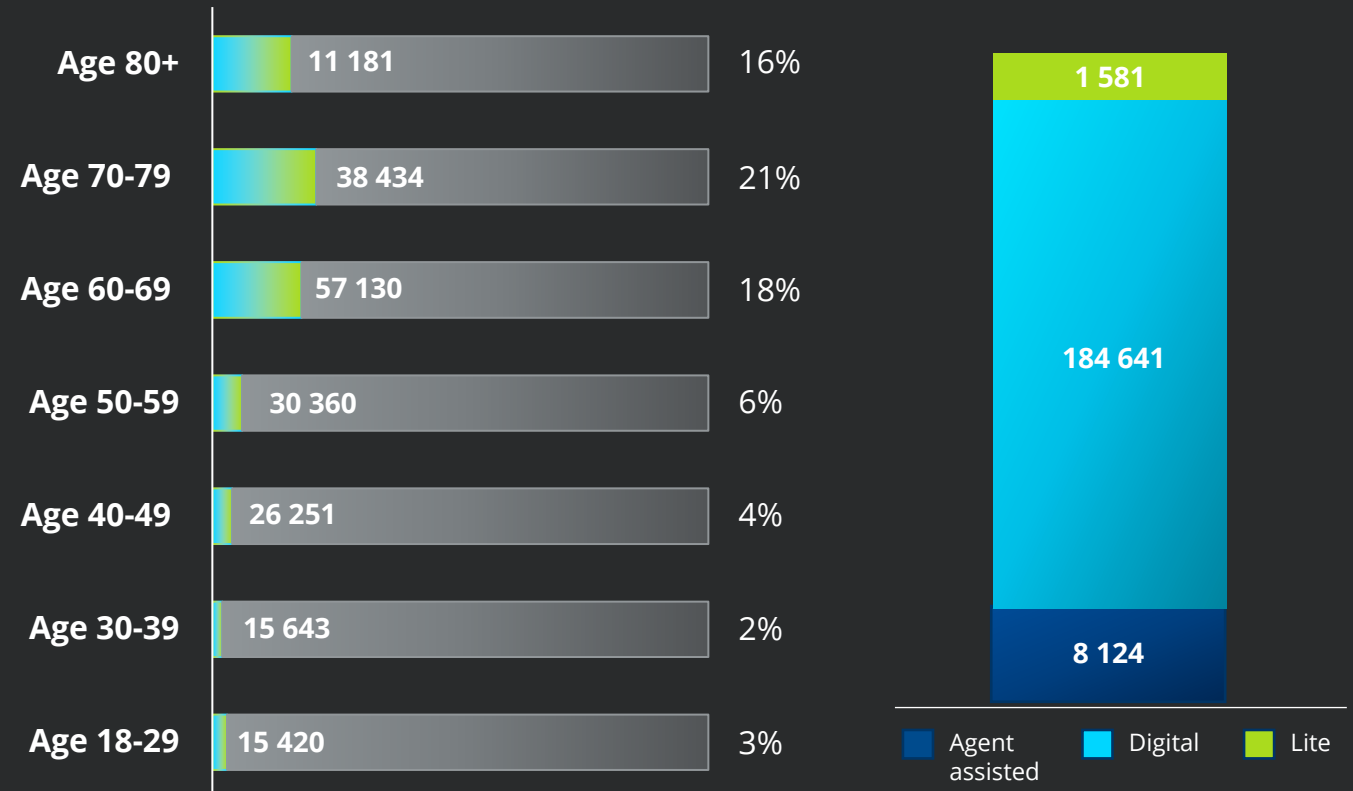
Discovery vaccination portal



Customer communication



Vaccine registrations



250 000 Total registrations on the Discovery Vaccination Portal

Workplace vaccination sites will play a critical role in the national vaccine rollout



6 May, 2021

NATIONAL VACCINATION INFORMATION: EMPLOYER SITES

Introduction

As a nation, we have embarked on the single most important intervention to defeat this once-in-a-century health crisis, which is vaccinating our adult population against Covid-19.

The pandemic is a national challenge, not simply a challenge for Government, but also for business, other social partners and individuals, so it is in all of our interest to do all that we can to facilitate a successful and efficient vaccination programme. We believe that by harnessing all the energy, expertise, and commitment of South Africans, we will save lives and rebuild livelihoods.

We know that in order to achieve success, we need two critical elements to be in place: the first is the availability of sufficient, efficacious vaccines, and the second is to ensure we have a large number of vaccination sites in place to deliver against the objective of vaccinating the entire adult population by March 2022.

In terms of vaccine supply, Government has successfully secured over 62 million vaccine doses to date. This includes 31 million Johnson & Johnson (J&J) single-dose vaccines, 30 million Pfizer-BioNTech double-dose vaccines and an additional 1.39 million vaccines via the COVID-19 Vaccines Global Access programme, otherwise known as COVAX. While we have secured the doses required, the schedule of delivery from manufacturers remains constrained due to incredible global demand for vaccines. This is a global challenge for countries all over the world.

It is clear that a massive logistical challenge lies ahead, one that cannot be achieved by Government alone. While Government is leading the vaccination programme, Business has mobilised in support of the national rollout. B4SA has created a specific operationalisation workstream responsible for vaccinations across the private sector. The three specific service delivery streams are:

1. Health Sites (GP's, pharmacies, hospitals and travel clinics);
2. Mass Vaccination Sites; and

WWW.BUSINESSFORSA.ORG | INFO@BUSINESSFORSA.ORG

Government has indicated Business needs to mobilise to support the national rollout

B4SA has created a specific operationalisation workstream responsible for vaccinations across the private sector and outlined 3 options for businesses opting to vaccinate their employees in the workplace:

1

Set up a primary workplace vaccination site that the organisation runs

2

Link with a registered primary healthcare vaccination site

3

Outsource employee vaccinations to a provider who will run a mobile service to the workplace

Next steps



1

Prioritise the elderly and high-risk clients, assist those that are not digitally enabled to complete their registration on the EVDS and Discovery Vaccination Portal

2

Promote registration on the **Electronic Vaccination Data System (EVDS)**. Required for members to receive a unique vaccination code

3

Support registration on the **Discovery COVID-19 Vaccination Portal**. Registration will give clients access to a tailored COVID-19 vaccination journey

4

Keep clients updated and informed on vaccine availability to increase and streamline access to vaccination

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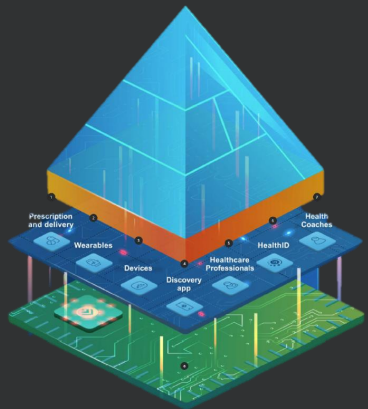


Discovery Health Medical Scheme in 2021



Advanced healthcare delivery through DHMS innovation

DHMS Connected Care

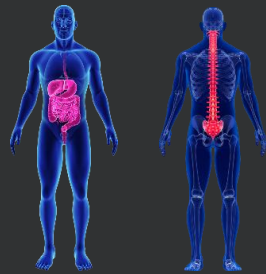


DHMS Networks Smart Plan Design



Superior healthcare quality through proprietary clinical and digital assets

Centres of Excellence



Mental health 2021 enhancements

Premier Plus Disease Mngmt Care Coordination Ongoing quality monitoring



Greater healthcare cover and responsive benefit structures

DHMS Plan Design



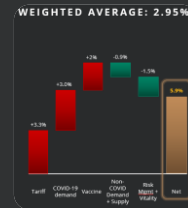
Assisted Reproductive Therapy



Advanced Innovation Benefit



DHMS Contribution Freeze



DHMS Pulse Oximeter benefit

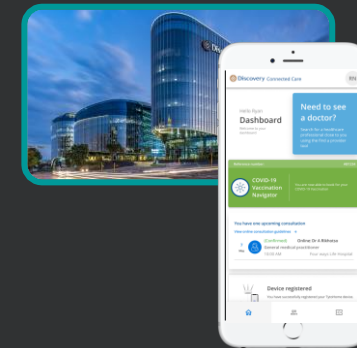


WHO Outbreak International Travel



Enhanced member experience through innovation

Discovery COVID-19 Vaccination Programme



Connected Care App

DSY App Find a Provider WhatsApp Chatbot Affinity Matching



Access to integrated health and wellness benefits



Vitality Special offer

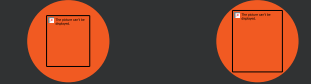
Gap Special offer

Personalised health goals



Corporate Wellness

Healthy Company





2021 CONTRIBUTION AND VACCINE UPDATE

DISCOVERY HEALTH MEDICAL SCHEME

Dr Ryan NOACH | CEO Discovery Health

Dr Ronald Whelan | Head of Discovery COVID-19 Task Team

