

2020
COVID-19 INITIATIVES
FREQUENTLY ASKED
QUESTIONS

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Disclaimer

This document is intended for financial advisers only, and is presented by Discovery Health (Pty) Ltd, registration number 1997/013480/07, an authorised financial services provider, which is the administrator of the Discovery Health Medical Scheme, in terms of its contractual arrangements. This document is only a summary of the key frequently asked questions relating to COVID-19 initiatives.

Discovery Health Medical Scheme, registration number 1125, is regulated by the Council for Medical Schemes and administered by Discovery Health (Pty) Ltd, registration number 1997/013480/07, an authorised financial services provider.

Discovery Primary Care is not a medical scheme. The cover is not the same as that of a medical scheme and is not intended to be a substitute for medical scheme membership. Discovery Primary Care is offered by Discovery Life Limited, registration number 1966/003901/06, a registered long-term insurer and an authorised financial services and registered credit provider, NCR Reg No. NCRCP 355555. Discovery Primary Care is administered by Discovery Health (Proprietary) Limited, registration number 1997/013480/07, an authorised financial services provider.

Please note that due to the nature of the COVID-19 pandemic, all the information contained in this document is subject to change without notice.

Discovery Vitality is not part of the Discovery Health Medical Scheme. Discovery Vitality (Pty) Ltd is an authorised financial services provider. Registration number: 1999/007736/07.

Discovery Health Medical Scheme

Financial support for members

Pay contributions from a positive Medical Savings Account (MSA)

How do I take advantage of this initiative?

Discovery will send qualifying members an SMS, providing them with a link to apply to fund your contributions from your MSA and select the number of months of funding. Alternatively, qualifying members can apply through the logged-in section of Discovery's COVID-19 information hub.

Advisers can see a list of their clients that qualify to fund their contributions from MSA on FAZ, as well as those that have taken up the offer.

Is this initiative only for individual members, not employer groups?

No, this option is available to all members on DHMS with a positive cash balance in their MSA of at least one month's contributions, irrespective of whether they are an individual member or part of an employer group.

Will this be an ongoing process where we allow members to use their MSA for contributions?

This process is only allowed during the COVID-19 pandemic and will expire once this pandemic has passed. Members can fund a maximum of three months' of contributions from their MSA.

The DHMS Board of Trustees will continue to monitor the COVID-19 outbreak and its impact on Scheme's financial position, and decide whether additional initiatives or extensions to these initiatives are required.

Any extension of this initiative would be limited to members with positive cash balances in their MSA.

The Discovery app shows that I have unused funds in my MSA however I cannot access this option. Why?

The Discovery app shows a member's MSA balance. This balance consists of the amount that is allocated at the start of each year as well as any funds that have been carried over from previous years less any funds that have been used during the current year. The amount allocated at the start of each year is given upfront, with the member able to access the full amount from January and contribute to it each month through a portion of their monthly contributions.

Members cannot use this upfront amount to fund their medical scheme contributions. Using this balance could potentially result in an amount owed to the Scheme if the member withdraws from the Scheme or changes to a plan without day-to-day benefits. As this amount would need to be repaid to the Scheme, it would ultimately put additional financial strain on members.

Members with positive cash balances in their MSA of at least one month's contributions qualify for this initiative. Positive cash balance refers to any funds that have been carried over from previous years, as well as the amount contributed each month through a portion of the member's monthly contributions less any funds that have been used during the current year.

Will I still be able to benefit from the Medical Tax Credit if utilising this option?

Taxpayers qualify to claim a Medical Tax Credit (MTC) in respect of contributions paid by them (or deemed to have been paid by them) to a registered medical scheme. Funding contributions from a positive MSA balance meets the above definition thus the member will still benefit from the MTC.

Why has my self-payment gap increased significantly?

The amount used from MSA to fund contributions does not accumulate to cumulative expenses and will increase the self-payment gap for members on Executive, Comprehensive and Priority plans.

My employer pays a [X%] subsidy. Can I elect to fund my share of the contribution from my positive MSA balance?

Members may not elect for partial funding from their MSA balance. Should the member take up this offer, they would need to ask their employer to stop contributing during this period for them to benefit.

Can I also use my MSA to pay for my Vitality membership?

No. For the period that your medical scheme contribution is paid from your positive MSA balance, your Vitality policy will remain active however Vitality will not collect a monthly subscription payment. During this period, you will have access to a limited set of benefits that

includes Vitality Active Rewards, up to 75% off your monthly gym fee and half price movies at Ster Kinekor. The full set of Vitality benefits will resume at the end of this period, when your Vitality subscription payment is received.

I opted for cover for one-month of contributions but am still not back at work. How do I extend cover for another month?

Members will be able to adjust the period selected. We will advise on the process once finalised.

I opted for cover for three-months of contributions but am now back at work and receiving my salary again. How do I change my choice?

Members will be able to adjust the period selected. We will advise on the process once finalised.

Why is this limited to three-months of contributions? What happens if the national lockdown is extended or happens again in July?

The DHMS Trustees will continue to monitor the COVID-19 outbreak and its impact on Scheme's financial position, and decide whether additional initiatives or extensions to these initiatives are required.

Any extension of this initiative would be limited to members with positive cash balances in their MSA.

I am a member on a [Core, Smart, KeyCare plan] and cannot afford my contributions this month. Why is Discovery Health Medical Scheme assisting Saver members but not [Core, Smart, KeyCare plan] members?

The unused funds accumulated in a MSA belong to the member. Should the member leave the Scheme or select a plan option without day-to-day benefits, the positive balance will be refunded to the member. This initiative allows the member to access their positive balance to pay their contributions without changing their plan option or leaving the Scheme.

Members without MSAs (i.e. members on Core, Smart and KeyCare plans) do not have positive balances, hence this funding options is not available to them.

I am a member on a restricted scheme administered by Discovery Health. Will my scheme make such an option available?

The Trustees of the various schemes are currently considering specific initiatives to assist their members during the COVID-19 outbreak. Further details will be communicated at a later date.

Where can an advisor find details of their members that qualify?

The Financial Adviser Zone provides the full list of an adviser's clients on Discovery Health Medical Scheme, with a COVID-19 Financial Support indicator as to whether they qualify for funding from positive MSA balances.

Will the advisor earn commission on this contribution?

Yes.

Contribution concession for small and medium-sized businesses

How do I take advantage of this initiative?

Qualifying employers can request a concession with their Corporate Health Manager or Billing Specialist. The employer group will be provided with an application form where they need to confirm they meet the eligibility criteria, select deferment and repayment periods and agree to the Terms and Conditions. This form should be returned to sme_contribution_concession@discovery.co.za. The application form is also available on the Financial Adviser Zone > COVID-19 Business Support > Health.

What are the eligibility criteria?

Employers must employ between 10 and 200 employees. This is the total number of employees, and not only the employees on DHMS. In addition, the employer must be an employer on DHMS in good standing, with no suspensions over the past 12 months.

Is this initiative limited to only employer groups that pay their contributions through a payroll deduction?

No. Any employer group that meets the eligibility criteria may apply.

Can our company also defer our Vitality premiums?

Yes, Vitality membership will continue and Vitality subscription payments will be repaid over a period of up to 12-months after the deferment period (in line with the contribution support offered to small and medium-sized businesses)

Why is this limited to two months? What happens if the national lockdown is extended or happens again in June?

The DHMS Trustees will continue to monitor the COVID-19 outbreak and its impact on Scheme's financial position, and decide whether additional initiatives or extensions to these initiatives are required.

What happens if one of my employees that benefitted from this concession leaves the company? Will you follow up with them to collect the outstanding amount?

It is the employer's responsibility to repay the contributions that are deferred over this period. This is acknowledged upfront when applying for the concession.

Can I limit this concession to a group of my employees? The salaried staff will be able to pay their April contributions however the wage earners are receiving a reduced salary in April and cannot afford their contribution.

The contribution concession can be applied at a branch level. The eligibility of the group would be determined at the employer level.

Our application was rejected as we do not meet Discovery's credit risk criteria. Why are you not offering assistance to businesses most in need during this time?

We are deeply sympathetic to the situation you are in. Many other employer groups are in a similar position as a result of the COVID-19 pandemic, and the depth of the economic damage and the tenure of this is unknown and difficult to predict.

Although DHMS is robust as a result of many years of responsible management to maintain statutory solvency levels, the Scheme is not in a position to approve all requests for contribution concessions. DHMS is anticipating a massive claims cost for COVID-19-related cases, and must be in the strongest position possible to meet this claims cost, and remain solvent in future for its members. The DHMS Board of Trustees have approved that up to R2.3 billion of its reserves reserves (approximately 12% of reserves) can be used to assist in deferring contributions for SME businesses without compromising the sustainability of the Scheme. This equates to between 15% and 20% of contributions over the period. Unfortunately, based on the merits of your application, your employer group did not qualify for a concession.

Why are you allowing businesses and not individual members to defer their contributions?

We are deeply sympathetic to the situation you are in. Many other members are in a similar position as a result of the COVID-19 pandemic, and the depth of the economic damage and the tenure of this is unknown and difficult to predict.

Although DHMS is robust as a result of many years of responsible management to maintain statutory solvency levels, the Scheme is not in a position to approve all requests for contribution concessions. DHMS is anticipating a massive claims cost for COVID-19-related cases, and must be in the strongest position possible to meet this claims cost, and remain solvent in future for its members. The Scheme therefore has limited resources to provide financial assistance to members, and have prioritised support to SMEs, in line with Government's request for the support of SMEs during this time, given the impact of the containment measures on their businesses.

Why are you allowing small businesses and not large businesses to defer their contributions?

We are deeply sympathetic to the situation you are in. Many other members are in a similar position as a result of the COVID-19 pandemic, and the depth of the economic damage and the tenure of this is unknown and difficult to predict.

Although DHMS is robust as a result of many years of responsible management to maintain statutory solvency levels, the Scheme is not in a position to approve all requests for contribution concessions. DHMS is anticipating a massive claims cost for COVID-19-related cases, and must be in the strongest position possible to meet this claims cost, and remain solvent in future for its members. The Scheme therefore has limited resources to provide financial assistance to members, and have prioritised support to SMEs, in line with Government's request for the support of SMEs during this time, given the impact of the containment measures on their businesses.

What happens if the employer group misses a repayment?

The Scheme reserves the right to apply the usual credit control processes and policies which could include suspension and/or withdrawal of their employees' membership.

Will the advisor earn commission while the contributions are deferred?

No. Regulation 28(5) of the Regulations in terms of the Medical Schemes Act stipulates that commission can only be paid "upon receipt by the scheme of the relevant monthly contribution in respect of that member". Thus an advisor will not earn commission for the period that contributions are deferred. We are awaiting guidance from the FSCA and the CMS in this regard, though, and will update advisers of any changes.

WHO Outbreak Benefit

How are COVID-19 diagnostic tests funded on DHMS?

The WHO Global Outbreak Benefit pays for the diagnostic test when the COVID-19 virus is confirmed. If a member does not test positive for COVID-19, the benefit does not pay for the test and health plan benefits apply.

What are examples of supportive treatment and medicines funded by this benefit?

Examples include chest x-rays that may be requested and clinically appropriate acute medicine prescribed for treatment of COVID-19 symptoms.

Other

We are concerned that we have several employees that are higher risk for COVID-19. What is Discovery Health's strategy with regards to communicating with and assisting these employees?

The Employee Intelligence dashboard on the Employer Zone has been enhanced to give you a view of your high risk employees in terms of their health status should they contract COVID-19. The website already provides you with essential insights into the overall health and wellness of your employees, as well as an overview of your employees' products and benefit usage. The ability to now see an overview of your high risk employees, enables you to take steps to communicate with them.

Once you are comfortable that you have taken the necessary measures suggested on the website, we have developed the ability for you to request an email to be sent to your high-risk employees on your behalf. Employee health data is completely confidential and because of this Discovery Health will communicate with these employees directly. This email will outline the preventive measures these employees should take and will request that they engage with you to discuss precautionary measures in their work environment. As further support, you also have an email for you to send to your management teams informing them of this process.

To access these tools, log onto www.discovery.co.za, visit the employer zone, click view more under the Your employees' health section and you will find the enhanced dashboard for COVID-19.

Can I downgrade my plan and then upgrade to my old plan later this year when I can afford the premiums again?

The Scheme rules allow you to move to a lower plan at any point in time during the year, however you will only be able to upgrade your plan option effective 1 January every year.

Vitality

How does the double HealthyCare and HealthyFood cashback work?

Vitality is giving double the regular cash back on HealthyCare items at Clicks or Dis-Chem and HealthyFood items at Pick n Pay or Woolworths. Vitality Health members that have activated the benefit will get up to 20% cash back; completing their Vitality Age will get up to 30% cash back; and completing their Vitality Health Check will get up to 50% cash back. The spend limit (R2,000 for a single member and R4,000 for a family) remains unchanged. This enhanced benefit will apply during the lockdown period. Terms and conditions apply.

Where a Discovery Vitality Health member is also a Discovery Bank client, the member will receive the above boosts paid out together with their normal Vitality Money reward percentage, so they can receive up to 100% cash back on HealthyFood and 75% cash back on HealthyCare, depending on their criteria such as Discovery Bank account type and Vitality Money status.

Further details around [HealthyFood](#) and [HealthyCare](#) can be found on the website.

How do clients continue to earn Vitality points during this period?

Clients that are getting active can continue to earn physical activity points, with up to 300 points when tracking a workout session with a Vitality-linked fitness device, and up to 100 points when tracking steps on a smartphone. In addition, Virgin Active is offering online workout videos on their website that members can watch and use at home. Engaging for 30 minutes or more each day will be recognised as a gym workout.

In addition, clients can earn 1,500 points when finding out their Vitality Age and up to 12,000 points a year when buying HealthyFood items at Pick n Pay or Woolworths.

Are there any adjustments to the minimum 36-gym visits over a 12-month period?

Yes. For the duration of the stay at home period Vitality will maintain the gym benefit as is for all members. There is nothing that members need to do, as this will happen automatically. After the stay at home period is over the normal rules, terms and conditions will apply again.

Some clients redeemed Discovery Miles for rewards prior to lockdown but haven't had a chance to redeem these rewards. Can the expiry data be extended or the reward reissued on request?

Yes, Vitality will extend the expiry date of all rewards that expire over the period due to their inability to be redeemed. This is particularly relevant for coffees, given the shorter validity period. As far as possible, this will be processed automatically, otherwise Vitality will process on request.