



# 2021 CONTRIBUTION AND VACCINE UPDATE

DISCOVERY HEALTH MEDICAL SCHEME

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# 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 and exciting special offers to create more value for members*



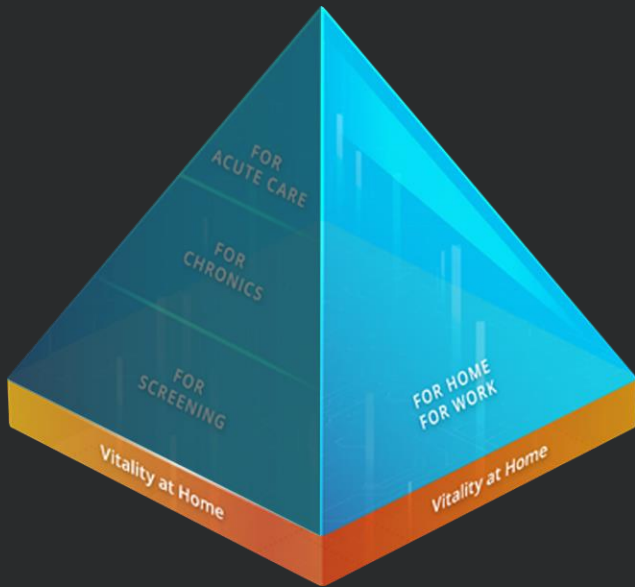
# DHMS transforms healthcare delivery for members across the care continuum



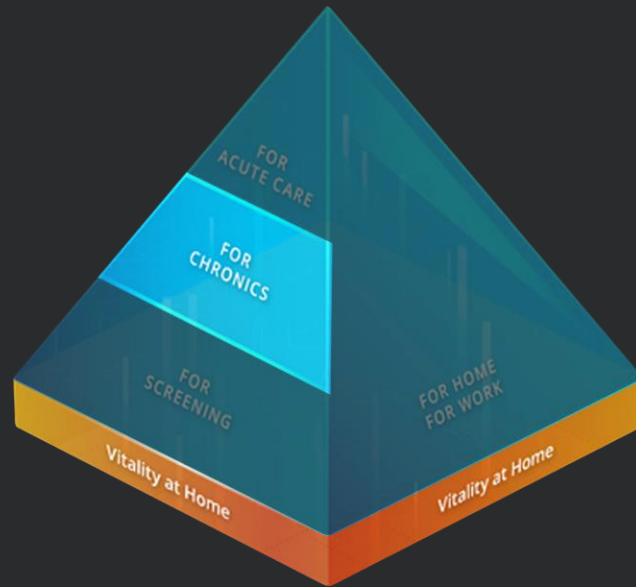
For Home | For Work  
**Available since 1 April**

For Chronic  
**Coming soon**

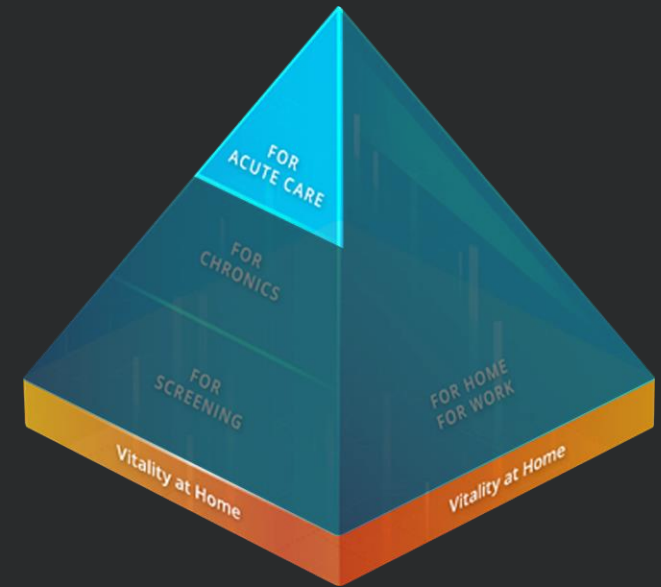
For Acute Care  
**Testing underway**



On-demand medical examinations  
Virtual consultations  
E-scripting



Educational material  
Remote monitoring devices  
Personalised coaching consultations



Sophisticated clinical insights  
Tools for healthcare professionals  
Remote monitoring devices

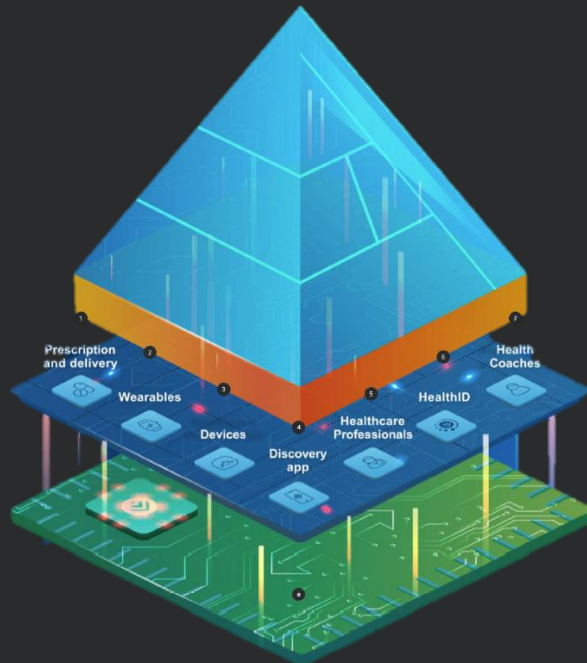
# 2021 innovation leverages industry trends to deliver better healthcare for members



Enabling digital healthcare services leveraging platforms and Big Data

Benefit enhancements driving improved health outcomes

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



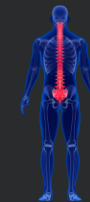
Mental health programme

**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

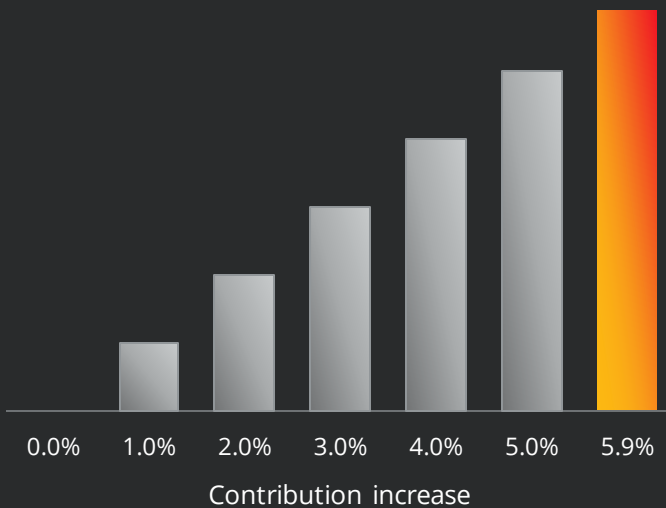


Financial relief for members

**~R2.2bn**

Saved for members through the Contribution Freeze

Value of the 2021 Contribution Freeze

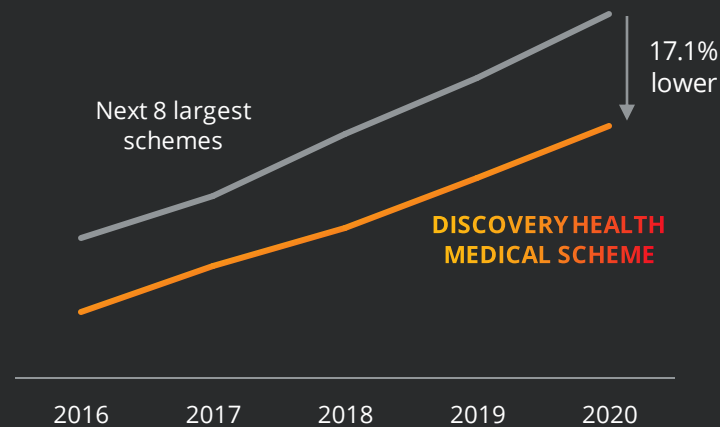


Enhanced value for 2021

**17.1%**

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

Cumulative contribution increases (2009 - 2020)

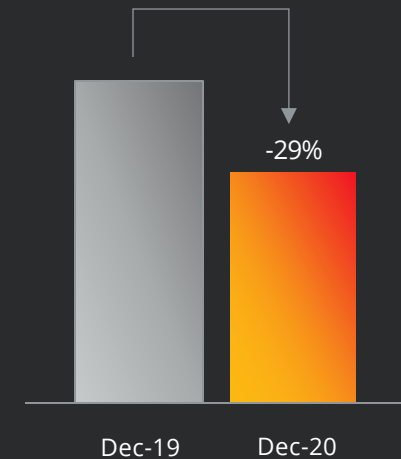


Improved year-end persistency

**-29%**

Lower withdrawal levels over 2020 year-end

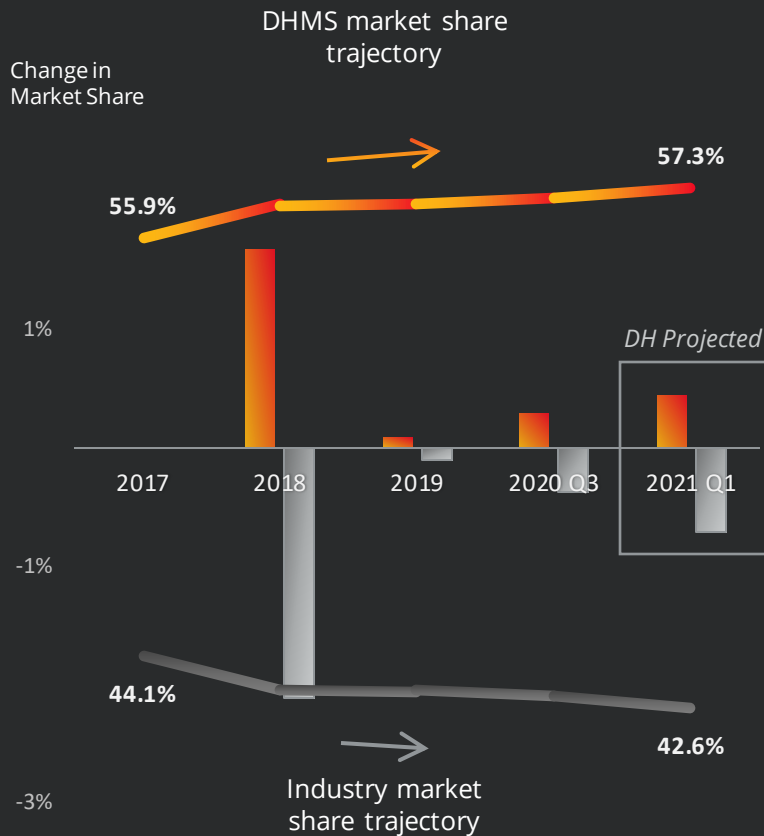
Year-end withdrawals



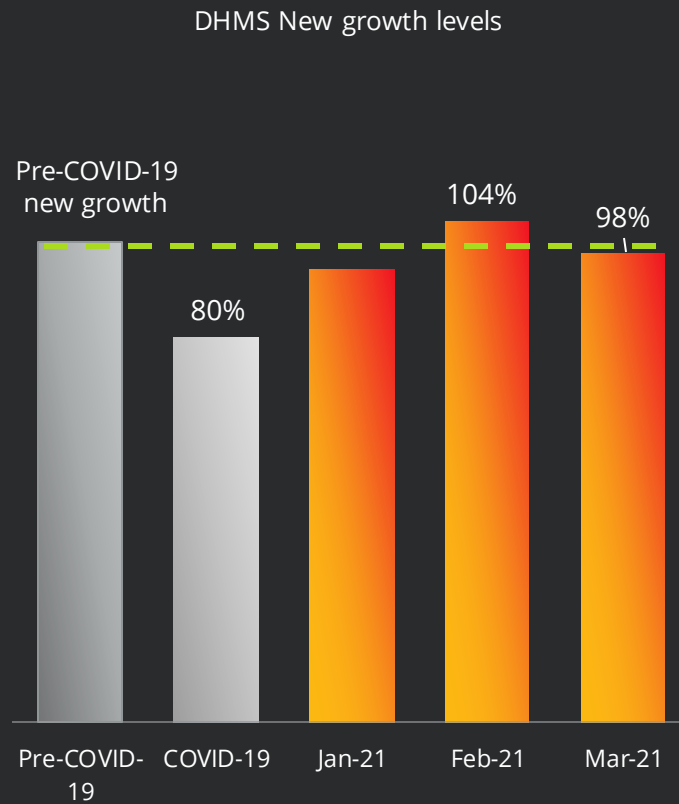
# DHMS shows strong growth indicators following 2021 innovation



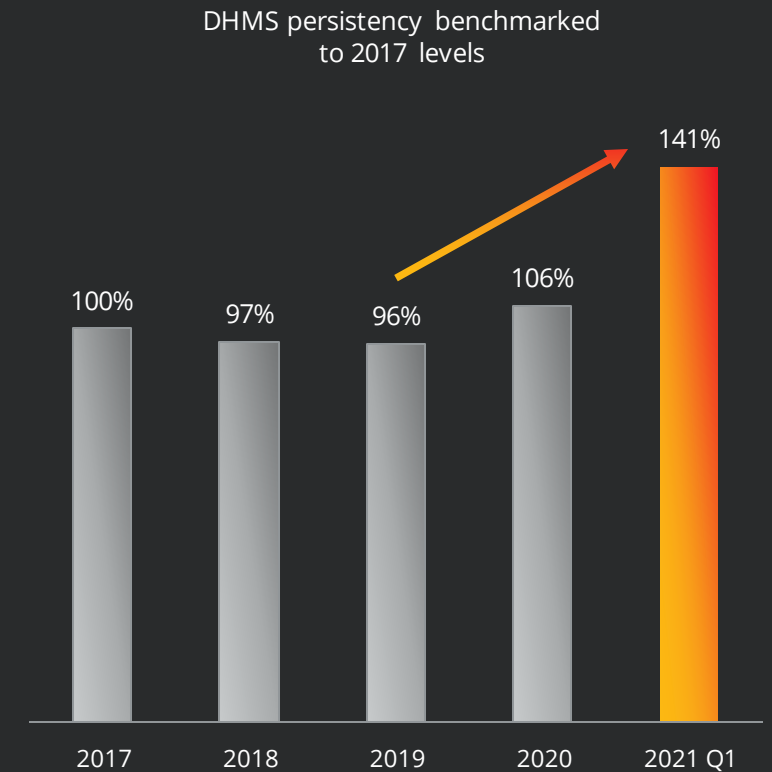
DHMS market share trajectory different to the rest of the industry



2021 new growth has returned pre-COVID-19 levels



Persistency has substantially increased



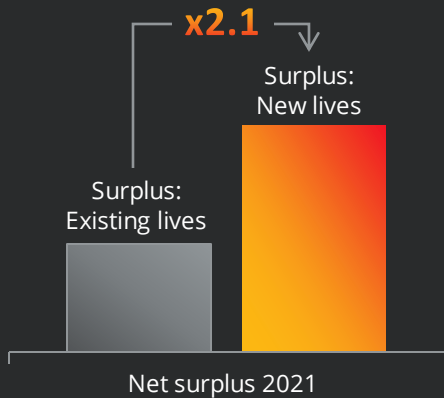
# DHMS new growth represents a flight to quality



Higher quality growth on DHMS in 2021

**+13%** increase in good quality lives joining DHMS

New lives represent high quality growth



Driven by healthy demographic profile

Younger new joiner profile

Open Industry

**29.1**

Average age



DHMS

**25.7**

Average age



Healthier new joiner chronic profile

Open Industry

**12.3%**

Chronic ratio



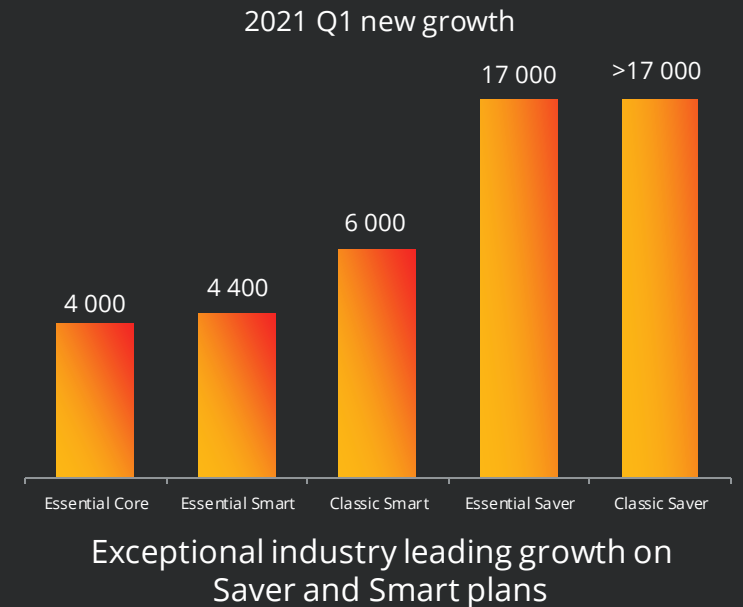
DHMS

**6.3%**

Chronic ratio

On effectively priced plan options

Strong new growth on effectively priced plan options

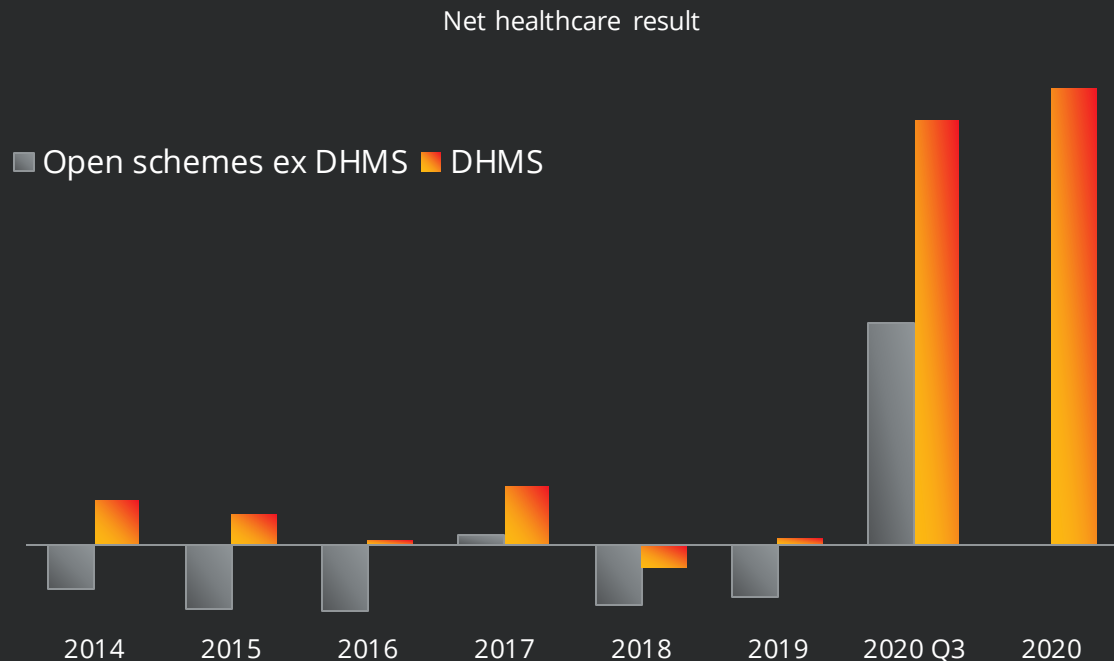


# DHMS is well-placed to manage the healthcare utilisation uncertainty in 2021 and beyond



Favourable 2020 DHMS performance

**R7.5bn** DHMS unaudited net healthcare result 2020



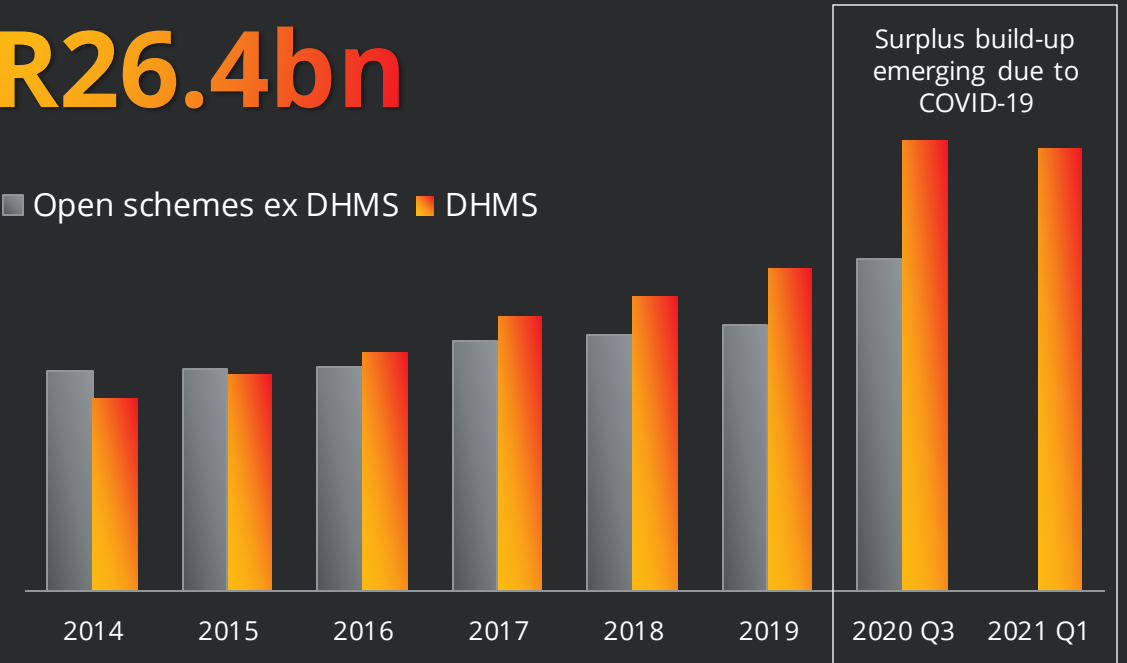
Strong security and surplus to manage utilisation volatility in 2021

**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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*Leveraging key COVID-19 trends to improve healthcare delivery*



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*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

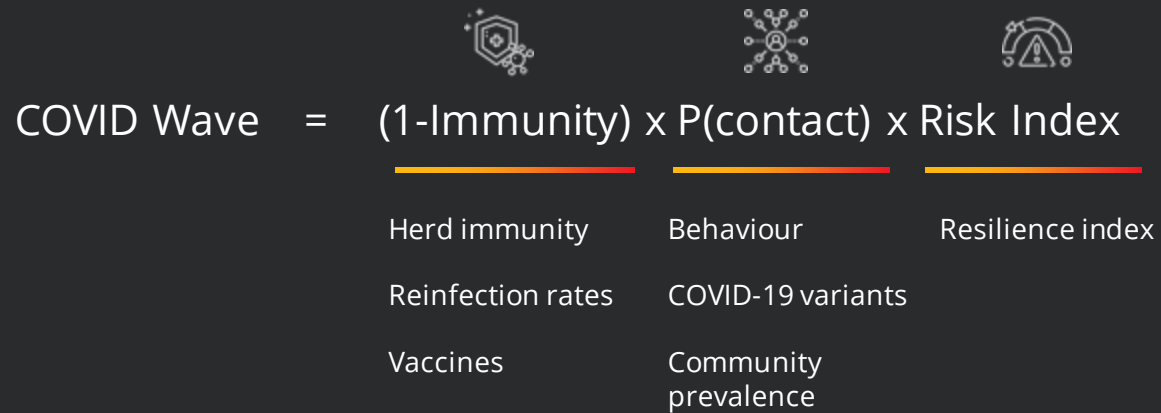
*Differentiated benefits and exciting special offers to create more value for members*



# Ongoing healthcare uncertainty from future COVID-19 outbreaks



## Factors influencing COVID-19 future outbreaks

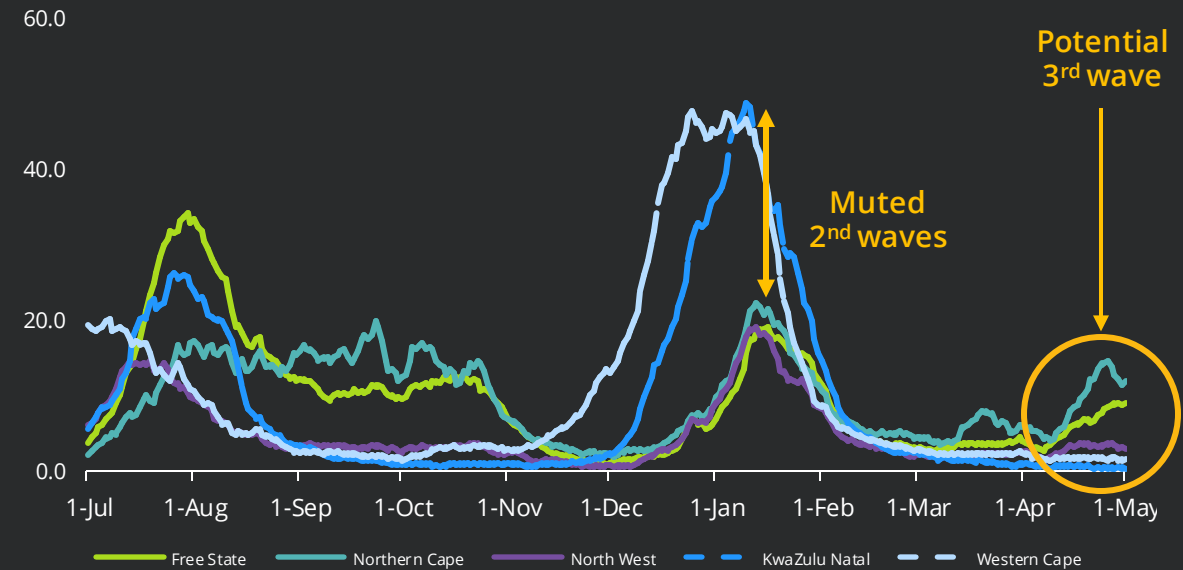


**~55-65%** of population already infected in major regions

**⇒ R0 < 2.5** will avoid third waves

## Regions with muted prior outbreaks are showing signs of localised surges

Attack rate (2<sup>nd</sup> of May 2021)



Pick-up test rates



**Target for control**

**3-5%**

Northern Cape

**16.7%**

Free State

**16.3%**

North West

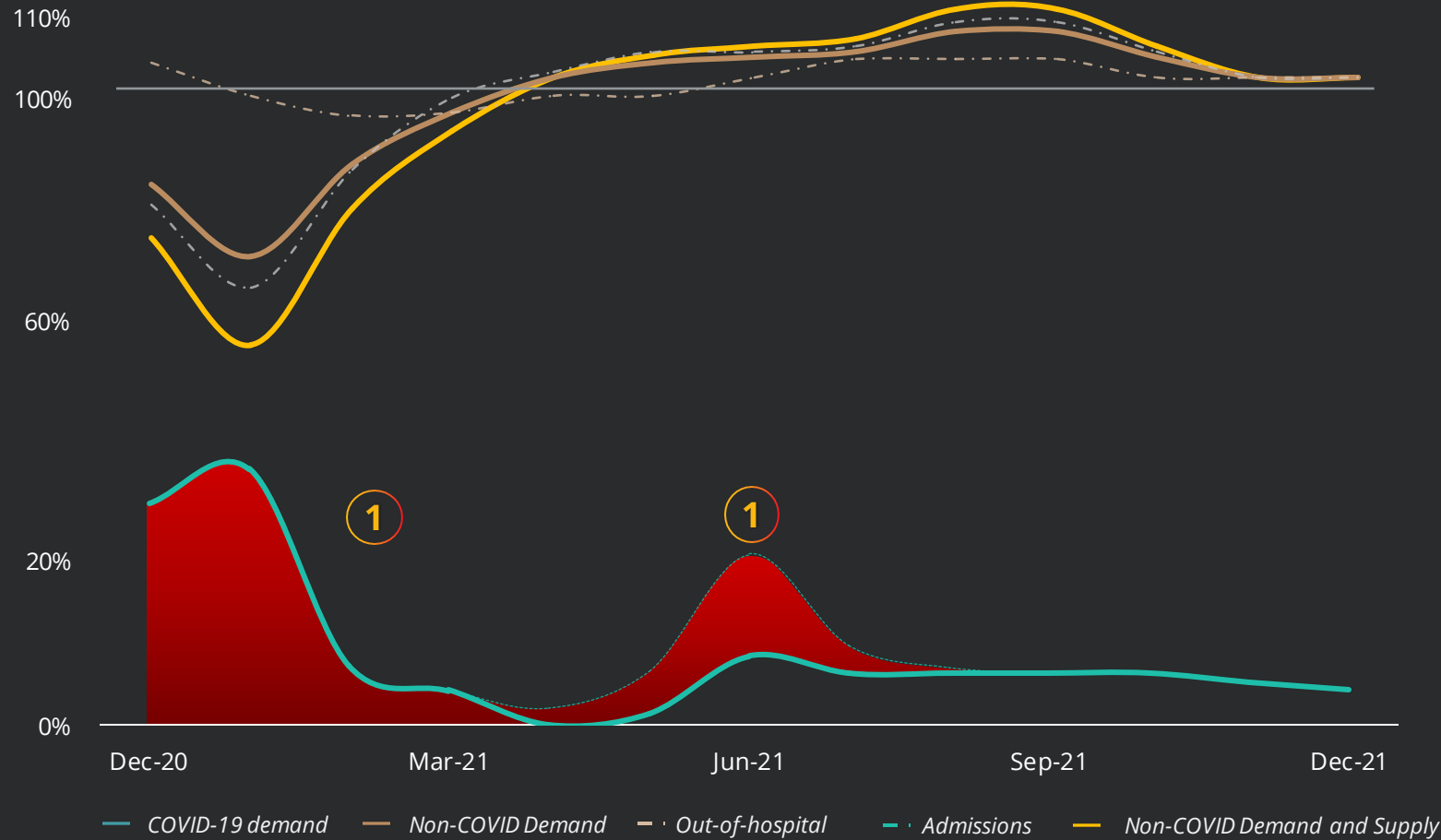
**8.1%**

# Fluctuations in healthcare demand expected over 2021

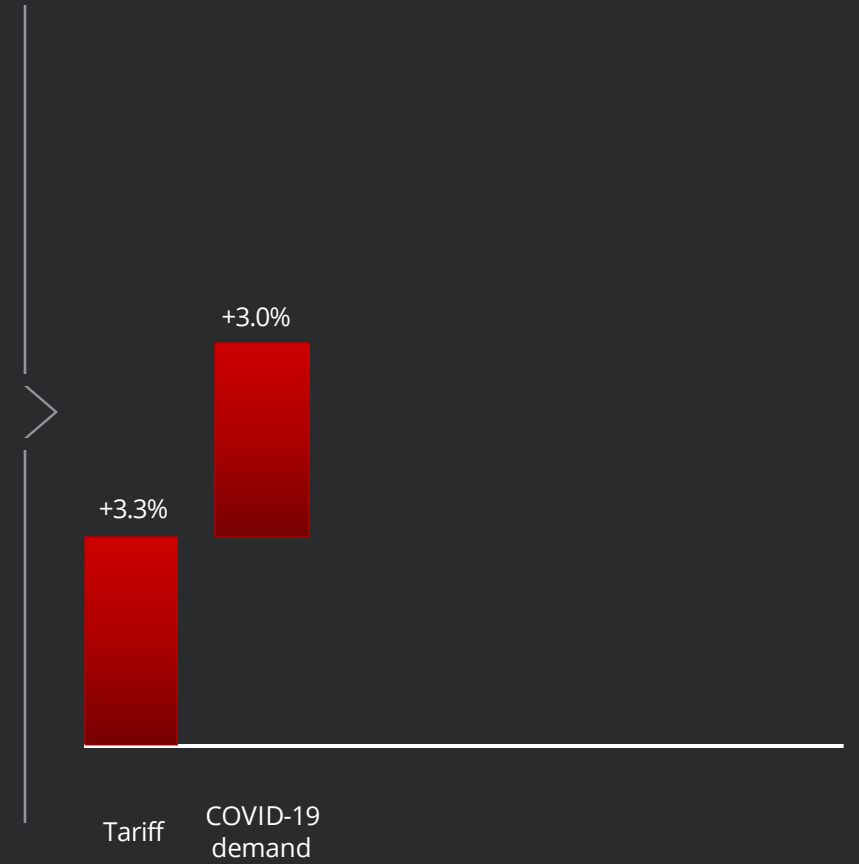


Healthcare Utilisation 2021

1 COVID-19 healthcare demand from 2<sup>nd</sup> and subsequent waves



Components of healthcare inflation

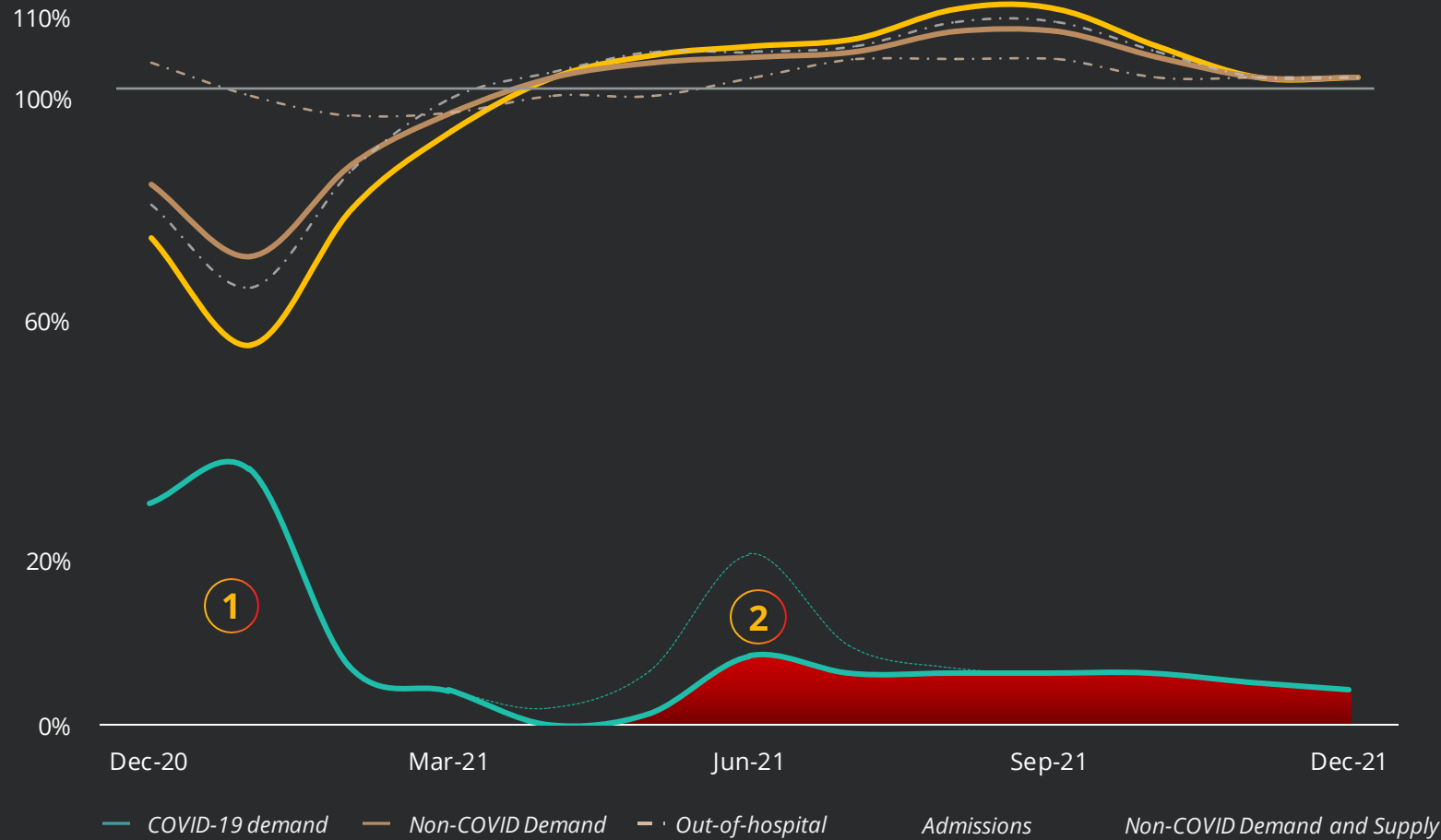


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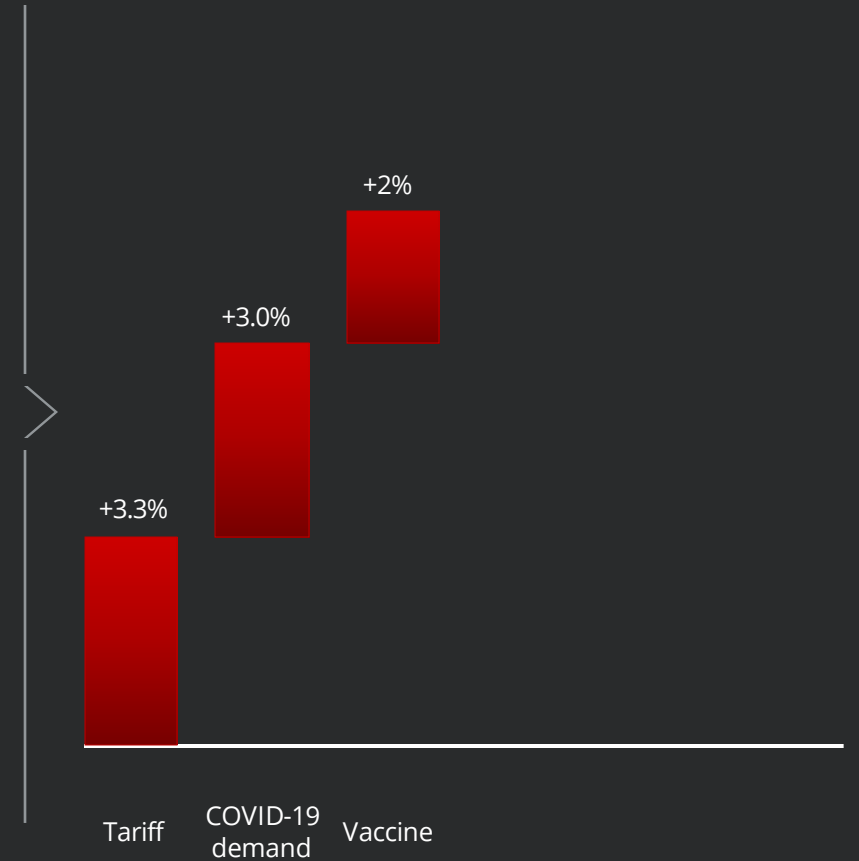


## Healthcare Utilisation 2021

- 1** COVID-19 healthcare demand from 2<sup>nd</sup> and subsequent waves
- 2** Ongoing COVID-19 Vaccine funding



## Components of healthcare inflation

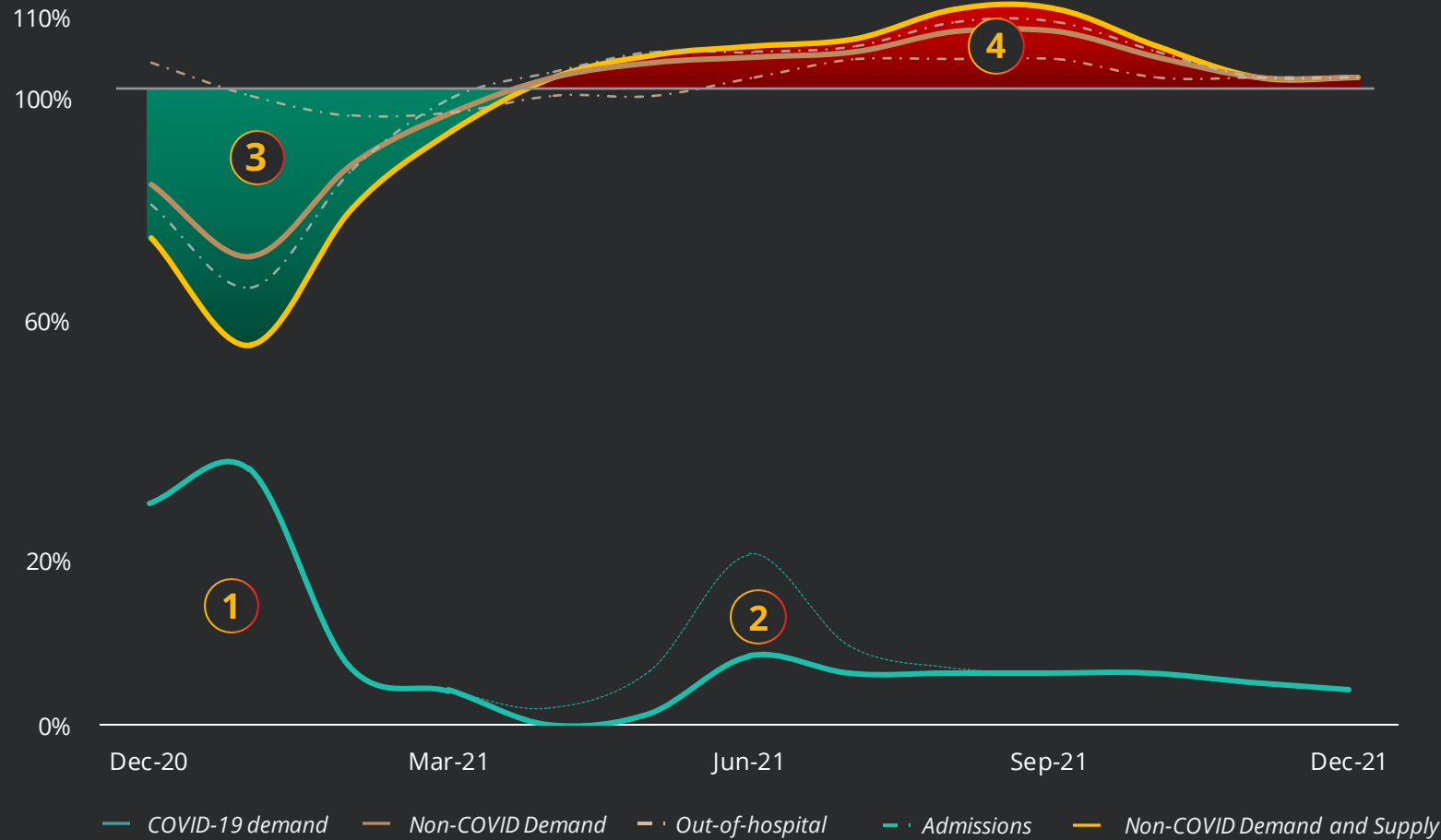


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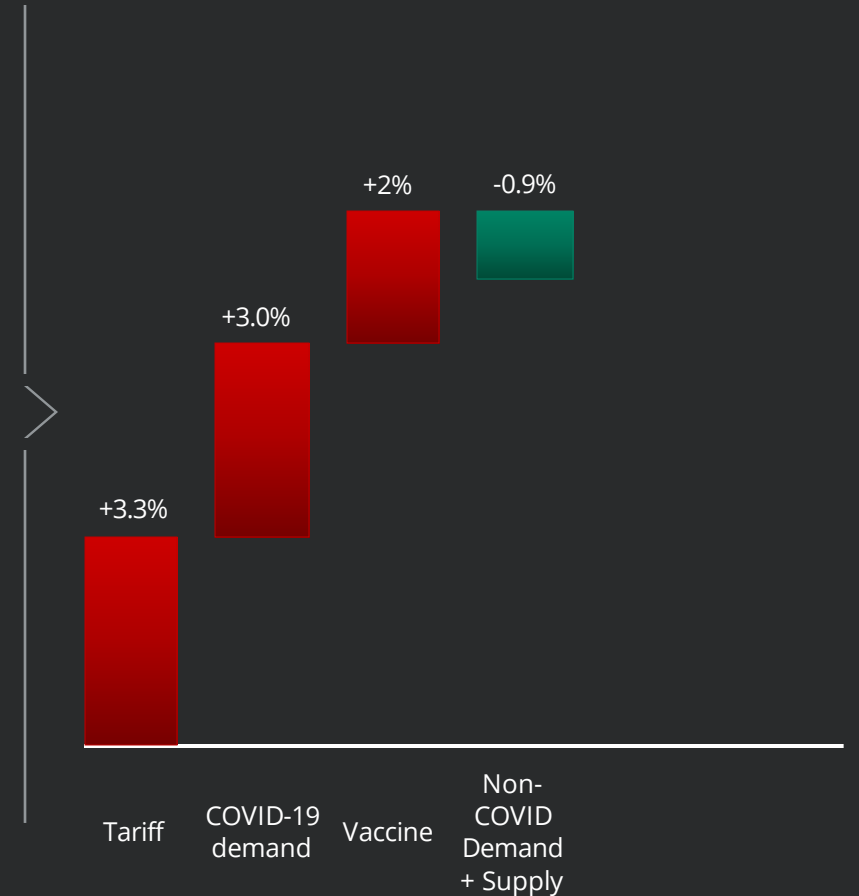


## Healthcare Utilisation 2021

- 1 COVID-19 healthcare demand from 2<sup>nd</sup> 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

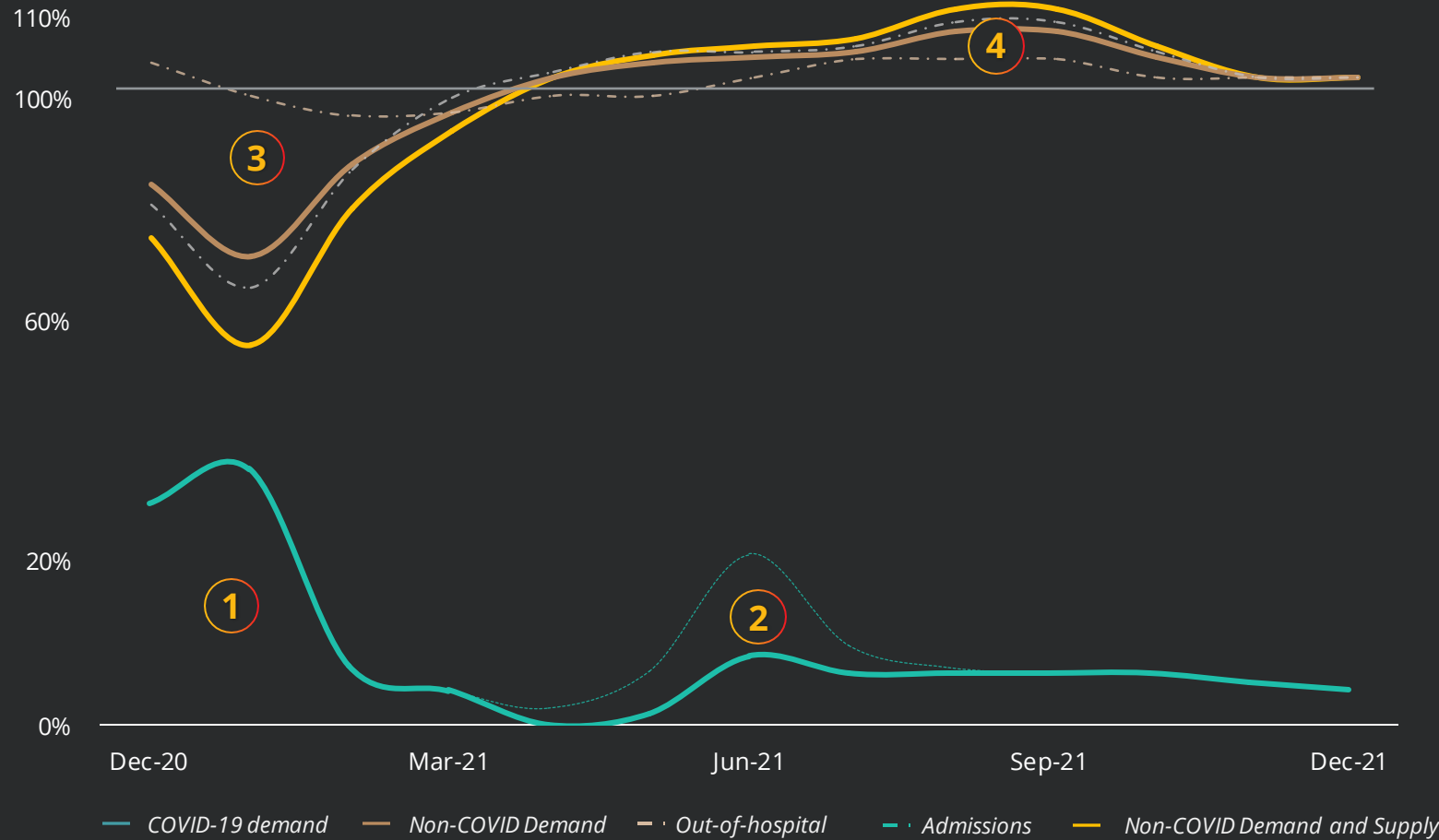


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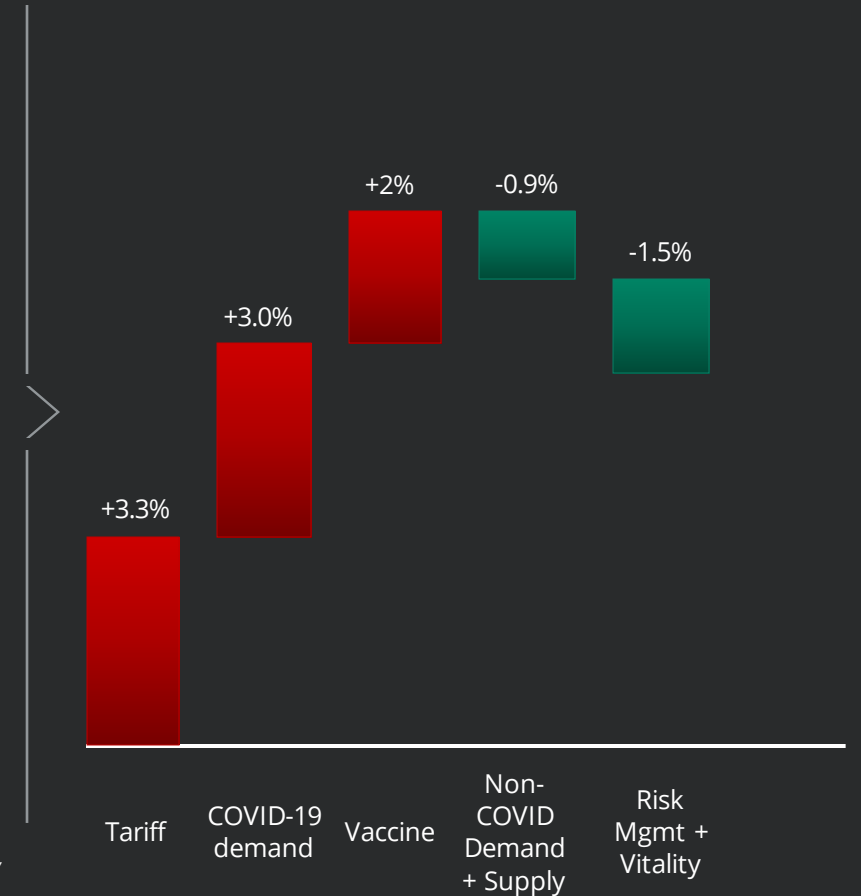


## Healthcare Utilisation 2021

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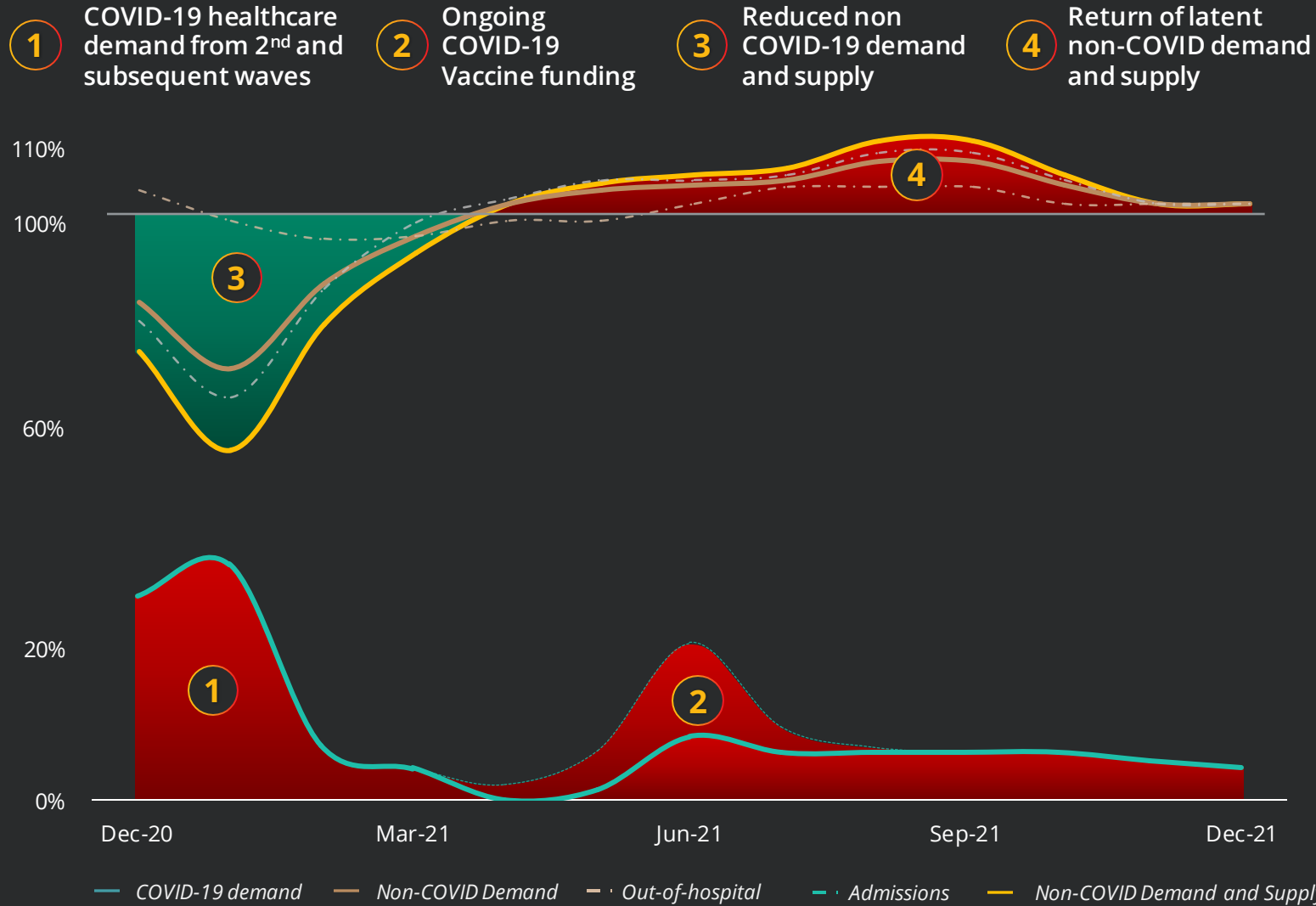
## Components of healthcare inflation



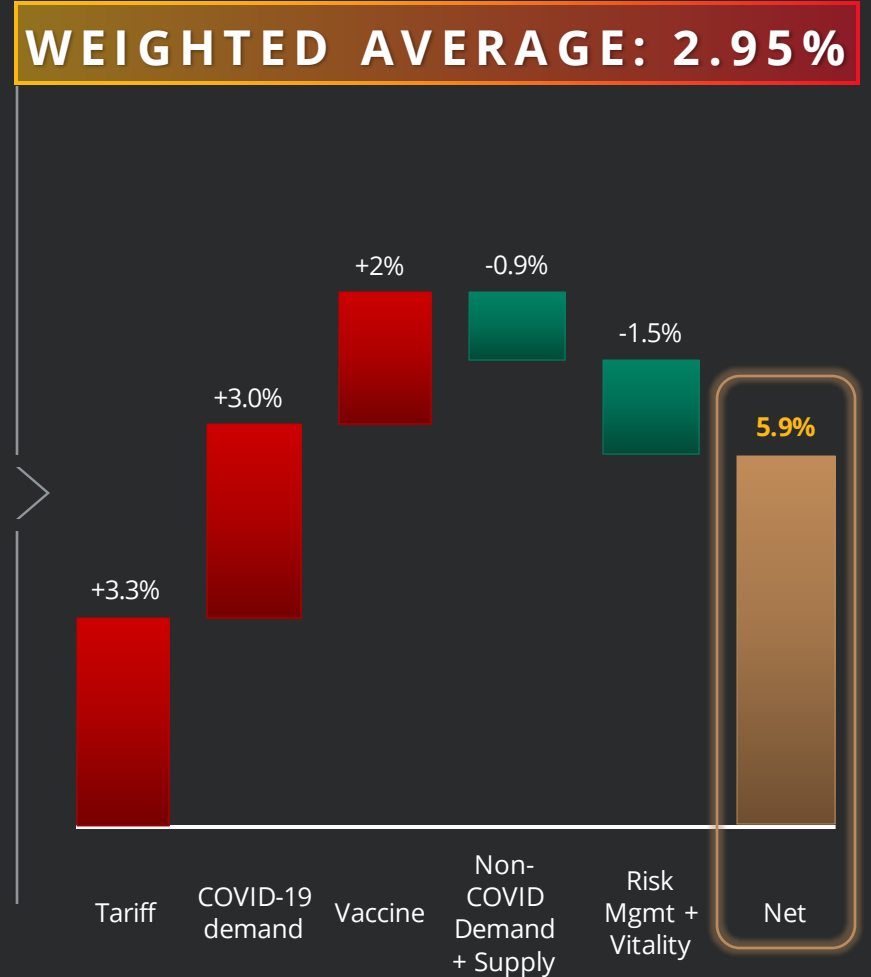
# 2021 Deferred contribution increase



## Healthcare Utilisation 2021



## 5.9% INCREASE ACROSS ALL PLANS



# 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



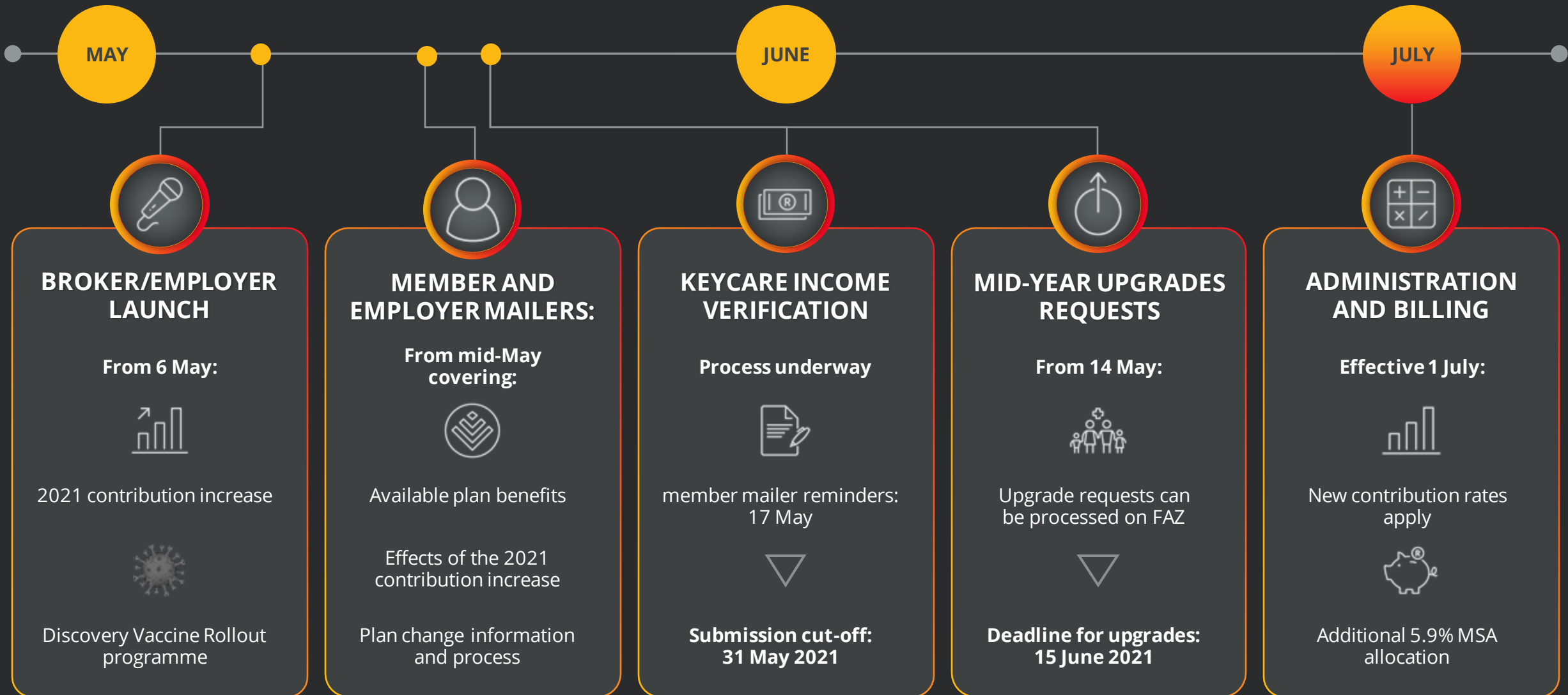
## Plan choice update

**MID-YEAR UPGRADES WILL BE ALLOWED**

Upgrades effective from 1 July 2021

Deadline for upgrades: 15 June 2021

# Implementation of the 2021 Deferred Contribution Increase





## FAIS requirements as result of the mid-year contribution increase:



**1** *Ensure member has been informed of contribution and benefit updates*

**2** *Inform and offer advice on mid-year upgrades*



Contribution implications



Benefit implications

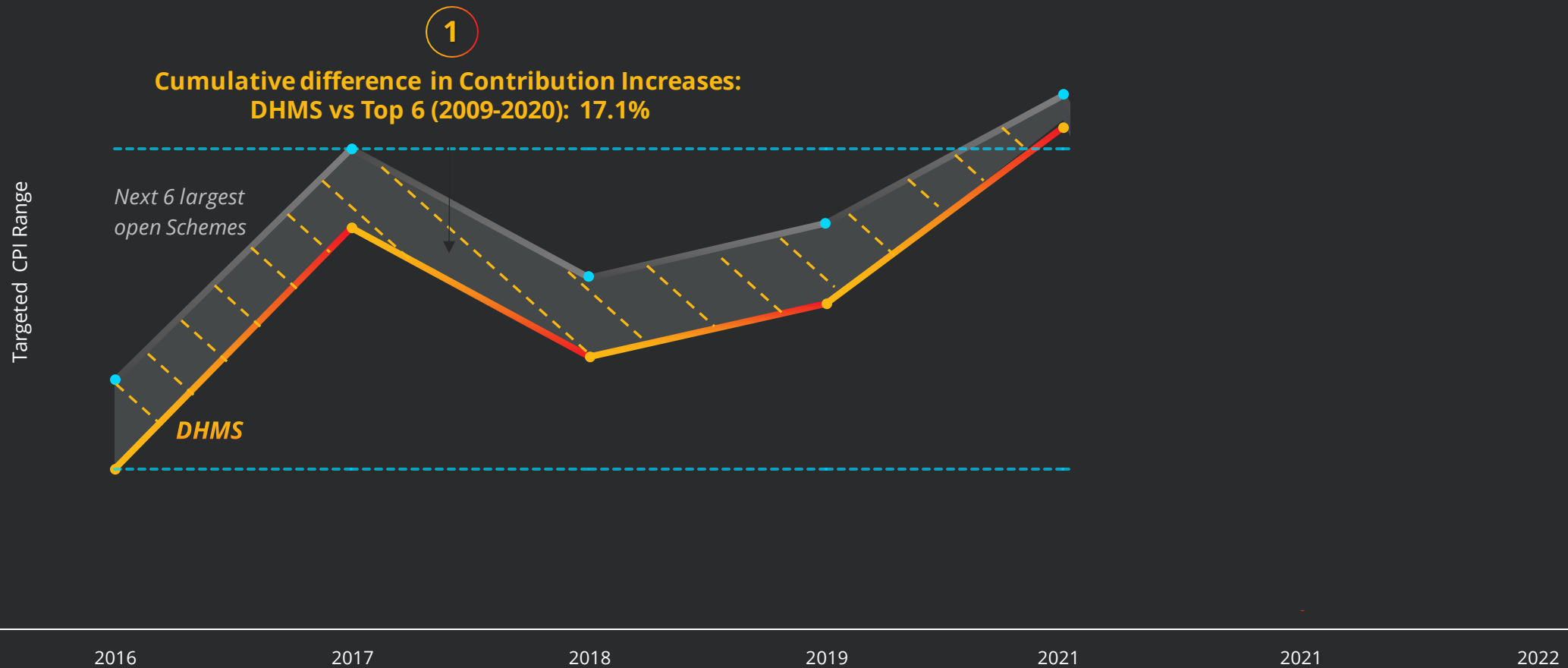


Plan choice implications

# Managing Healthcare Costs in 2022 and Beyond



DHMS' weighted contribution increases have consistently been below industry levels

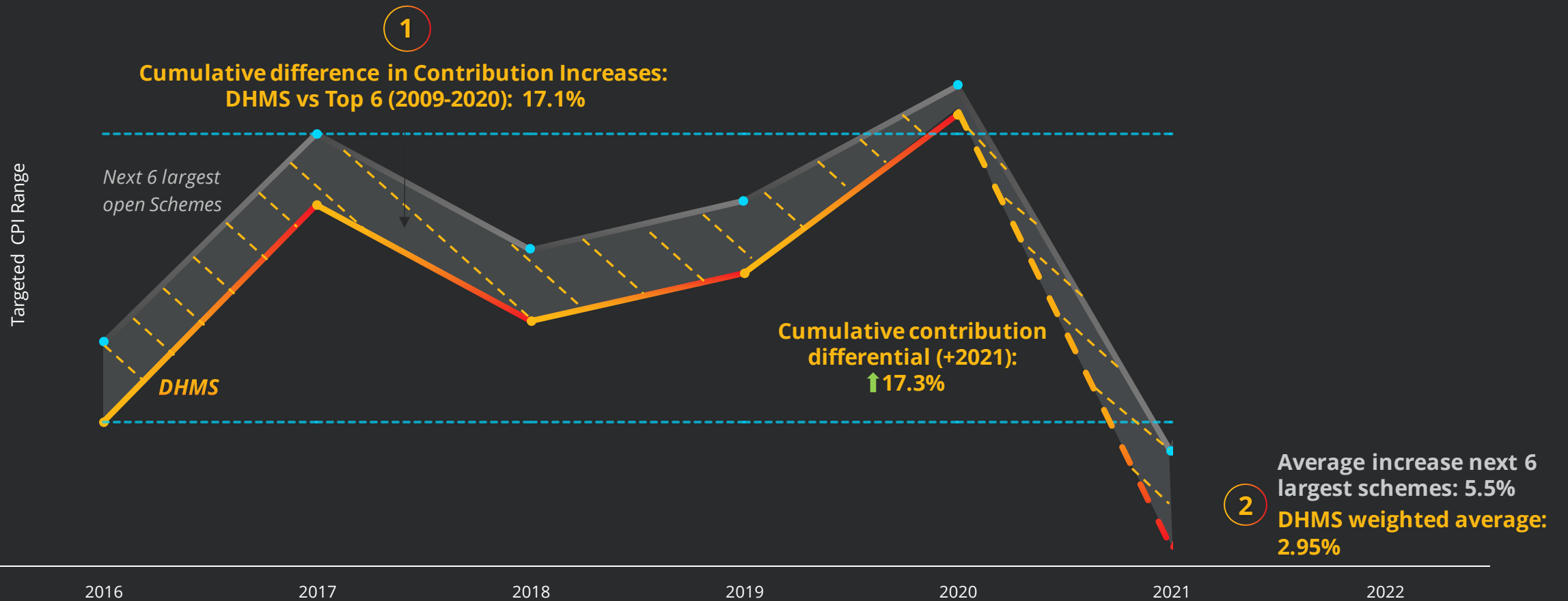


# Managing Healthcare Costs in 2022 and Beyond



DHMS' weighted contribution increases have consistently been below industry levels

DHMS contribution freeze increases weighted average contribution differential in 2021



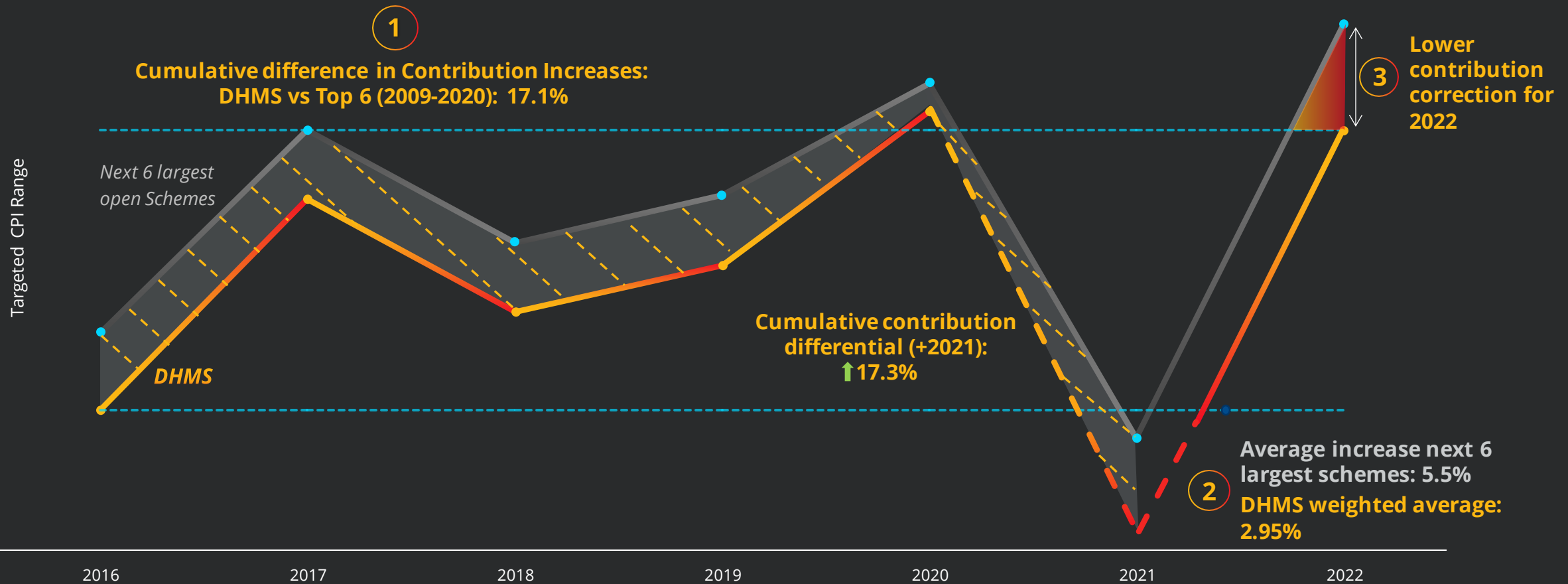
# Managing Healthcare Costs in 2022 and Beyond



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

Enhanced value for 2021

Improved year-end retention

Smoothed future healthcare inflation

**R2.2bn**

worth of contribution saved for DHMS members

**2.95%**

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

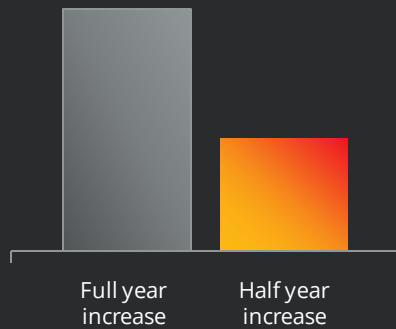
**-29%**

lower withdrawal levels over 2020 year-end

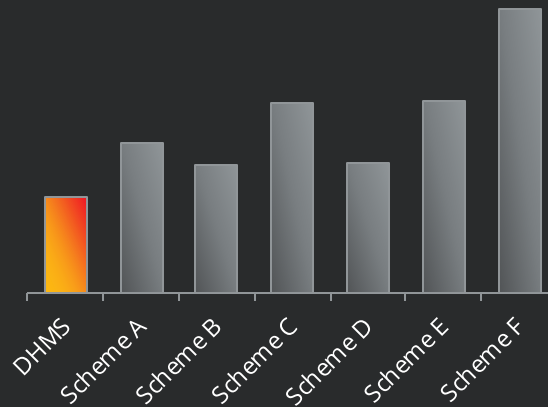
**Lower contribution correction**

required to match future healthcare inflation

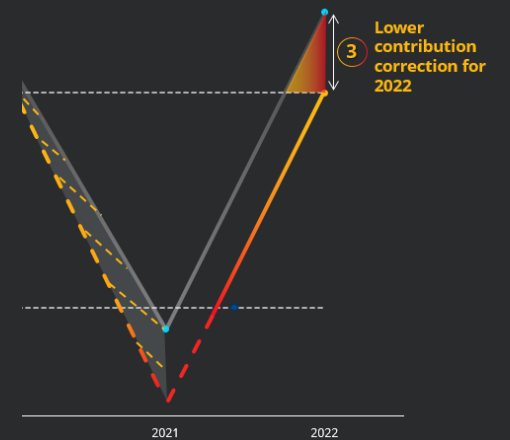
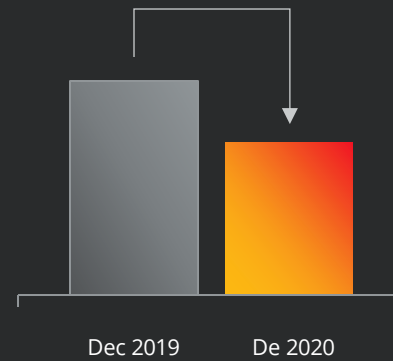
Increase in contributions



2021 weighted average increases



DHMS Withdrawals



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*Supporting an efficient and differentiated vaccine rollout for all South Africans*



## OFFERING GREATER VALUE

*Differentiated benefits and exciting special offers to create more value for members*



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

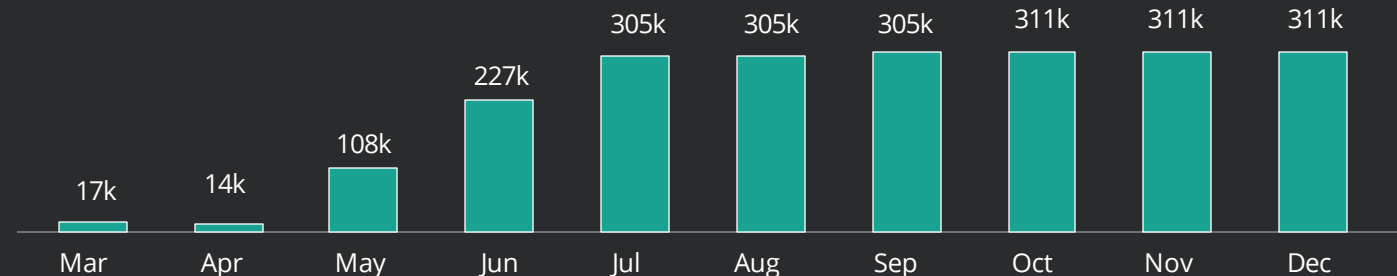


## Population risk segmentation

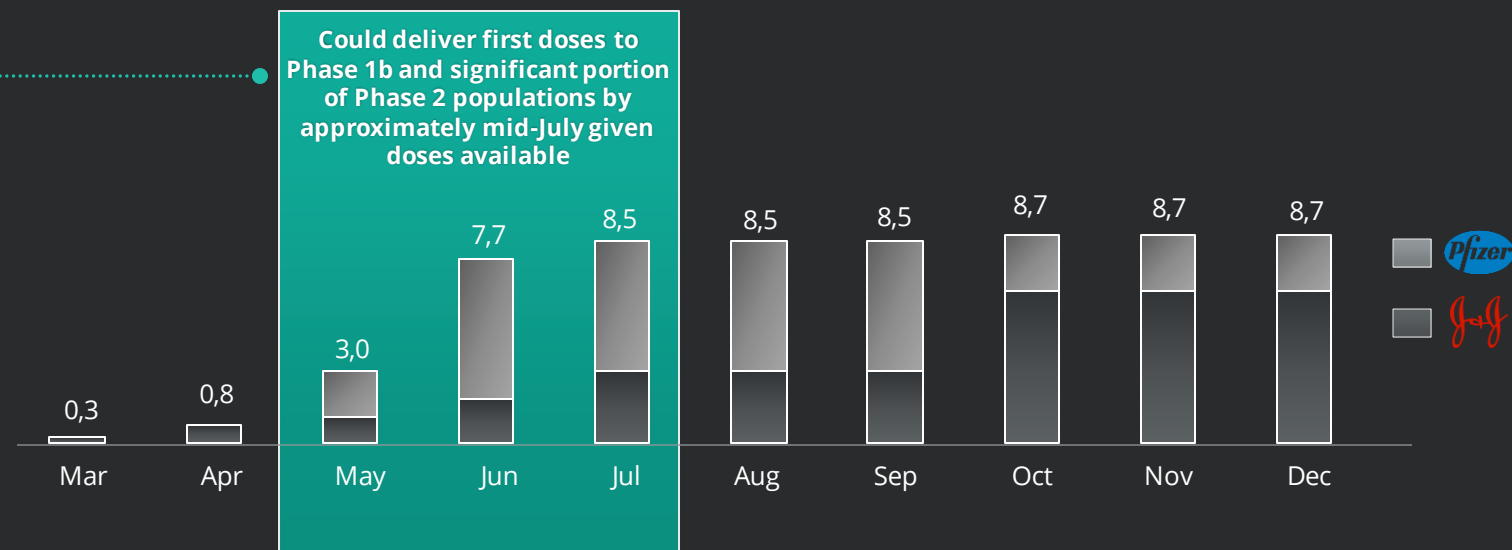
People	Phase	DSY	All
Sisonke (complete)	1A	TBC	0.3
Healthcare worker balance	1B	TBC	0.4
+60 yrs	2	0.6	5.5
50 - 60 yrs	2	0.5	4.8
<b>Sub-total (Phase 1 &amp; 2)</b>	-	1.1	10.7
40 - 50 yrs	2	0.7	6.9
18 - 40 yrs	3	1.3	23.5
<b>Total adults</b>	-	3.1	41.0
12 - 18 years	-	0.3	6.3

\*As at 4 May 2021

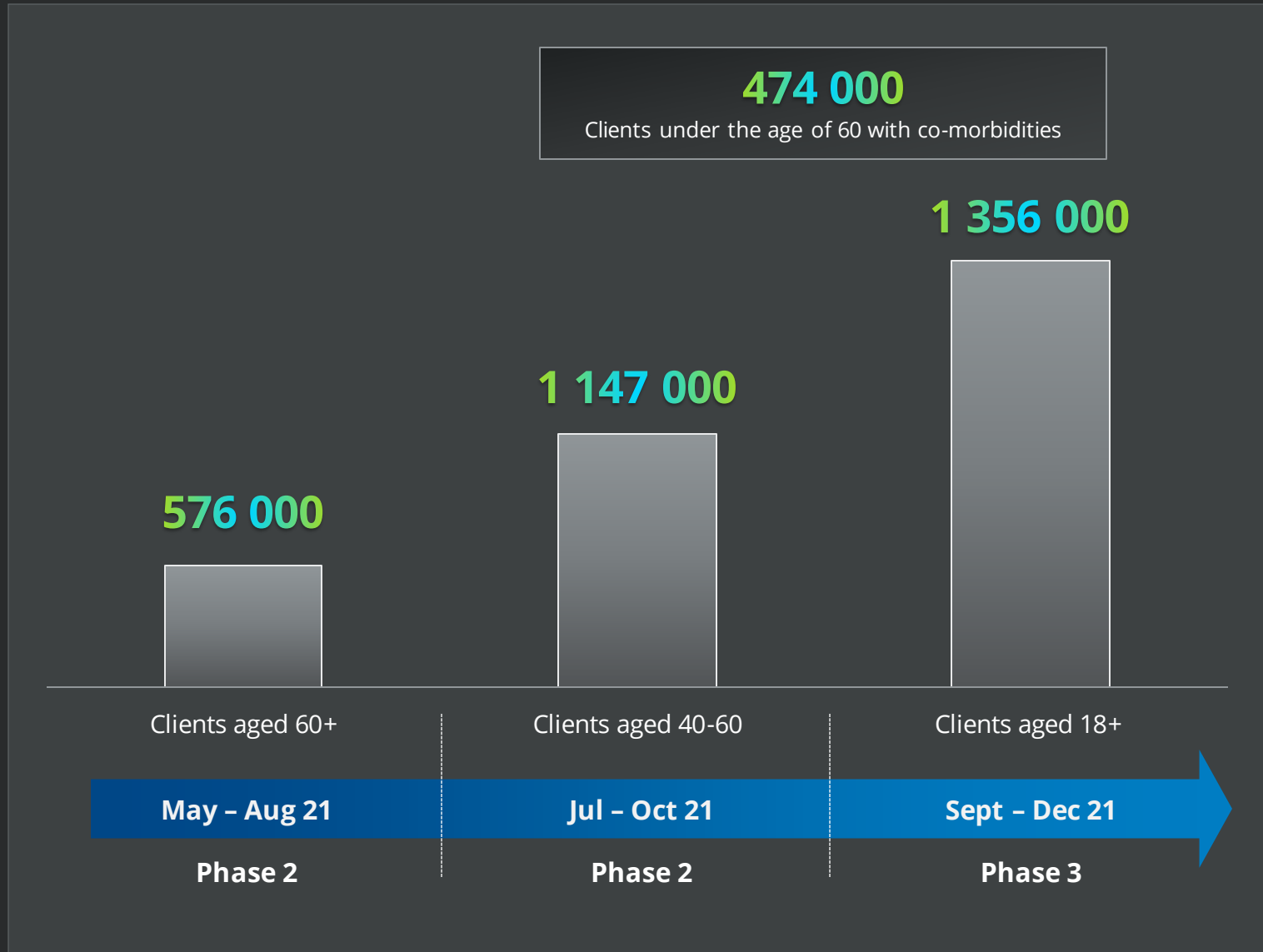
## Daily vaccination rate based on minimising a third wave, *doses per day*



## 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

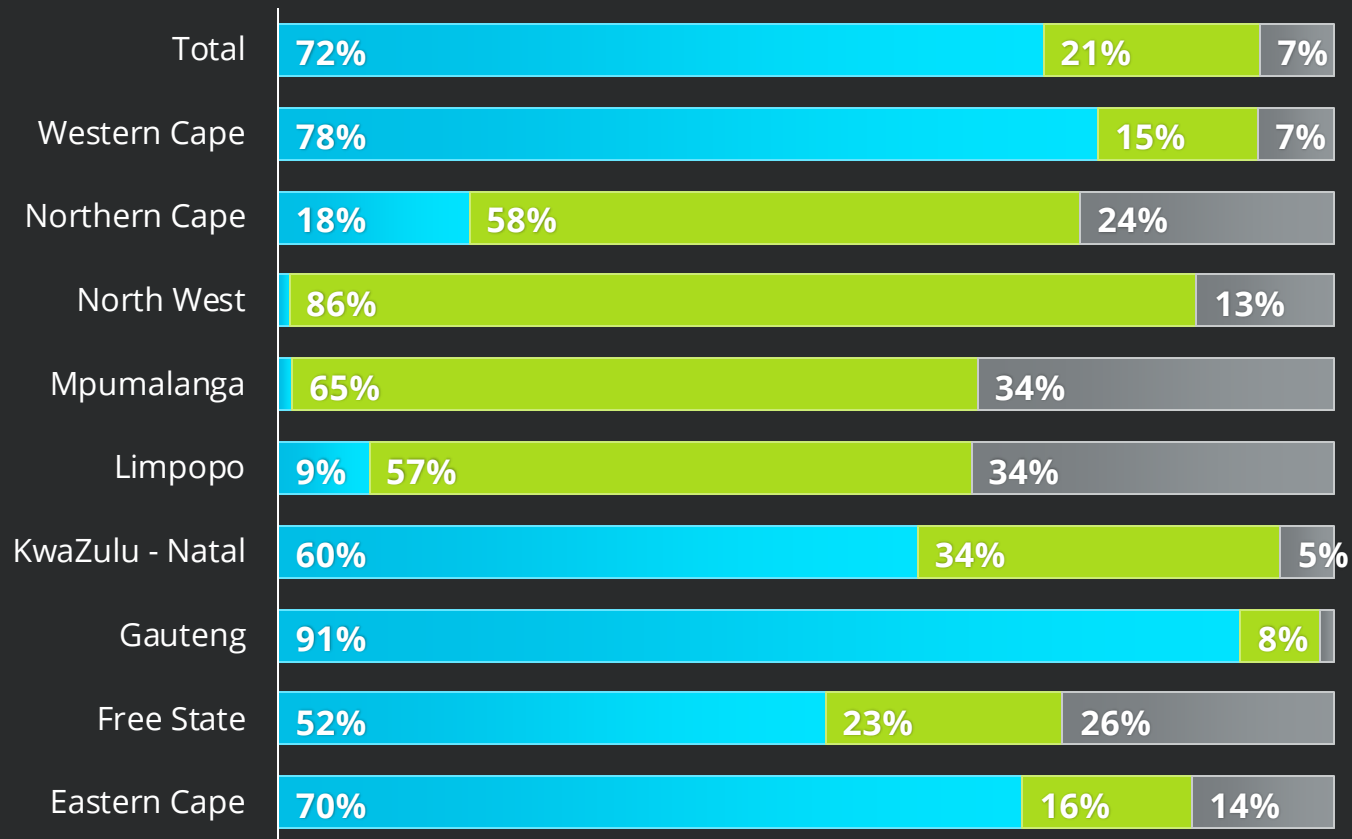
Number of sites

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**

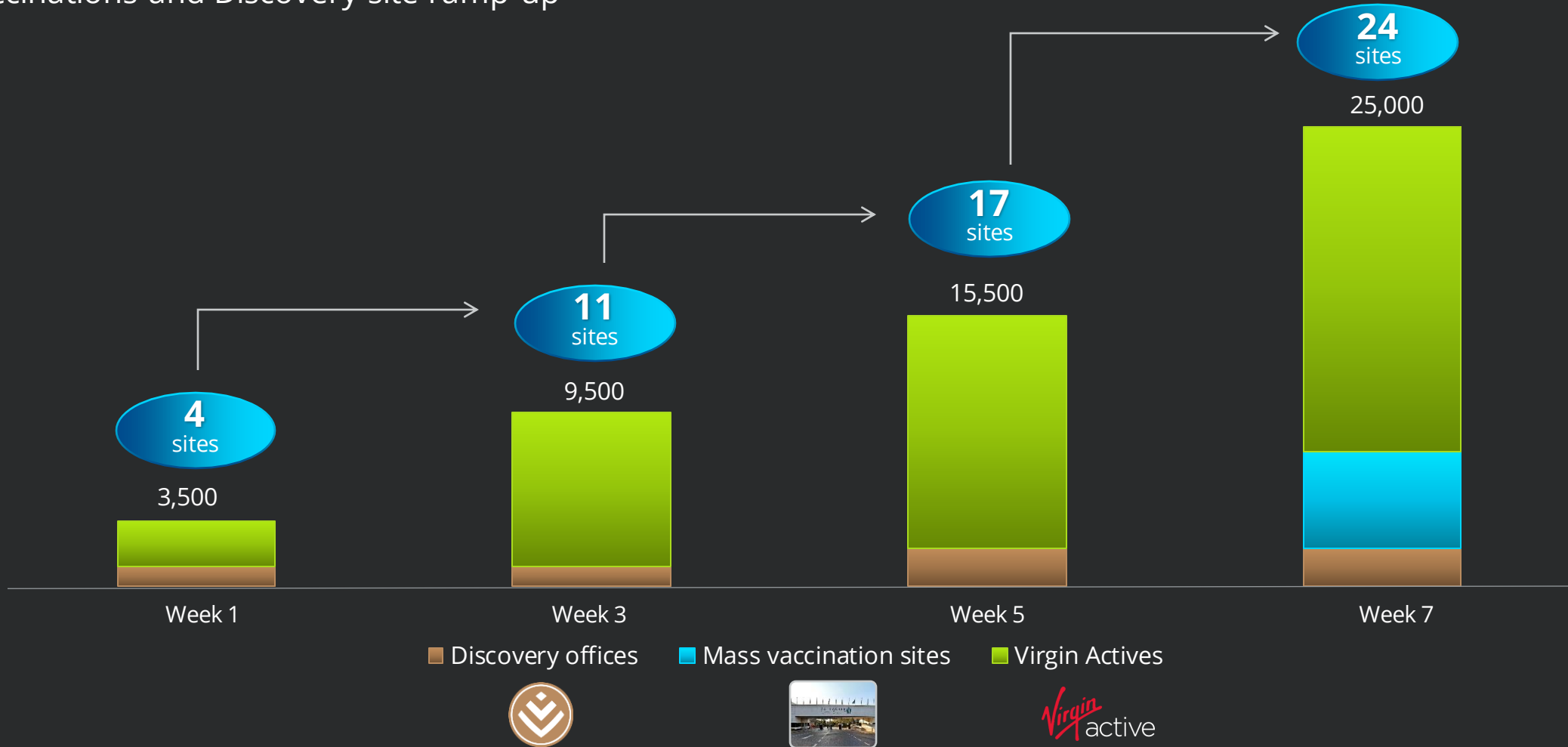
Increases to **93%** when including **pharmacy and hospital partners**

**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



Vaccination certificate

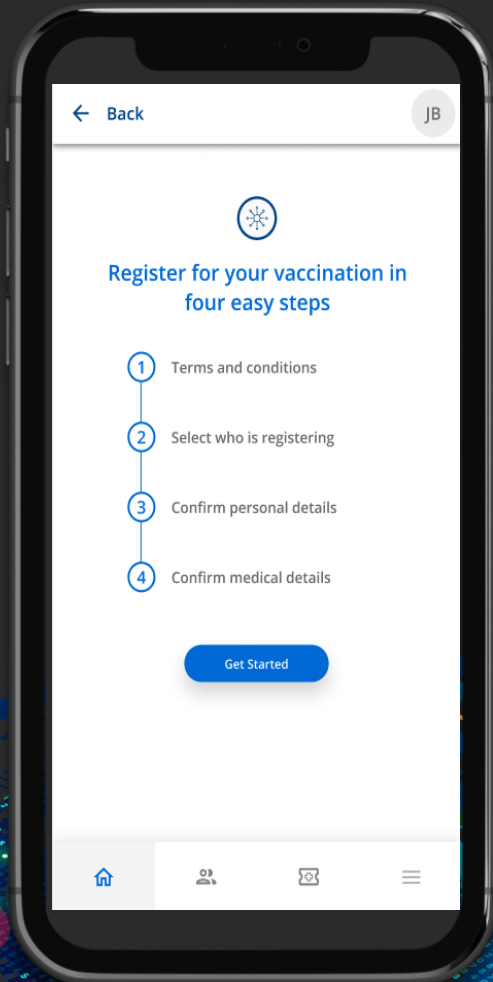
Follow-up reminder

Differentiated  
**DISCOVERY**  
experience

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

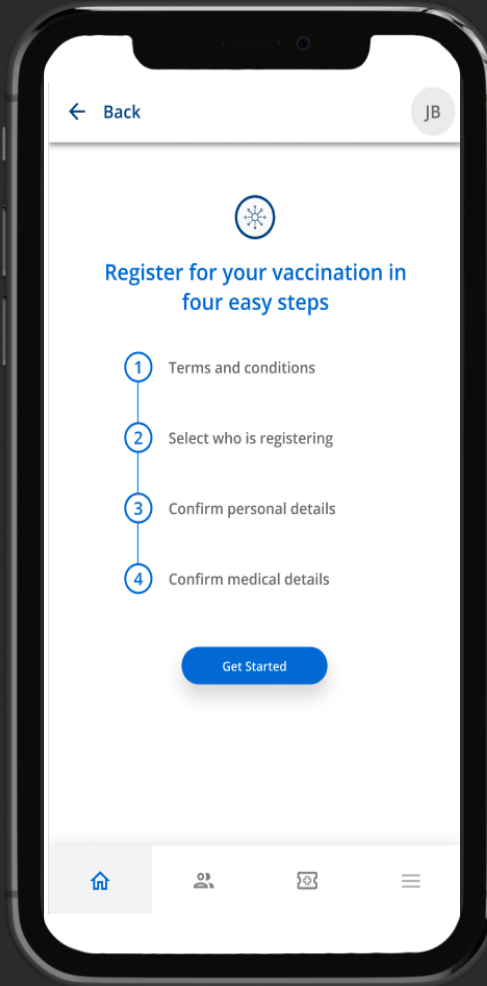
# Digital vaccine registration portal



Register on Connected Care's COVID-19 Vaccination Navigator

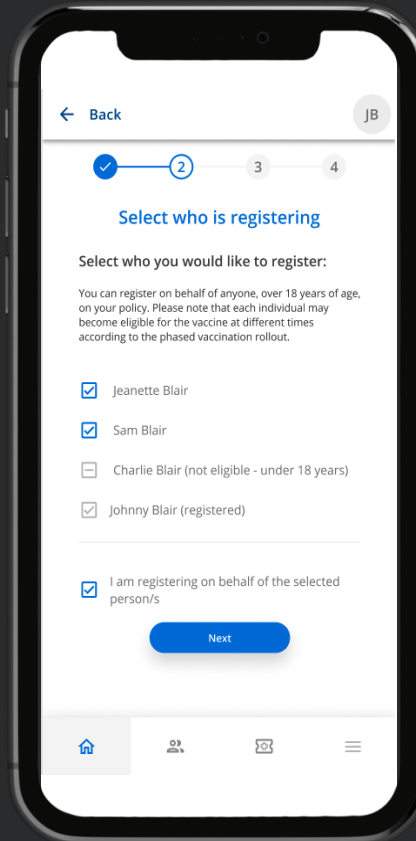
1

Select who is registering



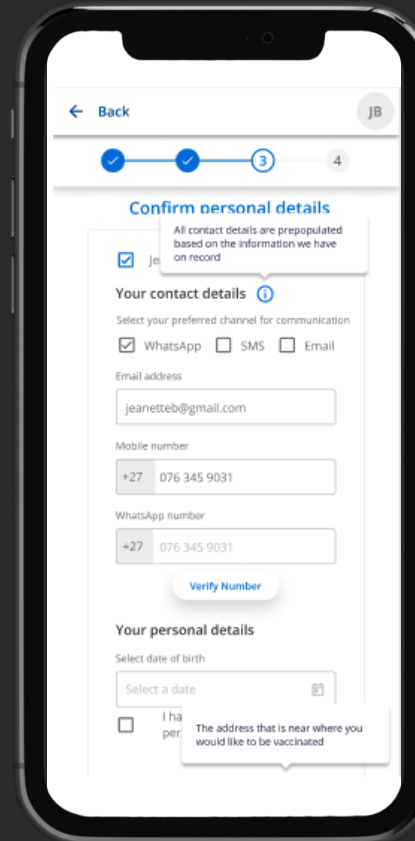
2

Confirm personal details



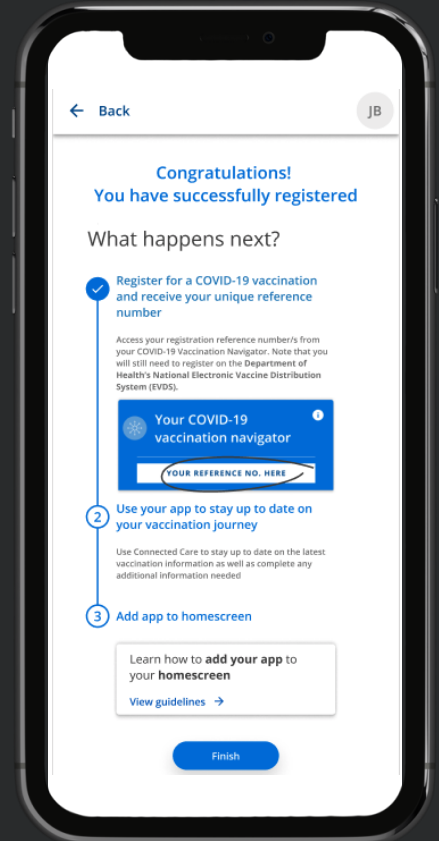
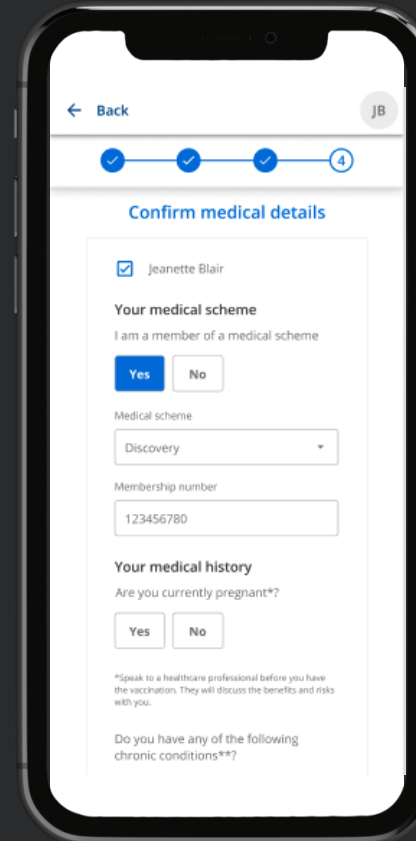
3

Confirm medical details



4

Receive your reference number

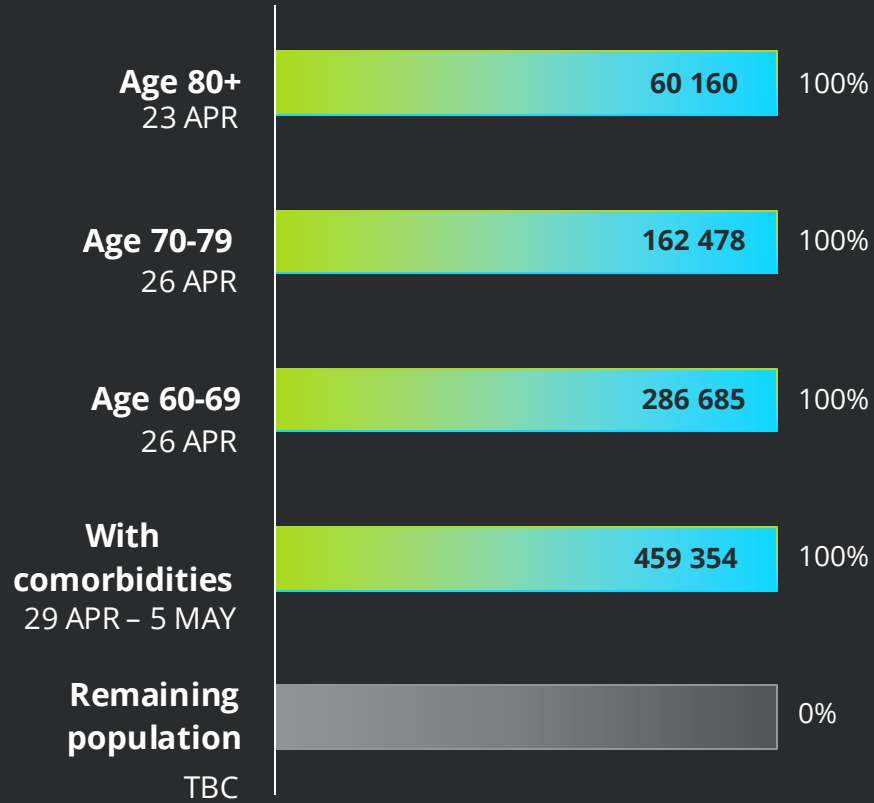


ALL SOUTH AFRICANS ALSO REQUIRED TO REGISTER ON THE NATIONAL EVDS SYSTEM TO RECEIVE AN E-VOUCHER

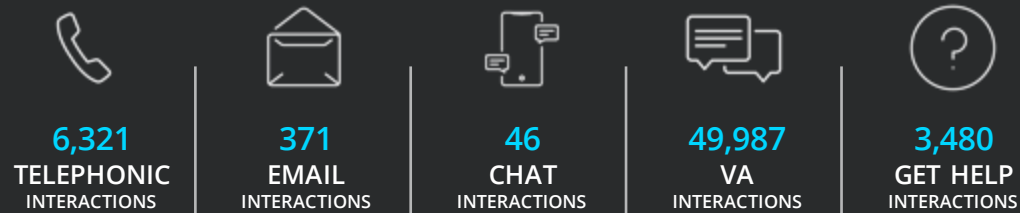
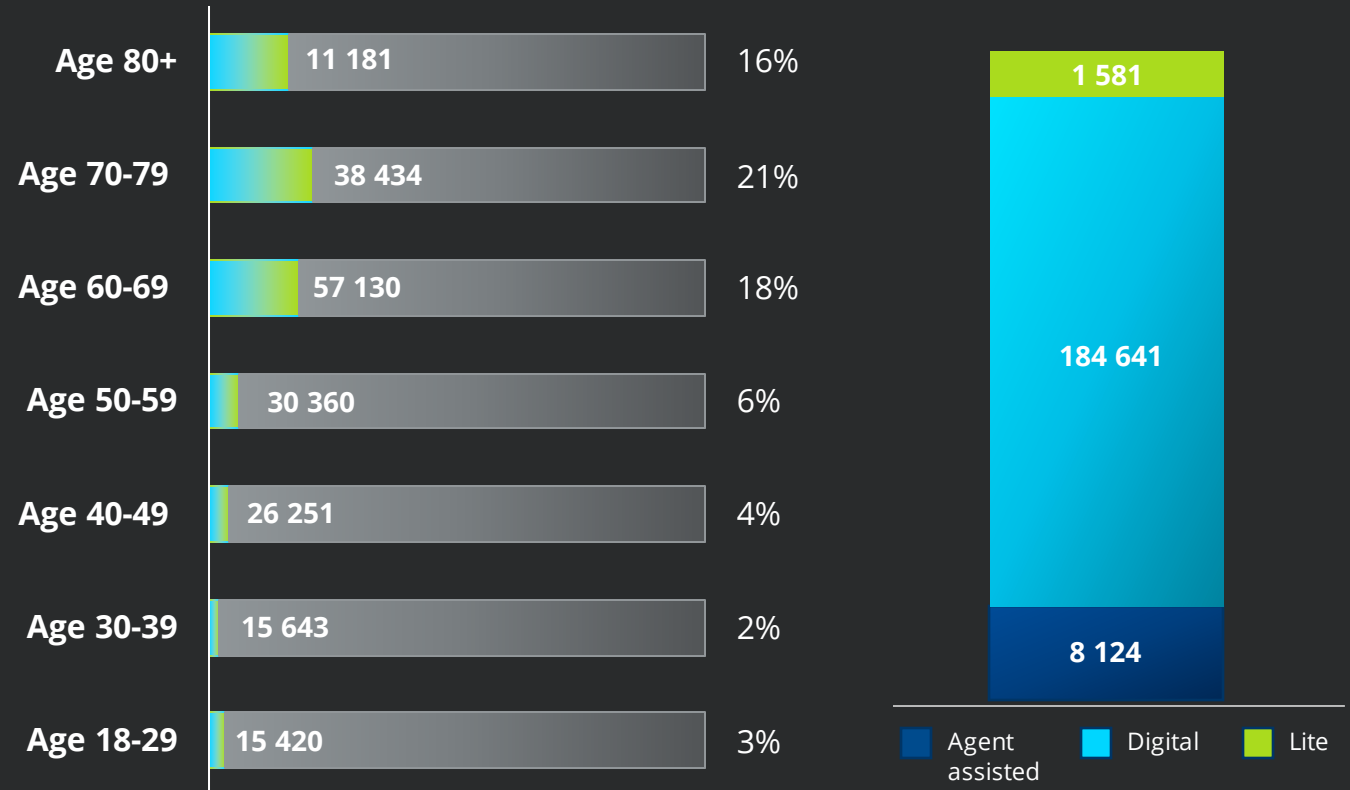
# Discovery vaccination portal



## Customer communication



## Vaccine registrations



**250 000** Total registrations on the Discovery Vaccination Portal

# 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

# 1 Discovery Place vaccination site



**25 - 30**

Full-time vaccinators / vaccinations booths

**3 000**

Vaccinations per day

**580k**

Eligible Discovery clients to be vaccinated in JHB Metropolitan Municipality

**250k**

Target Discovery client population could access vaccinations at 1DP

- Extensive provision made to cater for elderly members
- Full-time onsite medical personnel
- Full COVID-19 protocols in place
- Dedicated parking

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# Integrated DH Gap offers competitive boost to DHMS cover



## 1. Comprehensive In-hospital Specialist Gap Cover

An **additional 500% of the medical scheme plan rate** for in-hospital specialist bills

## 2. Hospital Admission Benefit Extender

Cover for specific in- and out-of-hospital shortfalls related to hospital admission:

### Maternity

Third Trimester Maternity



IH shortfalls



Private Ward



### Out of hospital recovery

Specialists



Radiology



Rehabilitation



Medication



### Exclusive Access benefits

Private ward



Tyto Device



## 3. Integrated DHMS Benefit Extenders



Integrated DHMS Oncology: +R40 000



Scopes and scans shortfalls



Boosted travel benefit

## 4. Seamless claims processing and payment



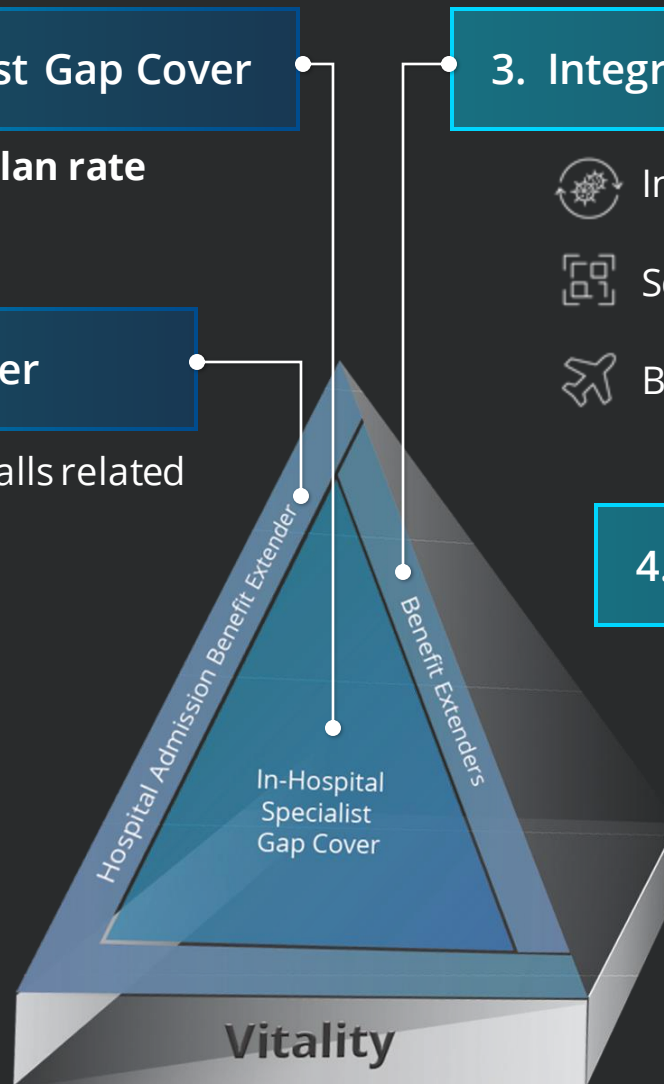
Hassle-free payments

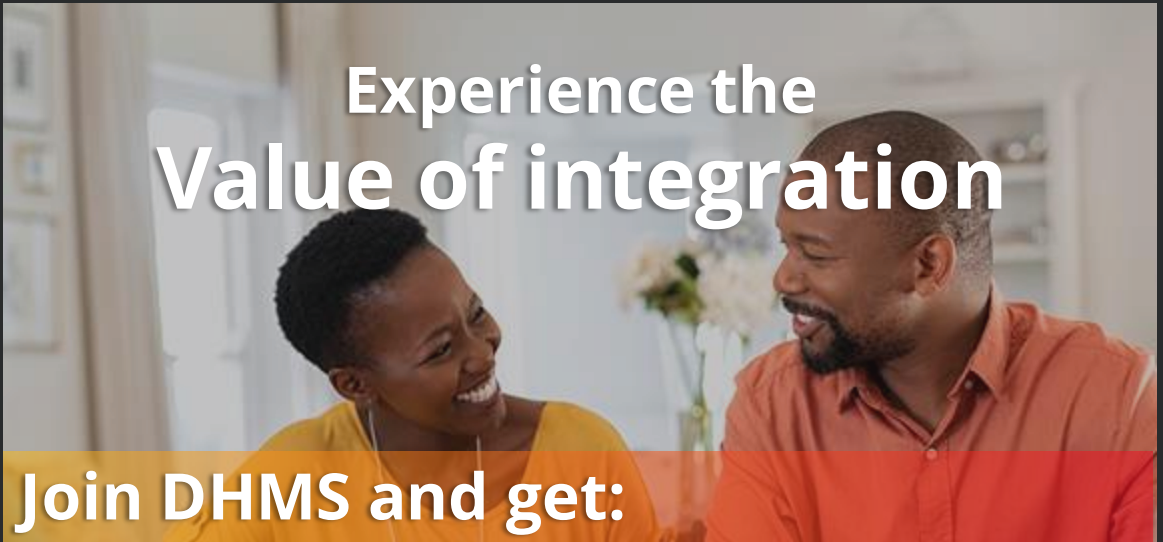


No gap claim required



Fully DHMS integrated





## ARREARS BILLING SPECIAL OFFER **EXTENDED**

Join now and your clients will pay their first contribution at the end of the month

Applies to:

- DHMS members joining in their individual capacity before 30 June 2021
- **DIGITAL APPLICATIONS** on FAZ and Smart Advice only



## **VITALITY AT NO ADDITIONAL COST FOR 3 MONTHS**

Applicable to all new and existing DHMS members who have not experienced Vitality in the last year



## **GET BOOSTED COVER WITH DISCOVERY GAP AT NO ADDITIONAL COST FOR THREE MONTHS**

Applicable to all new and existing DHMS members who have not experienced Discovery Gap Cover in the last year

**SPECIAL OFFERS VALID UNTIL 30 JUNE 2021**

# Financial Adviser post-launch support tools



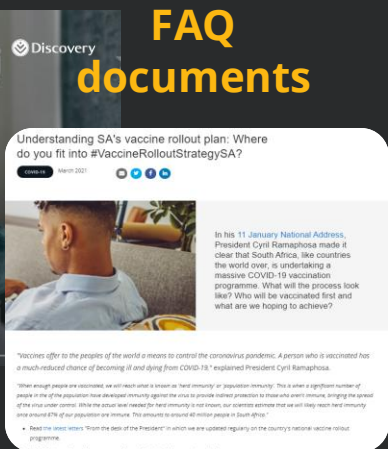
## Marketing Collateral

## Webinar Recordings

### Contribution Increase Discoverer

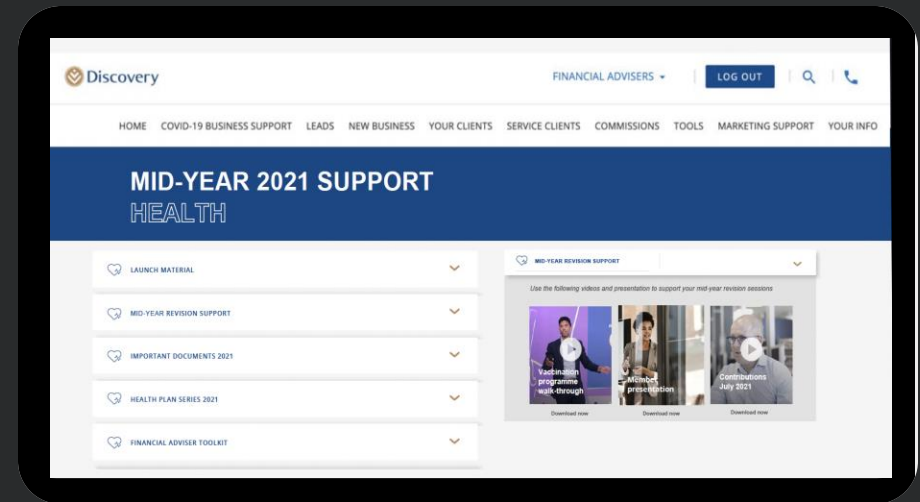


### Discovery Vaccination Programme Brochure



### Webinar Recordings

### 2021 Launch Webinar Content



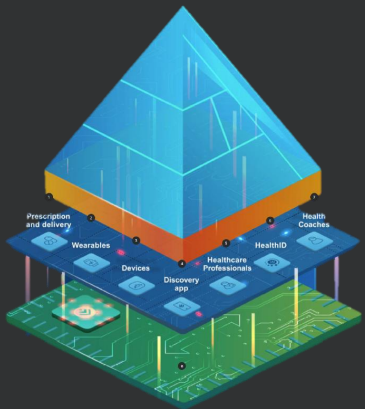
**ALL MARKETING COLLATERAL LIVE ON FAZ**

# Discovery Health Medical Scheme in 2021



Advanced healthcare delivery through DHMS innovation

DHMS Connected Care

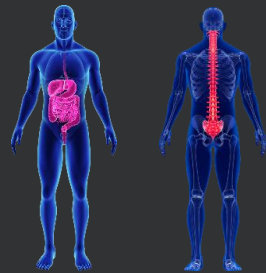


DHMS Networks Smart Plan Design



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

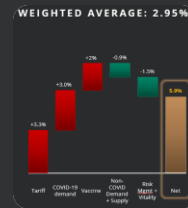


Greater healthcare cover and responsive benefit structures

DHMS Plan Design



DHMS Contribution Freeze



Assisted Reproductive Therapy



DHMS Pulse Oximeter benefit

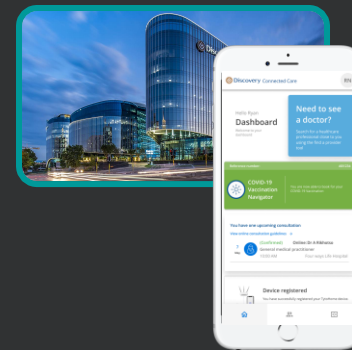


Advanced Innovation Benefit WHO Outbreak International Travel



Enhanced member experience through innovation

Discovery COVID-19 Vaccination Programme

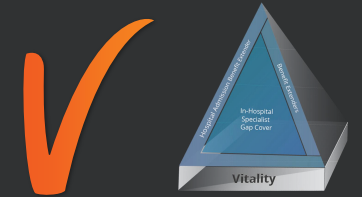


Connected Care App

DSY App Find a Provider WhatsApp Chatbot Affinity Matching



Access to integrated health and wellness benefits

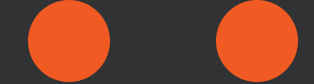


Vitality Special offer Gap Special offer

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

