Discovery
Health Medical Scheme

2021

DISCOVERY HEALTH MEDICAL SCHEME

UNDERWRITING POLICIES AND PROTOCOLS

Table of contents

Introduction

This document is about the underwriting policies and protocols of Discovery Health Medical Scheme (the Scheme). It will help you to understand how we categorise medical scheme members and how we may apply underwriting according to these categories. It explains why and how late-joiner penalties may apply and it touches on member movements (when members want to move from one employer group to another) and whether underwriting will apply. We explain how the Scheme defines a dependant on a membership and the requirements for underwriting of these dependants. We also give information about continuation options for members who have no break in medical scheme cover.

1. Medical scheme risk management

The Scheme is an open medical scheme and is community-rated, meaning that the same contributions apply to everyone on a particular health plan, regardless of age or health (however, the contributions for child dependants differ from the contributions for adult dependants). The number of dependants that a main member has on his or her membership determines the contributions.. On certain plans, members can qualify for a lower contribution based on income verification. We allow members to change their health plans at the end of each year, with effect on 1 January of the next year. Please refer to the Plan Matrix on www.discovery.co.za to see which plan movements we allow during the year.

This table below shows how we categorise the Scheme's members as individuals or groups, as well as our requirements and how we apply underwriting.

	Individuals	Groups
Size	One to nine main members	10 or more main members
Underwriting	Individual medical underwriting	Underwriting, based on group criteria and demographics
Underwriting decision	We may apply: • 12-month condition-specific waiting periods • Three-month general waiting period • Late-joiner penalties	We will apply a group decision, but individual underwriting decisions may also apply to each member of the group (at the Scheme's discretion)
Application forms to be completed	Applying to become a member of Discovery Health Medical Scheme	Joining as part of an employer group
Requirements	Questionnaires and requests for extra medical information as required	No questionnaires or requests for extra medical information (at the Scheme's discretion)
Additions to membership or group	Individual underwriting decisions apply to each individual or member of a family	Individual underwriting decisions apply to each member of the group (at the Scheme's discretion)
Reapplications following the termination of previous memberships due to non-disclosure	We apply 12-month condition-specific waiting periods, mandatory three-month general waiting periods and late-joiner penalties. We will not consider any underwriting concessions.	We apply 12-month condition-specific waiting periods, mandatory three-month general waiting period and late-joiner penalties. We will not consider any underwriting concessions.

Important note: All application forms are valid for a period of 90 days from the date on which a member signs the application form. We will cancel application forms that are older than 90 days and applicants will have to submit a newly completed form for processing. Members must complete the application form relevant to the year of application. We do not accept outdated membership application forms as the forms and membership terms differ from year to year.

2. Explanation of terms

A **waiting period** is the period in which the member cannot claim for healthcare services. The Medical Schemes Act 131 of 1998 (the Act) provides for waiting periods. Waiting periods such as a three-month general waiting period and a 12-month condition-specific waiting period may apply.

A **late-joiner penalty** is a percentage increase in a member's contribution and we calculate it as a percentage of the risk contribution. We calculate the late-joiner penalty using the member's age and the amount of creditable medical scheme cover that the member had at the date of application. The Act and the rules of the Scheme determine the formula.

3. Late-joiner penalties

We may apply late-joiner penalties

The Act allows us to apply late-joiner penalties to an applicant or a dependant of an applicant who fits the definition of a late joiner. Late-joiner penalties came into effect on 1 April 2001.

Who we consider to be a late-joiner applicant

A late joiner is an applicant, or the dependant of an applicant, who at the date of application:

- Is 35 years or older and
- Was not a member of or a dependant of a member of a registered South African medical scheme (foreign schemes and insurance policies are not recognised) since 1 April 2001 or
- Has had a break in cover of more than three months since 1 April 2001.

Members joining the KeyCare Plans

We have changed the criteria for the late-joiner penalty concession. We no longer grant the late-joiner penalty concession for KeyCare members younger than 50 years who are on the lowest income band, from 1 June 2019.

Members younger than 46

Members applying to join any of our plans will not have to pay the late-joiner penalty if they meet the criteria listed below:

- They are younger than 46 when they join the Scheme
- They do not have any pre-existing medical conditions
- Their calculated late-joiner-penalty percentage is either 5% or 25%.

Note:

- We apply the age criteria for each member or dependant on the membership, where as we apply the pre-existing condition criteria to the whole family.
- None of the applicants or dependants listed on the application form or addition of dependant form may have any pre-existing conditions. This means that we may only give a concession to an applicant younger than 46 years, with a dependant older than 46 years where both the applicant and dependant do not have any pre-existing conditions.
- We may apply this concession to any person under the age of 46 with no pre-existing conditions, where the late-joiner penalty is 5% or 25%. This will happen even if there is another applicant on the policy who is 46 years of age or older.

The late-joiner penalty concessions do not apply to members or dependants who join through a Status D employer group (see section 8 for more details on Status D employer groups).

How we calculate a late-joiner penalty

A late-joiner penalty only applies if a member or dependant is 35 years or older. To calculate how much the late-joiner penalty is, we calculate how many years a member or dependant has not been a member of a registered South African medical scheme since the age of 35. This excludes any period of cover as a dependant under the age of 21.

For this calculation, the medical scheme or schemes that a member belonged to must be registered with the Council for Medical Schemes. Registration information is available on www.medicalschemes.com

We will add the percentage in the table below to the contribution that a member has to pay for the risk benefits (used to pay for hospital stays and chronic medicine). We do not add the extra percentage to the contribution for the Medical Savings Account (if applicable).

Number of years not a member of a registered medical scheme after age 35	Late-joiner penalty
1 to 4 years	5%
5 to 14 years	25%
15 to 24 years	50%
25 years and more	75%

To whom late-joiner penalties can apply

Individual members

In all cases where members have not belonged to a registered South African medical scheme or allowed a break in cover of more than three months, and who are older than 35 years (read the section about how we apply late-joiner penalties).

Status D schemes (see section 8 for more details on Status D)

In all cases where members are older than 35, have not belonged to a registered South African medical scheme or allowed a break in cover of more than three months (read the section about how we calculate the late-joiner penalty).

Group schemes

- Spouses and adult dependants who are older than 35 years and who join the Scheme after the main member joined, or who were not dependants on a previous medical scheme
- Main members joining the Scheme more than three months after their employment start date (read the section about how we calculate the late-joiner penalty)
- Main members who do not join within the agreed group concession period
- Main members who do not qualify according to the defined nature criteria (if applicable)
  'Defined nature' refers to the employer-specific definition approved at the time of joining. For example, if the employer set the criteria for 'Admin staff only', 'Management only' or 'Staff earning more than a certain amount'.

The late-joiner penalty may apply in the following instances

- Members and dependants on Status D schemes (see section 8 for more information)
- New dependants added to existing Scheme memberships
- We will transfer existing late-joiner penalties for members and dependants moving between Discovery Health Medical Scheme memberships, if the break in membership is less than three months, using the date of withdrawal and date application received.

Expatriates returning to South Africa

We will not apply the late-joiner penalty if members or dependants who join the Scheme:

- Are expatriates returning to South Africa within five years of leaving the country
- Were members of the Scheme before
- Left South Africa within three months from the last day of membership and
- Join the Scheme within three months of returning to South Africa.

We will need a copy of their passports and proof that they travelled overseas.

Please note: If a member had a late-joiner penalty on their Scheme membership before they went overseas, the same penalty will apply when they join the Scheme again.

Members can stay on the Scheme while working in another country or travelling overseas

If a member is working in another country for an extended period (minimum three months to maximum five years), they can move to the lowest income band on a KeyCare plan. As soon as they return to South Africa, they can upgrade to any plan, but only if they do so within three months of returning to South Africa. We will need a copy of their passports and proof that they worked or travelled overseas.

Please note: If a member had a late-joiner penalty on their Discovery Health Medical Scheme membership before they went overseas, the same late joiner penalty will apply upon their return.

4. Dependants

The scheme rules define a dependant as:

- A member's spouse or partner who is not a member or a registered dependant of a member of another medical scheme
- A member's child who is not a member or a registered dependant of a member of another medical scheme
- The immediate* family of a member (brother, sister or parent) for whom the member is responsible for family care and financial support
- Such other persons whom the board of trustees recognises as dependants as defined in the scheme rules
- An adult dependant (as defined below).

**We define immediate family as first bloodline; that is a child (including stepchildren), parents and siblings.*

Child and child dependants

The scheme rules define a 'child' as a person's:

- Natural child
- Stepchild
- Legally adopted child
- Child, who is under the age of 21 years, who has been placed in the custody of the member or their spouse or partner, according to an order of the court or another competent authority, prior to the age of 18.

The Scheme rules define a 'child dependant' as the child of a member or adult dependant, admitted as a child dependant according to the Scheme rules.

The Scheme allows members to register their newborns free of underwriting if:

- The member registers the newborn within three months of birth and
- The cover start date is the same date as the newborn's date of birth.

However, we recommend that members register their newborns as soon as possible after birth. The longer members wait to add their newborns, the higher the risk of not having immediate cover. When members register their newborn on the Scheme within one month of the birth:

- The newborn dependant will have immediate access to healthcare benefits offered on the health plan and
- The member's contributions will be up-to-date, so they don't have to worry about having to pay arrear contributions when they do register their baby.

Please note: We need the newborn's ID number, and may need a copy of the birth certificate, to add the child to the membership.

Adding adopted children to an existing Scheme membership

Adopted newborn

- If the adoption is still in progress, but we have received the Scheme affidavits completed by the main member and the social worker within three months of the baby's birth, then we can add the baby from their date of birth, free of underwriting
- If the adoption is final and the member submits legal proof, we can add the baby free of underwriting from his or her date of birth, if we receive the application within three months of the baby's birth

Adopted child

- If we receive an application for an adopted child under the age of 18 to join the Scheme within three months of the date of legal adoption, with proof of legal adoption, we will add the child to the adoptive parents' membership, free of underwriting.
- If we receive an application for an adopted child under the age of 18 to join the Scheme after three months from the date of legal adoption, with proof of legal adoption, we will add the child to the adoptive parents' membership and apply full underwriting.
- If the adoption for a child under the age of 18 is still in progress, the main member and social worker must complete the Scheme affidavits, or send us a letter from the social worker or courts confirming that the adoption is still in progress. In this case, the child will be free of underwriting as long as the member submits the application to the Scheme within three months of the child being placed in the adoptive parents' care. We would need a letter from the social worker or courts confirming the date that the child was placed in the adoptive parents care. The member must add the child to the membership from the first of the month that they were placed in the care of the adoptive parents and the Scheme will not bill for the first month's contribution.
- If we receive the request to add the adopted child after three months from the adoption or from the child being placed in the care of the adoptive parents, we will apply full underwriting and we will need proof of legal adoption.
- If we receive an application for an adopted child over the age of 18 to join the Scheme, we will add the child to the adoptive parents' membership with full underwriting if we receive proof of legal adoption while the child was under the age of 18.

Adding foster children to an existing Scheme membership

- If we receive an application for a foster child under the age of 18 to join the Scheme, we will add the child to the foster parents' membership and apply full underwriting. We must get supporting legal documents with the application to add a foster child to an existing Scheme membership before we can process it.

Adding stepchildren to an existing Scheme membership

Certain criteria apply when allowing stepchildren to be added to a membership where the biological parent is not on the membership or part of the application. For an application to add a stepchild, we need the following documents:

- A legal marriage certificate to confirm that the main member is a legal spouse to the child dependant's biological parent and
- A birth certificate containing both parents' names, surnames and ID numbers. This information will allow us to confirm that the main member's spouse is the stepchild's biological parent.

If we do not receive these documents, we cannot add the stepchild to the Scheme as a dependant.

Adding grandchildren to an existing Scheme membership

A grandchild can only be a dependant on a membership if:

- At least one of the grandchild's biological parents is on the policy or part of the new business application, and we also receive a birth certificate, containing both parents' details, to give proof of the relationship and
- The biological parent is eligible according to the Scheme's child or adult dependant eligibility criteria or
- The grandparents have proof of legal adoption, legal guardianship or the foster-care arrangement for the grandchild. In this case, we need legal documents confirming the adoption, guardianship or foster-care arrangement.

Adding adult dependants to an existing Scheme membership

An adult dependant is a person, other than the spouse or partner of the member, who is wholly or partly dependent on a member for financial support, as determined and verified by the Scheme. This person is registered according to these rules as an adult dependant. Adult dependants are (but not limited to):

- A child aged 21 years or older
- The divorced spouse of a member
- An immediate family member (sibling or parent) over the age of 21 for whom the member is responsible for family care and support
- The second and any more spouses of a member under a customary union according to indigenous or customary law or custom or under a union recognised as a marriage under the tenets of any religion.

More information on adult dependants

1. Maximum entry age of adult dependants
    - The Scheme has no maximum entry age
2. Eligibility for adult dependants
    - The underwriters reserve the right to assess whether the adult person meets the criteria to become a dependant of another member. These criteria relate to:
        - Disclosed financial dependency and income
        - Relationship to the member
    - In the case of a divorced spouse of a member, we need a divorce settlement agreement to confirm that the main member is financially responsible for the ex-spouse's medical aid.
3. Group underwriting for adult dependants
    - If the adult dependant forms part of the same application as the main member, and the main member qualifies for group underwriting, then the adult dependant will also qualify for the group concession. The underwriters reserve the right to assess whether the adult person meets the criteria to become a dependant of another member.
    - Individual underwriting will apply to any adult dependants added after the start date of a membership and they will have to complete an *Addition of a dependant* application form. For group underwriting for new employer groups, we will allow members who were permitted as adult dependants on their previous scheme (before joining the Scheme and with a break in medical scheme membership of less than three months), to keep their adult dependant status on the Scheme. They must give us a copy of their previous membership certificate.

Adding a spouse to an existing Scheme membership

A spouse is a person married to the main member or in a union according to any law or custom recognised in South Africa. When a member adds a spouse to an existing membership, we will apply full underwriting to the spouse, depending on the following underwriting guidelines:

- We will accept a newly-wed spouse free of underwriting if they give us a copy of the marriage certificate or proof that the marriage was registered. This includes a civil union and customary marriages or a marriage under the tenets of any religion. We must receive the marriage certificate or proof of registration of the marriage within three months of the date of the registered marriage or civil union, and within three months from the start date of the spouse's membership as a dependant.
- When a member adds a common-law spouse, we will apply underwriting.
- For the second spouse of a member under a customary union or a union recognised as a marriage by any religion or custom, we need a copy of both marriage certificates or proof that both marriages were registered. To avoid underwriting, we will need the proof within three months of the date of the registered marriage or civil union, and within three months from the start date of the spouses' membership as dependants.

5. Continuation options

Continuation is when there is no break in Scheme membership and existing members continue their Scheme membership on the same terms and conditions, without giving extra medical evidence that applied during the main member's membership.

If there is a break when moving from one Scheme membership to another, the existing terms and conditions fall away and full underwriting will apply. Members and dependants can use the continuation option in the following situations:

- Retirement from employment, depending on the conditions of the member's employment agreement
- Death of the main member
- Divorce
- A dependant who becomes financially independent
- A child dependant who becomes a self-supporting adult and moves to their own Scheme membership.

Movements by the member

If members belong to an employer group and they want to move from one employer group to another, we may apply underwriting. According to the Act, this depends on the reasons for the movement.

We will not apply underwriting to existing Scheme members moving from one employer group to another if they have been on the Scheme for three months or longer without a break in membership. If a member is moving from a group employer to an individual membership, and full underwriting was initially applicable, we will carry over the rest of the waiting periods and the late-joiner penalty (where applicable). We do not allow certain plan movements for members for whom we allow continuation.

Please refer to the plan matrix on www.discovery.co.za > Find documents to see the plan moves allowed during the year.

6. Underwriting

We divide individual members, new dependants, groups or members who join compulsory employer groups late (three months after the date of employment) and who are subjected to underwriting, into three categories for underwriting purposes, based on the Act:

Category A	Category B	Category C
Members who have: • Applied to join Discovery Health Medical Scheme, but have not belonged to a registered South African medical scheme and • Allowed a break of more than three months since ending their membership with their previous medical scheme.	Members who have: • Belonged to a registered South African medical scheme for a period of less than two years and • Applied to join Discovery Health Medical Scheme less than three months since the date of ending their membership with their previous medical scheme.	Members who have: • Belonged to a registered South African medical scheme for a period of two years or more and • Applied to join Discovery Health Medical Scheme less than three months since the date of ending their membership with their previous medical scheme.

We may apply the following underwriting decision, depending on the medical information given in the application form, or as requested by the Scheme:

Category A	Category B	Category C
A three-month general waiting period and a 12-month condition-specific waiting period, if applicable.	A 12-month condition-specific waiting period. If the previous medical scheme placed a general or condition-specific waiting period on a membership and the waiting period did not expire at the date of ending their membership with the previous medical scheme, the rest of the waiting period may apply.	A three-month general waiting period.
The member will **not** have cover under Prescribed Minimum Benefits.	The member will have cover under Prescribed Minimum Benefits.	The member will have cover under Prescribed Minimum Benefits.
Late-joiner penalties may apply.	Late-joiner penalties may apply.	Late-joiner penalties may apply.

7. Transferability

Transferability refers to a member who moves from a closed medical scheme to an open medical scheme without underwriting. The start date of the new membership must be within three months from leaving the closed scheme.

We will only transfer an applicant if they are forced to leave the closed scheme under the following circumstances:

- Change of employment or retrenchment
- Death of the main member on the closed scheme. In such instances we need:
  - A copy of the death certificate and membership certificate as proof
  - Confirmation from the previous scheme that they do not allow a continuation for the spouse
- Divorce – if the applicant was a spouse on a previous medical scheme and is now changing from the previous closed medical scheme to an open scheme. The date of divorce must be three months or less from the start date requested on the Scheme application form. We need a copy of the divorce decree as proof of the date of the divorce.

Late-joiner penalties will apply (where applicable).

8. Status D employer groups

The Act allows employer groups to switch between medical schemes on 1 January each year, without any waiting periods. The Scheme refers to this concession as Status D.

When employer groups get the Status D concession, the Scheme will not apply any waiting periods; however, **late-joiner penalties may still apply.** To avoid incorrect late-joiner penalties, new members must give details of their full medical scheme membership history on their application forms. We do not use membership information we get as part of the supporting documents (referred to at the end of this document) to determine late-joiner penalties. They must complete the previous registered South African medical aid details **on the membership application** to determine if late-joiner penalties will apply, once we have approved the Status D group.

Before applying for the Status D concession, make sure your client does not qualify for regular group underwriting status.

Qualifying criteria for Status D

1. There must be two or more main members in the employer group.
2. All new members must be employees or pensioners of the same company.
3. The company and all members joining must currently belong to a registered South African medical scheme.
4. There must not be a break in membership when members transfer from their current medical scheme to the Scheme.
5. All individuals applying for membership must agree to transfer their membership to the Scheme on 1 January.

Please note that we send separate communication when we open the Status D period. This is usually from September to November each year.

9. Group underwriting

We grant a group underwriting concession to compulsory groups of 10 or more members who join the Scheme, but depending on the group underwriting criteria. Some of the benefits of a group decision are that members of the group will not have waiting periods before they can use benefits, and we waive late-joiner penalties on their Scheme membership.

Process flow for a new group concession

The information below outlines the requirements for a group underwriting concession and the process to apply for a group underwriting concession.

Requirements

The Scheme issues group decisions and terms to employers applying for cover for 10 or more employees, for whom it is compulsory by their employer's definition to join Discovery Health Medical Scheme.

The employer determines the compulsory nature of membership with the Scheme for its employees. If the employer change this compulsory definition, they must send us up-to-date information. In some instances, this change may result in a change in the group underwriting status. All information communicated to the Scheme must be on a company letterhead, and they must complete a new employer application form.

Examples of compulsory definitions

The employer may force all employees to join the Scheme or the membership may be compulsory for only a section of employees. Examples of where membership is compulsory for only a section of employees are:

- Membership allowed only for current and future salaried employees or
- Membership allowed only for all current and future administrative employees

Based on the specific compulsory definition the employer gives, individual underwriting and late-joiner penalties will apply to any employee outside of the defined group applying for Scheme membership. For example, where membership is compulsory for all current and future administrative employees and an employee working in a different division applies for membership, the Scheme will apply full underwriting and late-joiner penalties.

The employer application form

The employer must complete all sections of the employer application form in full, giving special attention to the following information:

- The company's total number of employees
- The total number of employees who are joining the Scheme
- A compulsory definition (telling us for which of the employees it will be compulsory to join the Scheme) of the employees who will be joining the Scheme. This will determine which future employees the Scheme will accept automatically and which future employees will have underwriting. The compulsory definition could be specific to any one of the following:
    - Probation periods (members must join within three months from when this period starts)
    - The number of temporary and permanently employed employees
    - Long-term or short-term contracts
    - Salary bands for compulsory membership (the salary that an employee must earn to join the Scheme)
    - Job levels and grades
- A statement about compulsory membership of the Scheme for current employees (total number to join)
- A statement indicating whether the Scheme is compulsory for future employees.

Based on the above information, we may enforce the employer's contractual agreements for medical scheme membership.

Demographics and industry

The employer must send the following information to our underwriting department for a decision on an employer group request:

- All demographic information – see below
- Industry information and a short description of the employer group, for example, a company with 70 employees, for whom it is compulsory to join
- Occupation breakdown of employees, for example, administrative employees, sales employees or both.

The email address for group underwriting is: HEALTH_GROUP_UNDERWRITERS@discovery.co.za

To get a demographic report

The employer must complete a quotation and demographics request form. The form must have the following information for each employee who wants to join the Scheme:

- Company name
- Industry
- Number of employees (split by occupational category)
- Date of birth of main member, spouse and adult dependants
- The number of children we must include for each main member

They must email the demographics and quotation request form with all the information to our quotations department at quotationrequests_health@discovery.co.za

Once we have received the demographics report we will email it to group underwriting at HEALTH_GROUP_UNDERWRITERS@discovery.co.za

Underwriting

Once the underwriting department received all the information, we will assess the demographics taking the following into consideration:

- Employer's industry
- The occupation of employees
- The group's profile, which includes average age, family size and the percentage of pensioners

The underwriting department will approve or decline the group underwriting concession request. They will send the employer group a letter about the outcome of the decision. If we do not accept the group, the employer and members may still join the Scheme as an individual employer, subject to full underwriting and late-joiner penalties. It will take approximately 24 hours from when we receive the information to make an underwriting decision.

The group acceptance letter

When we grant a group concession, we send the acceptance letter to the financial adviser. The company's representative must sign the acceptance letter, confirming acceptance of the terms and conditions set out in the letter.

They must send the signed acceptance letter to HEALTH_GROUP_UNDERWRITERS@discovery.co.za

New business processing

When we receive the signed acceptance letter, our new business department captures the employer's details and sends the information to the underwriting department. Underwriting then confirms the status and updates all the information, including the employer decision.

Once underwriting has updated the employer to a group, they issue an employer number. Please make sure that you put the employer number on all the member application forms, which we can now process.

Please note: We will process the applications, but we only activate membership if we have the following number of applications:

- For groups of more than 35 employees, we need application forms for more than 70% of the group's employees.
- For groups of fewer than 35 employees, we need application forms for 100% of the group's employees.
- For Status D employers, we need application forms for 100% of the group's employees.

Adding new members to existing employer groups

When sending application forms for a new employee who is joining an existing employer group, the employer must complete the employee's date of employment. If it is not on the application form, they must confirm the date of employment on an employer letterhead, which the employer must sign and date. We might also need proof of the date of employment in the form of the employee's letter of appointment.

If the applicant was employed more than three months before applying for membership, we will need the reason for the employee joining after this period. They must complete this in the 'About your employer' section of the *Joining as part of an employer group* application form or confirm it on an employer letterhead.

If the reason for joining late is not valid, we will apply underwriting and late-joiner penalties to the applicant. The employee must then complete a member application form, including the medical details section and previous medical scheme membership details. The applicant must sign and date the member application form.

Examples of valid reasons for an applicant not applying for membership within three months of the date of employment include:

- When a temporary employee becomes a permanent employee – they must join within the three months of the permanent employment date. They must complete the date of permanent employment in the 'About your employer' section of the *Joining as part of an employer group* application form and an authorised official from the employer's human resources department must sign or confirm it on a company letterhead.
- When a contracted employee becomes a permanent employee – they must join the Scheme within three months of the permanent employment date. They must complete the date of permanent employment in the 'About your employer' section of the *Joining as part of an employer group* application form and signed by HR or confirmed on a company letterhead.
- Previous cover under the spouse's membership where the applicant:
    - Is an employee who joins the Scheme within three months of divorce and they give proof that they have been on their ex-spouse's medical aid since the employer received a group underwriting concession or
    - Is an employee who joins the Scheme within three months of their spouse or partner's resignation or retrenchment from their current employment and they give proof that they have been on the spouse's medical aid since the employer received a group underwriting concession or
    - Is an employee who joins the Scheme within three months of the death of their spouse or partner and they give proof that they have been on the spouse's medical aid since the employer received a group underwriting concession.
- Increased salary or change in job grade. If the employer has defined the group underwriting concession according to salary bands or job grades the employee must join within three months of the change in salary or job grade. This is if the employee has a change in salary or job grade that meets the defined compulsory nature.
- Promotion. If the employee was excluded from the defined group of employees before, but they were now promoted to a job that meets the defined compulsory nature, they must join the Scheme within three months of their promotion.

To avoid any delays in the processing of applications, we prefer to get all the above information:

- Together with the application form or
- In the 'About your employer' section of the *Joining as part of an employer group* application form or
- On a company letter head

This makes it possible for us to process each application without delays and without having to ask for extra information.

Reviewing an employer's group underwriting concession

An employer's employees may increase, which means that we may review the employer's group underwriting concession. If there are 10 or more active employees or where an employer needs to review their current group decision, they must send the following information to our underwriting department for consideration:

- A letter from the employer asking for a review of their employer status with confirmation of the compulsory nature of the employer
- An up-to-date employer application form with specific reference to the section titled 'Details of your company's employees' of the employer application form
- A demographic report of current active members. Ask the quotations department for this report by sending an email to quotationrequests_health@discovery.co.za

The underwriter will take the claims history and other relevant history of the active members into account for review purposes and may ask for a loss-ratio report.

We will take about 24 hours to decide about the underwriting after we have received the information.

Amalgamation (merging) of two or more current employer groups

Two or more employer groups may amalgamate or join the Scheme under one employer after a buy-out or acquisition. The newly formed employer must submit the following information to HEALTH_GROUP_UNDERWRITERS@discovery.co.za for consideration:

- A letter from the employer confirming the group's amalgamation as well as the reason for the amalgamation
- A letter from the employer asking for a review of their group decision, with confirmation of the compulsory nature of the new employer
- An up-to-date employer application form with specific reference to the 'Details of your company's employees' section of the employer application form
- A demographic report of current active members under each employer group, and a combined report of active members of the employer groups together. They can ask for this from the quotations department by sending an email to quotationrequests_health@discovery.co.za

We will take about 24 hours to decide about the underwriting after we have received the information.

Breakaways

Breakaways refer to when certain divisions of a company want to break away from an existing employer group to form their own employer group. The group underwriting concession will not be an automatic decision.
The employer will need to have a review done on all the divisions breaking away and on the remaining members.

They must submit the following information to HEALTH_GROUP_UNDERWRITERS@discovery.co.za:

- Employer application form for the breakaway section of the business
- A demographic report for the breakaway employer and a demographic report for the employees staying on the current employer group
- Letter from the employer explaining the breakaway and asking for a group underwriting concession.

It is important to note that both employers must still fit the group criteria to keep the group status.

Secondment agreement

We can put a secondment agreement in place where an employer already has a group underwriting concession and they second their employees to another country for a period of time, due to work contracts.

The employer must keep to these requirements and send the following information to the underwriting department for consideration:

- Employer must be an existing compulsory group.
- Employees must go to another country for work-related contracts.
- Under the employer's group underwriting concession it must be compulsory for the employees to rejoin the Scheme on their return
- We need a letter from the employer asking for the secondment agreement and giving us the following information:
  - The total number of employees seconded each year
  - The countries to which they will second their employees
  - The average duration of their contracts to work in another country
  - Confirmation of the compulsory nature of the employer group
- The employer must submit the necessary documents with the member application form on the employee's return
- They must also include a demographic report with the request.

If we grant the secondment agreement, employees may resign from the Scheme for the period abroad and apply for membership again within one month of returning. We need a letter from the employer confirming the secondment details and proof of the date of return in the form of a copy of the member's passport.

If an employee is contracted for three months or less, we advise them to stay on the Scheme, as we cover the employee under the International Travel Benefit or Africa Benefit, if the employee is on a health plan that offers these benefits.

10. New members joining a current employer group

An employer group may want to offer Scheme memberships to employees who fall outside their defined compulsory definition. They can do this either because of acquisition or amalgamation of companies.

The employer must send the following information to HEALTH_GROUP_UNDERWRITERS@discovery.co.za for consideration:

- A letter from the employer, with information about the employees and confirmation of whether membership is compulsory for these employees
- A demographic report of current active members under the employer group, a demographic report of new employees and a combined demographic report of current active members and new employees. They can send an email to quotationrequests_health@discovery.co.za to ask for this

It will take us about 24 hours to decide about the underwriting from when we receive the information.

Summary of group underwriting concession:

- It applies to employers of ten or more main members
- We need a fully completed employer application form

- Applies where the employer specifies that membership with the Scheme is compulsory
- We need demographic information, as given by the quotations department
- We consider the industry and occupation of employees
- We will let you know about our decision in writing.

Please note: The group's financial adviser must start all new and review requests as we do not grant these decisions automatically.

11. Simplified registration on the Chronic Illness Benefit

The automatic Chronic Illness Benefit approval is for employees who have an approved chronic condition and receive cover for chronic medicine from the medical scheme they belonged to before joining the Scheme. The condition must be on our list of covered chronic conditions on the member's chosen plan. We will cover approved medicine according to the rules of the member's plan type.

To qualify for the review for automatic Chronic Illness Benefit approval, the employer group must meet these two requirements:

- The employer group must have more than 75 employees joining the Scheme
- The employer group must qualify for a group underwriting concession or be a compulsory employer group

If an employer group does not meet these requirements, their employees who have chronic conditions will have to follow the standard process of applying for cover from the Chronic Illness Benefit.

If an employer group qualifies for automatic approval, their employees who have approved chronic conditions must complete a simplified Chronic Illness Benefit application form and submit it to our Chronic Illness Benefit department for approval of cover and medicine for the condition. The employee only has to include the condition and medicine approved by the previous medical scheme. They must not include new chronic conditions and medicine on this form. For any new chronic conditions and medicine, the standard process of applying for cover from the Chronic Illness Benefit will apply.

Contact us

Tel (Members): 0860 99 88 77, Tel (Health partner): 0860 44 55 66, PO Box 784262, Sandton, 2146, www.discovery.co.za, Discovery Place, Sandton, 2196.

Complaints process

Discovery Health Medical Scheme is committed to providing you with the highest standard of service and your feedback is important to us. The following channels are available for your complaints and we encourage you to follow the process:

1 STEP1 – TO TAKE YOUR QUERY FURTHER:

If you have already contacted the Discovery Health Medical Scheme and feel that your query has still not been resolved, please complete our online complaints form on www.discovery.co.za. We would also love to hear from you if we have exceeded your expectations.

2 STEP 2 – TO CONTACT THE PRINCIPAL OFFICER:

If you are still not satisfied with the resolution of your complaint after following the process in Step 1 you are able to escalate your complaint to the Principal Officer of the Discovery Health Medical Scheme. You may lodge a query or complaint with Discovery Health Medical Scheme by completing the online form on www.discovery.co.za or by emailing principalofficer@discovery.co.za.

3 STEP 3 – TO LODGE A DISPUTE:

If you have received a final decision from Discovery Health Medical Scheme and want to challenge it, you may lodge a formal dispute. You can find more information of the Scheme's dispute process on the website.

4 STEP 4 – TO CONTACT THE COUNCIL FOR MEDICAL SCHEMES:

Discovery Health Medical Scheme is regulated by the Council for Medical Schemes. You may contact the Council at any stage of the complaints process, but we encourage you to first follow the steps above to resolve your complaint before contacting the Council. Contact details for the Council for Medical Schemes: Council for Medical Schemes Complaints Unit, Block A, Eco Glades 2 Office Park, 420 Witch-Hazel Avenue, Eco Park, Centurion 0157 | complaints@medicalschemes.co.za 0861 123 267 | www.medicalschemes.co.za