



SEPTEMBER 20  
22

DISCOVERY  
DAY LAUNCH

# DISCOVERER

Discovery Health Medical Scheme will leverage its strong financial position to defer 2023 contribution increases to 1 April 2023, increase and enhance benefits on 1 January 2023, and introduce the new WELLTH Fund for all members of the Scheme.

The Scheme is also introducing the Essential Dynamic Smart plan to provide affordable access to quality healthcare in a growing market segment.





# Discovery Health Medical Scheme and Discovery Health Enhancements for 2023



## DEFERRED CONTRIBUTION INCREASE WITH ENHANCED VALUE PROPOSITION

Discovery Health Medical Scheme will defer the 2023 contribution increase to 1 April 2023, while enhancing and updating benefits from 1 January 2023.



## EXTENDED PLAN RANGE

In 2023, Discovery Health Medical Scheme will introduce the new and exciting Essential Dynamic Smart plan, enabled by the innovative Dynamic Smart Hospital Network.



## WELTH *fund*

In 2023, all Discovery Health Medical Scheme members will have access to the WELTH Fund, offering members up to R10,000 per family for an expanded range of screening and prevention services.



# Discovery Health Medical Scheme contributions 2023

Every year, medical schemes increase contributions by medical inflation to meet the expected costs of healthcare claims in the following year. Discovery Health Medical Scheme will only increase contributions for 2023 on 1 April 2023, to allow members to continue to pay 2022 contributions for the first three months of 2023. The increase on 1 April 2023 will be in line with medical inflation, which is 3% to 4% above Consumer Price Inflation, and will be confirmed to advisers and members in February 2023.



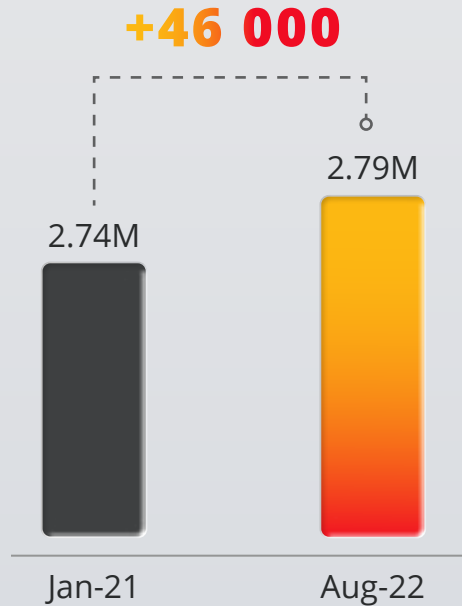
# Sustainability of **Discovery Health Medical Scheme**

Discovery Health Medical Scheme maintained its strong financial position during 2022. The Scheme continued to grow, attracting young, healthy lives to its membership, without underpricing the plans that appeal to these members. The Scheme’s solvency level is projected to remain above the statutory minimum requirement of 25% in 2022, after allowing for the R4.6 billion returned to members by deferring their contribution increase for 2022 by 9 months.

### CONTINUED MEMBERSHIP GROWTH

Discovery Health Medical Scheme experienced exceptional growth in 2021, despite COVID-19 and the growth is continuing into 2022. Since January 2021, the Scheme’s membership has increased by more than 46,000 beneficiaries up to August 2022. The Scheme currently holds a 57.6% share of beneficiaries on open medical schemes<sup>1</sup>.

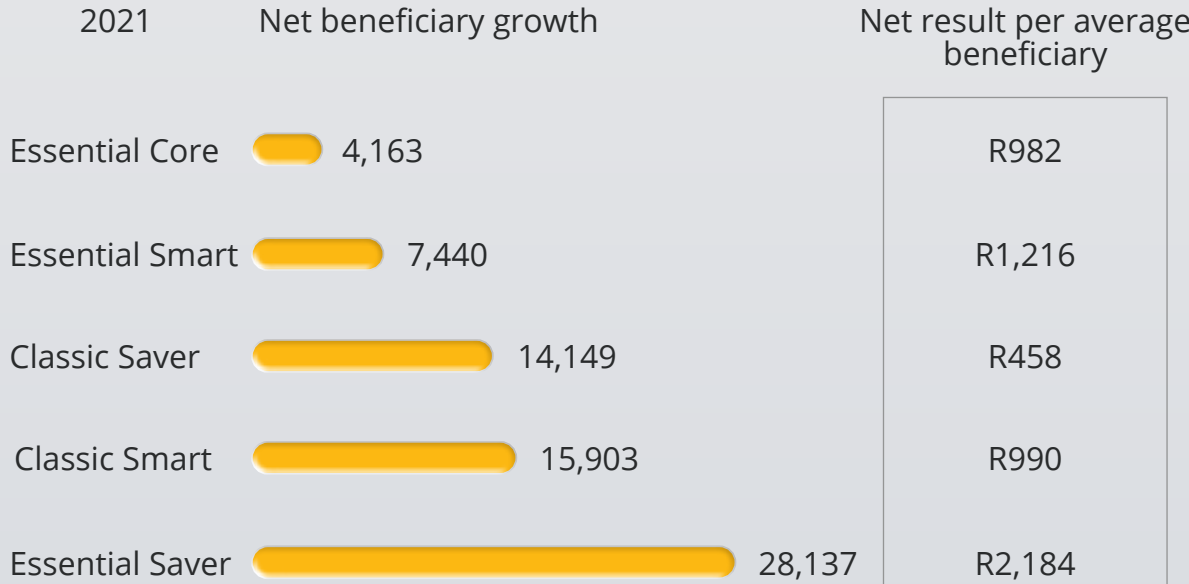
Discovery Health Medical Scheme beneficiaries



### POSITIVE IMPACT OF MEMBERSHIP GROWTH

Discovery Health Medical Scheme continues to attract young, healthy members. The fastest growing plans of the Scheme all generated a healthy surplus in 2021. This indicates that these plans represent good value to young, healthy lives, while not being underpriced relative to their claims experience. This growth ensures the long-term sustainability of the Scheme.

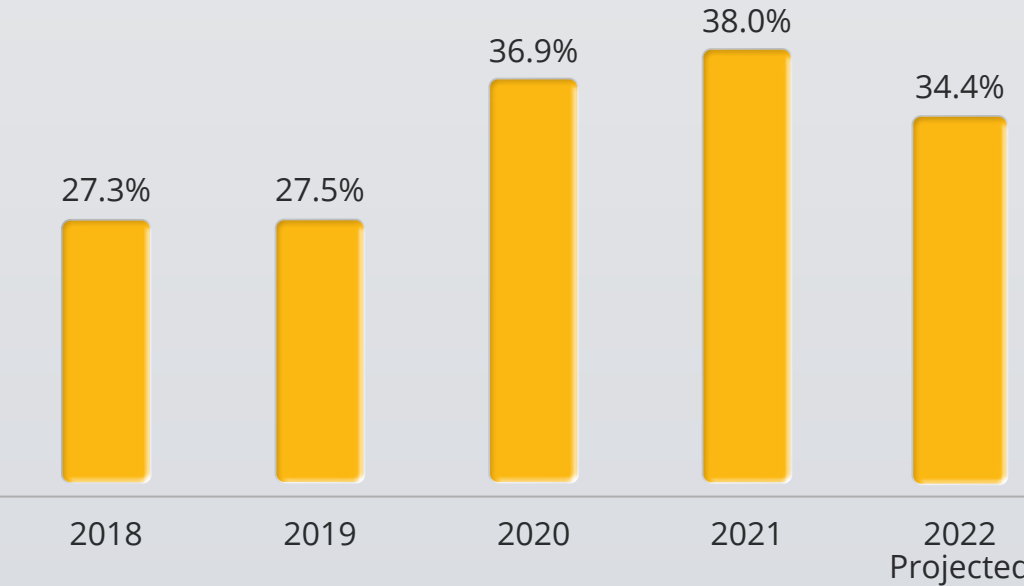
Top five growing Discovery Health Medical Scheme plans



### MAINTAINED LONG-TERM SUSTAINABILITY

Discovery Health Medical Scheme has projected a solvency level of 34.4% by the end of 2022. The solvency level reduced during 2022 from 38% at the end of 2021, as a result of the Scheme saving members R4.6 billion by deferring their contribution increase for 2022 to 1 October.

Discovery Health Medical Scheme solvency (2018-2022)

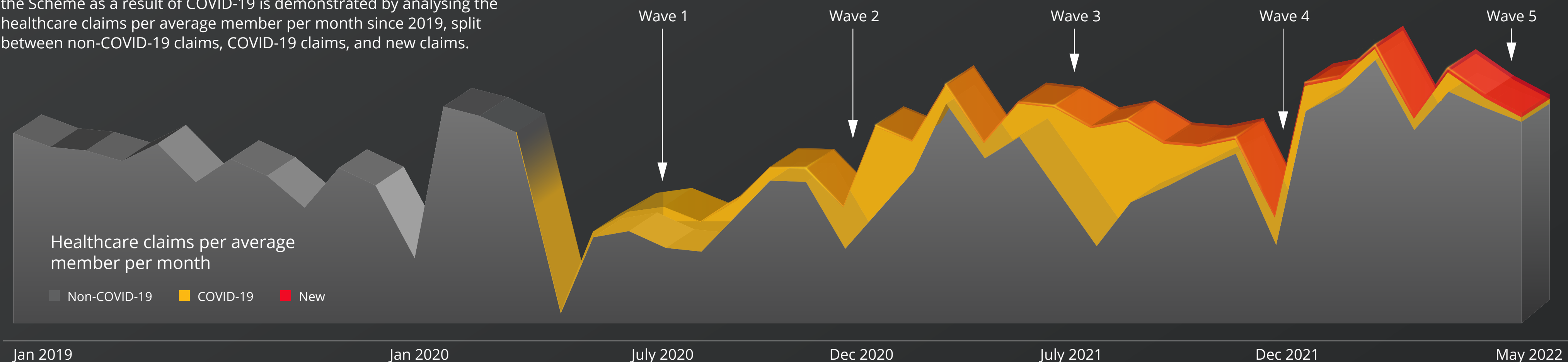


<sup>1</sup> Estimated based on the September 2021 CMS quarterly report and the 2021 Annual Financial Statements for the next 7 largest open medical schemes.

# Healthcare utilisation trends for Discovery Health Medical Scheme

The onset of the COVID-19 pandemic had a major impact on Discovery Health Medical Scheme healthcare utilisation trends, with high COVID-19 related costs during the COVID-19 waves and significant volatility in non-COVID-19 related costs. As COVID-19 is becoming endemic, a significant recovery in non-COVID-19 related costs is evident, while new costs are emerging as result of an increasing disease burden brought on by the pandemic.

The significant change in healthcare utilisation trends experienced by the Scheme as a result of COVID-19 is demonstrated by analysing the healthcare claims per average member per month since 2019, split between non-COVID-19 claims, COVID-19 claims, and new claims.



## Prior to COVID-19

Prior to the outbreak of COVID-19, healthcare claims increased in line with medical inflation each year as a result of tariff inflation, changes in the underlying risk profile of the members of the Scheme, and changes in the utilisation of healthcare services by members of the Scheme.

## COVID-19 Pandemic

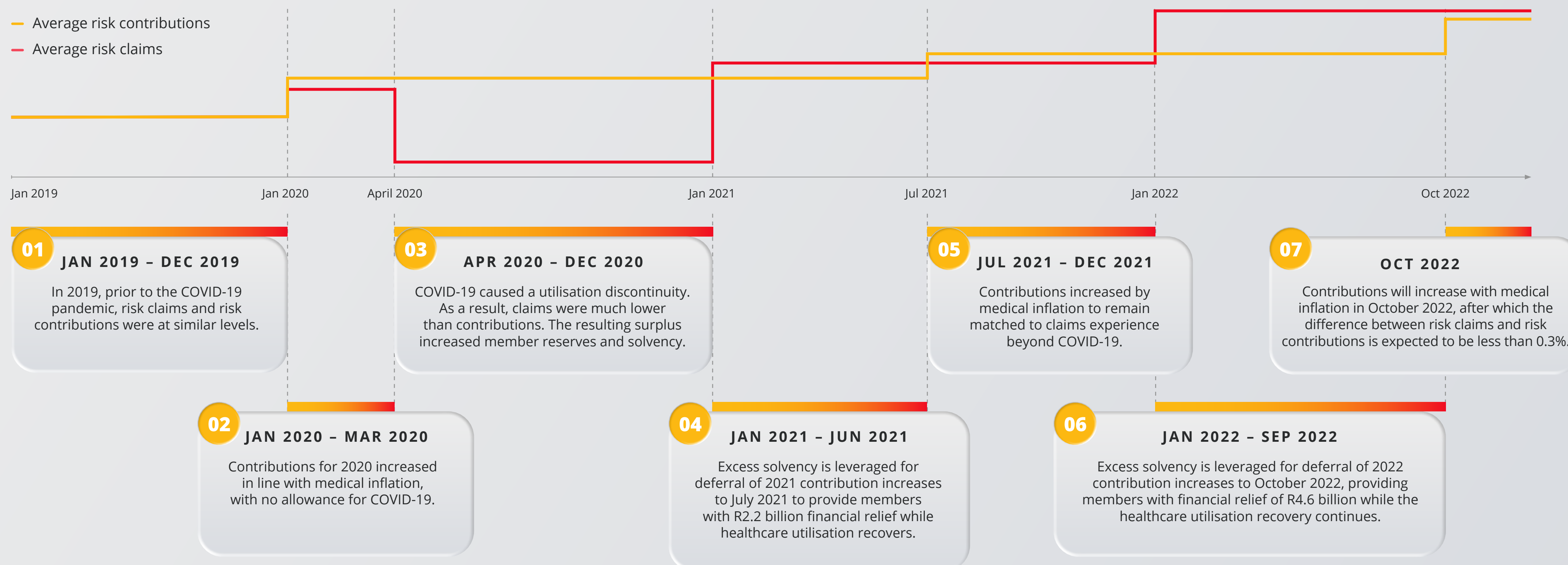
After the outbreak of COVID-19, the Scheme funded healthcare costs related to identifying and treating COVID-19. These costs were particularly high during the COVID-19 waves. As a result of the COVID-19 waves, the Scheme experienced extreme volatility in non-COVID-19 related claims, as individuals avoided non-urgent healthcare during the peaks of COVID-19 waves.

## Recovery Period

As COVID-19 becomes endemic, a significant recovery in non-COVID-19 claims is evident. Additional new healthcare costs are also emerging as a result of an increasing disease burden caused by members not seeking necessary healthcare during the pandemic.

# Discovery Health Medical Scheme's **effective pricing strategy**

Discovery Health Medical Scheme's pricing strategy of increasing contributions in line with medical inflation and deferring the implementation of those increases has been very successful. The strategy effectively supported affordability for members, saving members R6.8bn in contributions, or R5,000 per average policy, over 2021 and 2022 whilst ensuring that contributions remain on par with the level of claims. Members of Discovery Health Medical Scheme experienced a much lower real increase in 2021 and 2022, with an effective increase of only CPI + 0.2% per annum as a result of the deferral of contribution increases in 2021 and 2022.

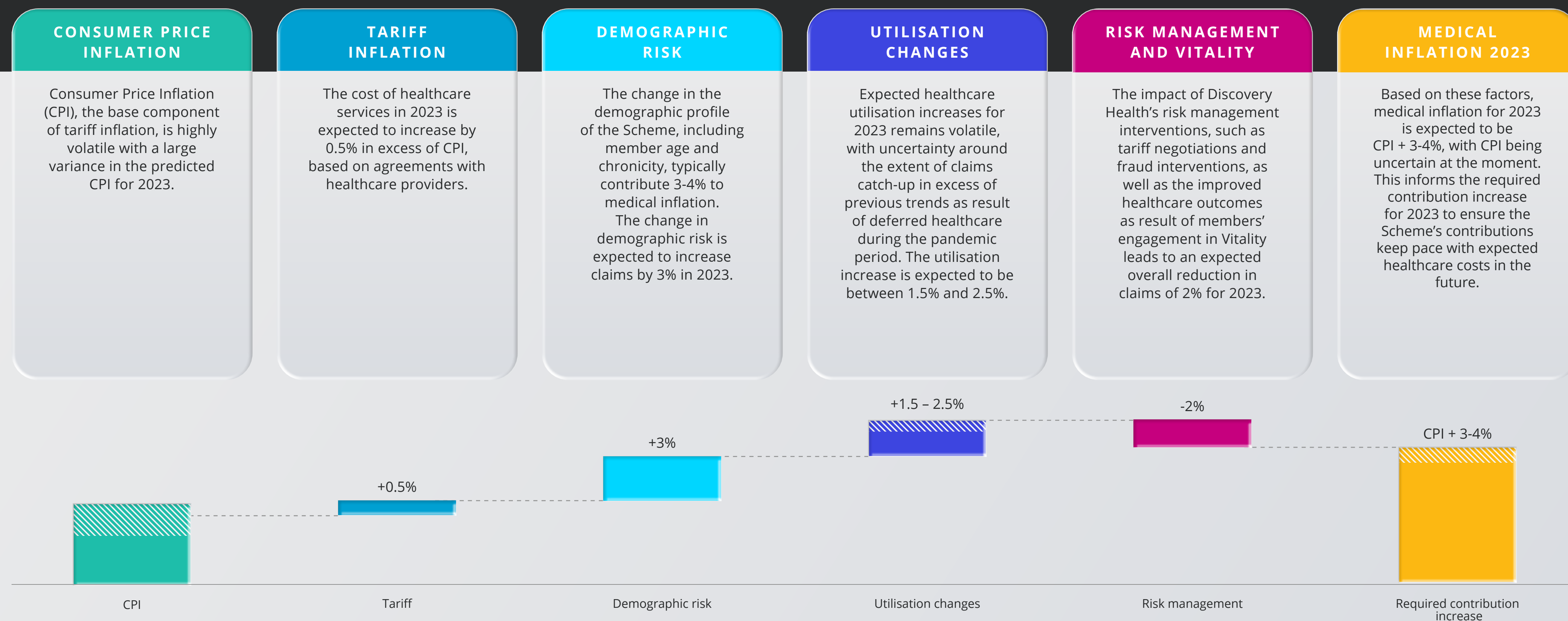




# Factors informing the **2023 contribution increase**

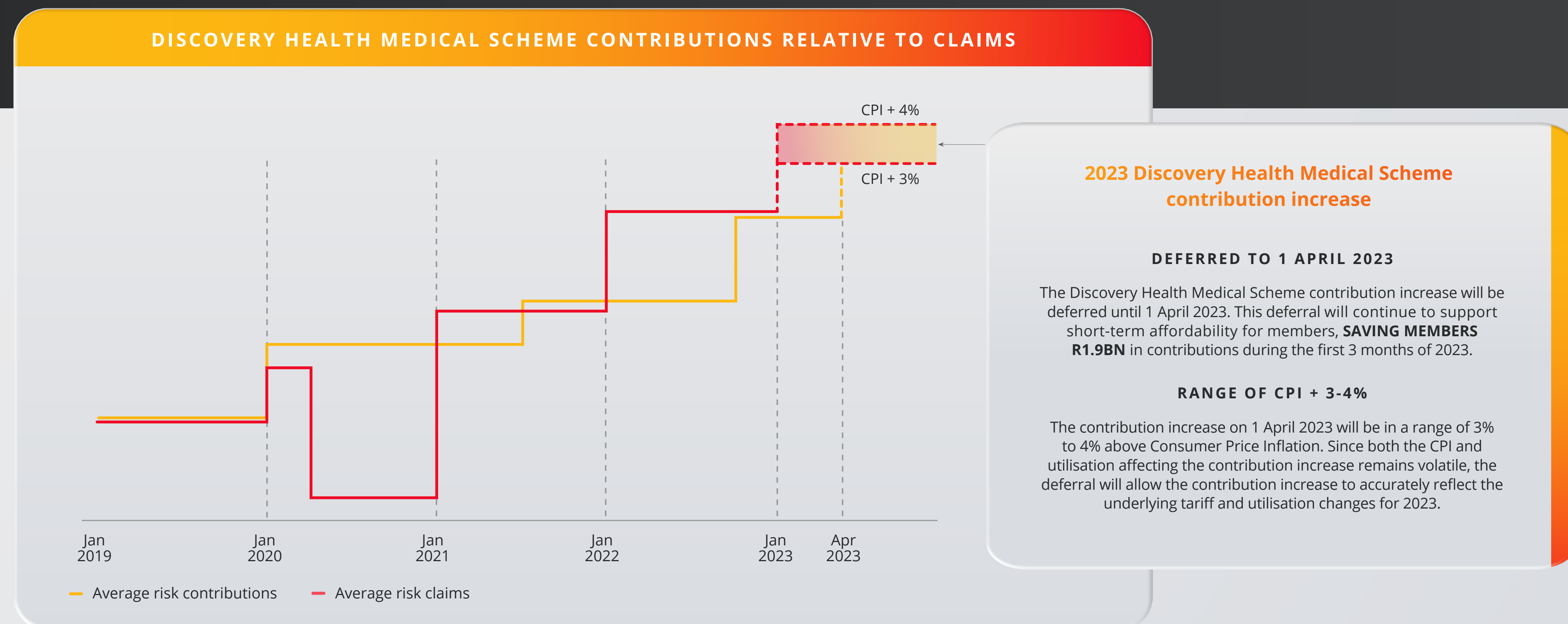
The contribution increases for 2021 and 2022 ensured that contribution levels at the end of 2022 will be in line with claims levels, including the recovery of non-COVID-19 healthcare utilisation.

In 2023, claims are expected to increase in line with medical inflation and contributions should increase accordingly, to ensure that contributions continue to match claims. The factors affecting medical inflation include tariff inflation, demographic risk and utilisation changes.



# The **2023 contribution increase** for Discovery Health Medical Scheme

The 2023 contribution increase will be deferred until 1 April 2023 to leverage the Scheme's reserves to support members. Contributions will be increased in line with medical inflation on 1 April 2023, which is expected to be 3% to 4% above Consumer Price Inflation.





# Discovery Health Medical Scheme

## 2023 benefit updates



### INTERNATIONAL SECOND OPINION SERVICE

In 2023, the Scheme will enhance the benefits available to all Discovery Health Medical Scheme members for international second clinical opinion services.

The Scheme currently covers 100% of the cost of the consultation on the Executive Plan, and 50% of the cost on all other plans. For 2023, the Scheme will increase the cover on all other plans from 50% to 75% of the cost of the consultation.



### LIMITS, CO-PAYMENTS, DEDUCTIBLES AND THRESHOLDS

The Annual Thresholds for the Executive, Comprehensive and Priority plans will be increased by 9.9%.

Co-payments and deductibles will be increased by 6%, in line with expected consumer price inflation.

Benefit limits will be increased by 6% on 1 January 2023, with the exception of the following where there is no increase required for 2023 based on the expected utilisation of the benefits:

- Specialised Medicine and Technology Benefit
- International Travel Benefit
- Overseas Treatment Benefit
- Certain surgical items



### CHANGES TO HIGH-COST CHRONIC MEDICINE OF SPECIALISED MEDICINE AND TECHNOLOGY BENEFIT, CHRONIC DRUG AMOUNTS AND FORMULARIES

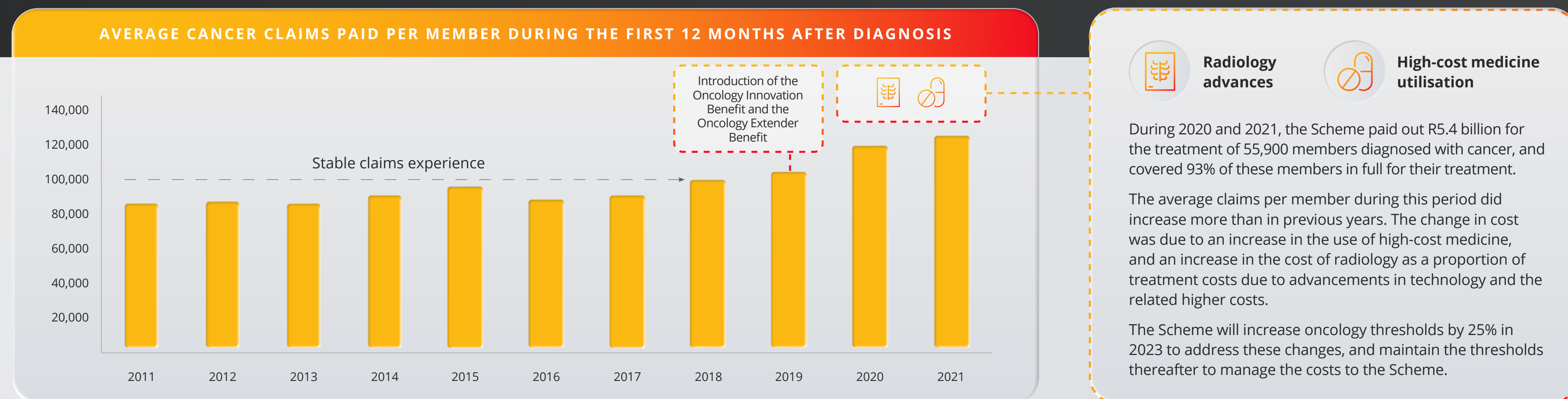
From 1 January 2023, certain formulary changes and Chronic Drug Amount updates will be applied. We have been communicating these changes with impacted members. These members will have until the end of 2022 to make changes to their treatment to avoid or reduce co-payments that may result from the changes.



# Discovery Health Medical Scheme **Oncology Benefit 2023**

The Discovery Health Medical Scheme Oncology Benefit introduced in 2010 aimed to provide exceptional levels of oncology cover for members diagnosed with cancer, while also managing the cost of oncology to the Scheme. Since 2010, Discovery Health Medical Scheme has paid out R22 billion for the treatment of cancer through the Oncology Benefit. The treatment for 93% of members were covered in full, while the increase in costs to the Scheme was limited to 8% per annum.

While the increase in the average cost of cancer treatment remained stable between 2010 and 2018, the Scheme observed a change in the cost of treatment since 2018. In 2019, as the cost of treating oncology started to increase, the Scheme introduced the Oncology Extender Benefit, to cover specific medicine in full, and the Oncology Innovation Benefit, to provide cover for novel biologic and immunotherapy treatment. Over the past two years a further increase in the cost of oncology has been evident, as result of an increase in the utilisation of high-cost medicine and advances in radiology. Discovery Health Medical Scheme will increase the threshold of the oncology benefit on all plans by 25% in 2023 to address the impact of this change on the cover the benefit provides to members, and to manage the ongoing costs of the benefit to the Scheme.



To maintain the oncology cover ratios for members and manage the cost of those cover ratios to Discovery Health Medical Scheme, the Oncology Benefit thresholds will be increased by 25% on 1 January 2023. Going forward, the Oncology Benefit thresholds will be R500,000 on Comprehensive and Executive plans, R375,000 on the Classic Smart Comprehensive plan and R250,000 on all other plans (excluding KeyCare plans).



## Disease Prevention Programme

Discovery Health Medical Scheme is introducing a Disease Prevention Programme to help members that are at high risk of diabetes or cardiovascular disease to reduce their risk of developing the disease.

The programme uses advanced predictive modelling to identify members that are eligible for the programme, and supports them for 12 months with comprehensive clinical care, coaching support and risk benefits to improve their health.





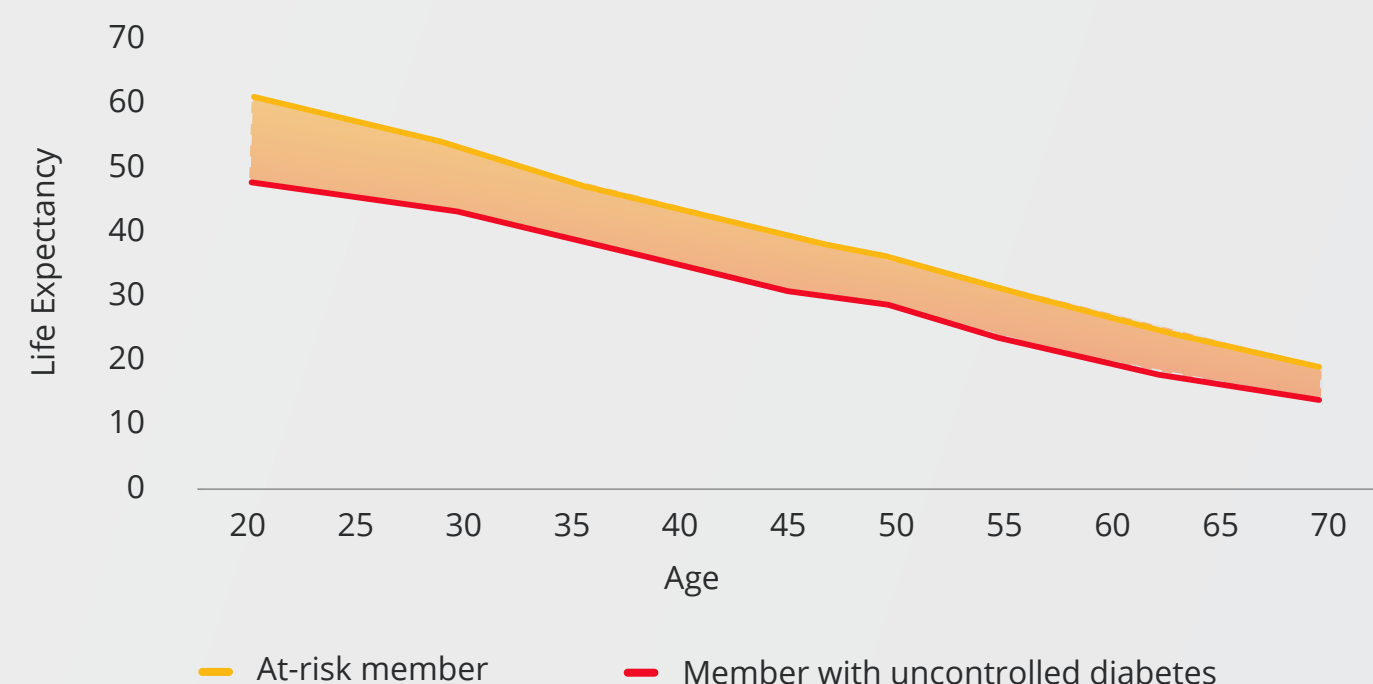
# Early intervention is fundamental in preventing long-term illness

As two of the leading causes of death in South Africa, diabetes and cardiovascular disease, pose a major threat to the health of South Africans. Diabetes is the leading underlying cause of death amongst South African women, and the disease has seen its prevalence triple since 2010<sup>1</sup>. Discovery Health Medical Scheme has experienced a similar trend in the prevalence of diabetes, with a 19% increase amongst members since 2018. Moreover, 86% of members living with diabetes also receives regular treatment for a cardiovascular disease.

Members living with high blood pressure, elevated blood sugar, abnormal cholesterol, elevated blood triglycerides and high Body Mass Index (BMI), collectively known as cardiometabolic syndrome, have a significantly elevated risk of developing diabetes and cardiovascular disease. Since diabetes and cardiovascular disease can have a significant impact on life expectancy and years spent in good health, early intervention and support of members that are at risk of developing diabetes is of fundamental importance.

## ENSURING OPTIMAL HEALTH THROUGH THE EARLY IDENTIFICATION AND MANAGEMENT OF CARDIOMETABOLIC SYNDROME

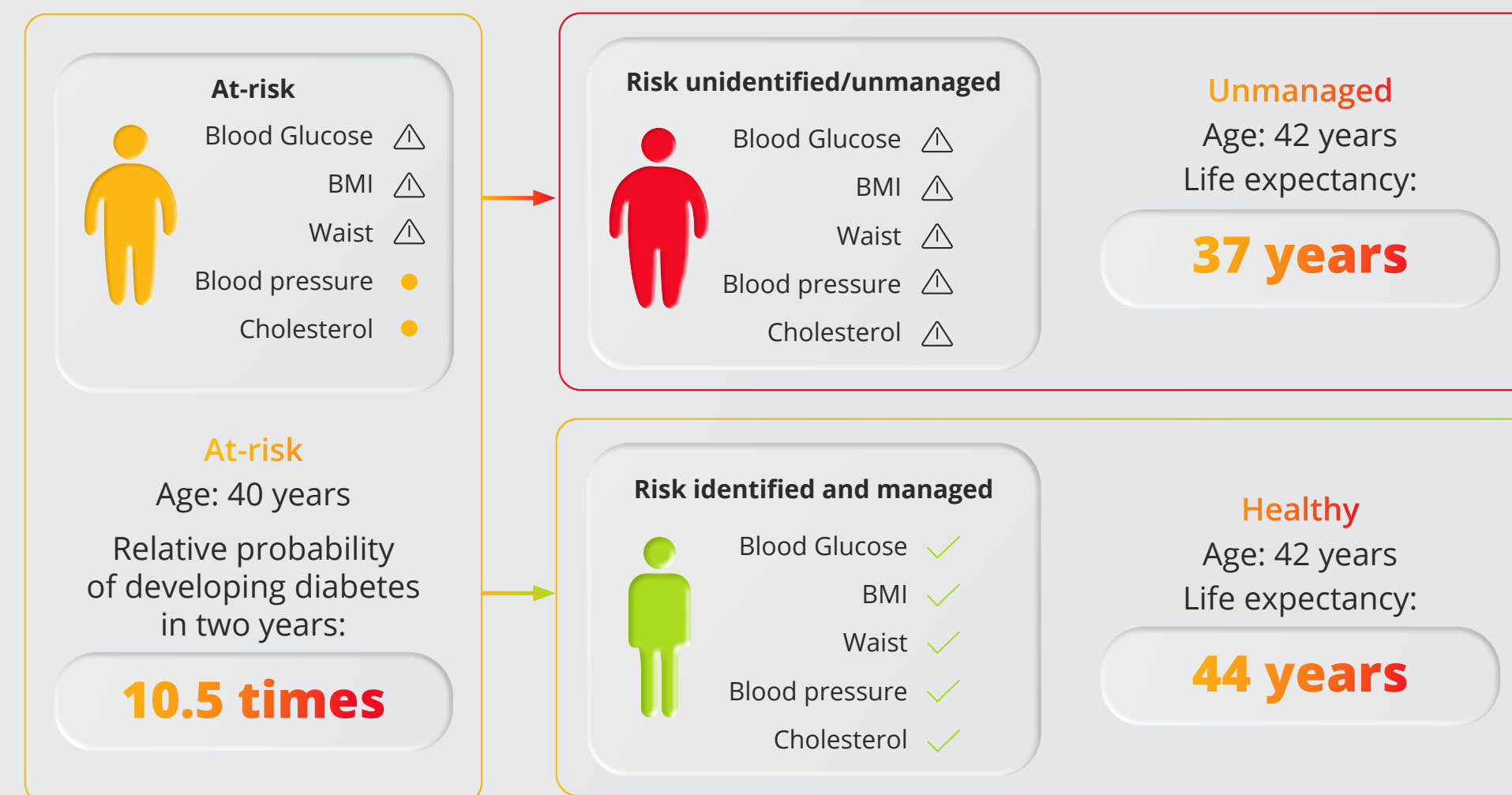
Identifying those living with cardiometabolic syndrome is critical to avoid the onset of diabetes. Living with diabetes can have a significant impact on life expectancy and years spent in good health. The life expectancy for a person at-risk of developing diabetes can be as much as 14 years longer than for a person living with uncontrolled diabetes.



Once identified, effective interventions are critical to reverse cardiometabolic syndrome.

For a 40-year-old person with cardiometabolic syndrome, the probability of developing diabetes is 10.5 times greater than for a healthy person.

By the age of 42, the early identification of their condition and management through proactive lifestyle changes would result in an effective gain of seven additional life years.



<sup>1</sup>Stats SA - Mortality and causes of death in South Africa: Findings from death notification released March 2020

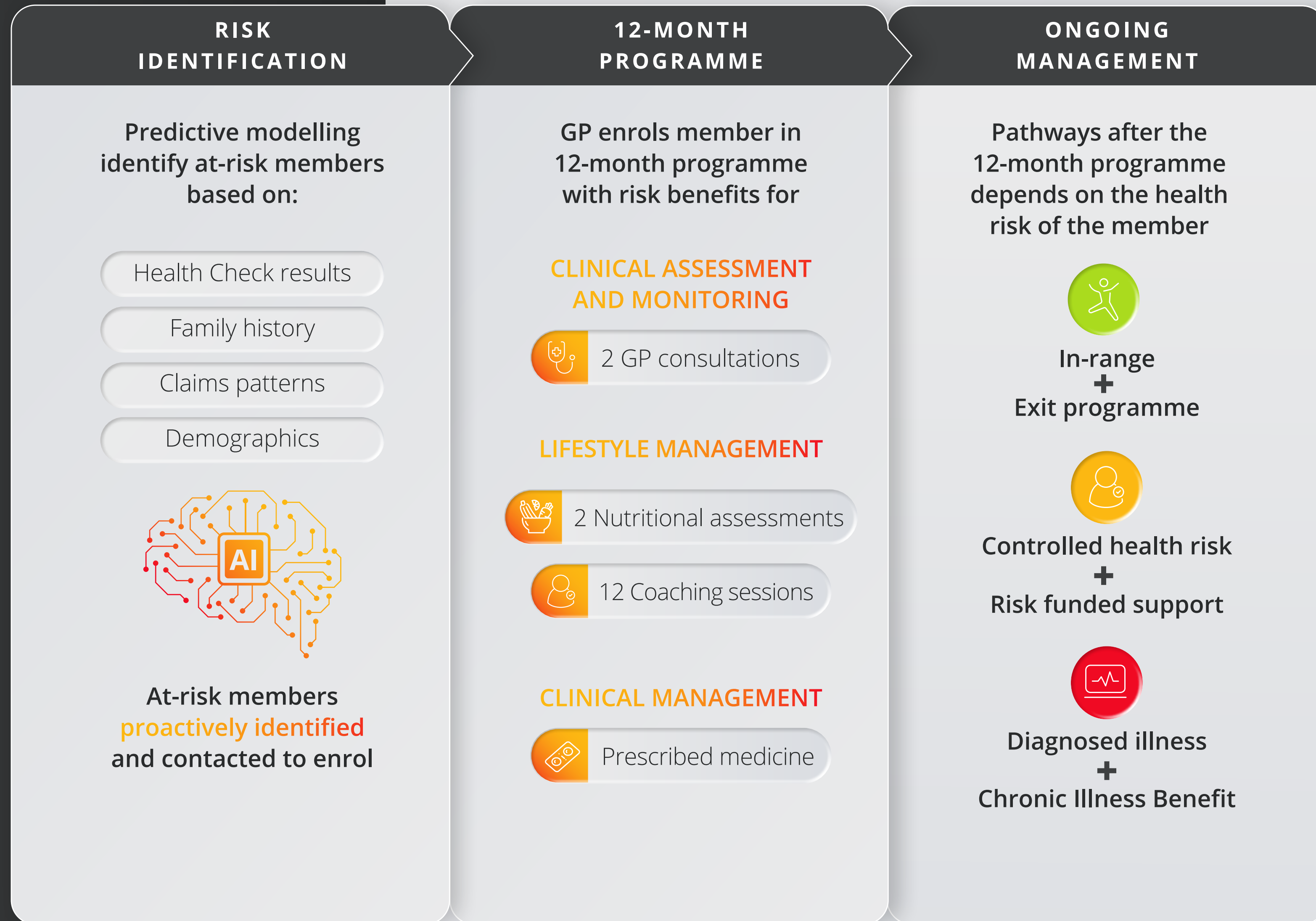


# Disease Prevention Programme

Discovery Health Medical Scheme will proactively identify members that are at risk of being diagnosed with diabetes or cardiovascular disease based on their personal health record.

Identified members will be prompted to consult with a GP to confirm their risk and to enrol in the 12-month management programme, with risk benefits for clinical support and treatment.

On completion of the programme, members will either exit the programme, remain on medicine to keep their risk under control, or register for the Chronic Illness Benefit.





## RISK IDENTIFICATION

### 12-MONTH PROGRAMME

### ONGOING MANAGEMENT




Discovery Health's predictive model uses inputs including Health Check results, claims patterns, family history and personal demographics to identify the members at high risk of developing diabetes or cardiovascular disease.


These individuals are then proactively contacted by Discovery Health to make them aware of the heightened risk and informed about the available scheme-funded support programme. This call is made by a health coach, who will guide the member on how to enroll in the programme.

 Health Check results




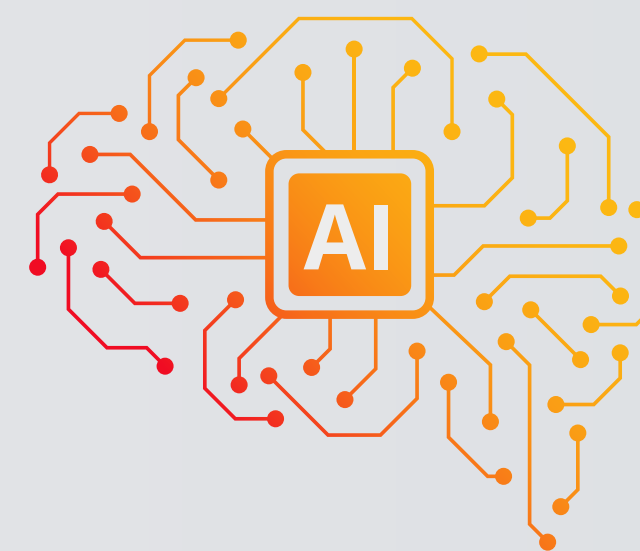
 Family history



 Claims patterns



 Demographics



Predictive modelling through AI and machine learning to identify at-risk members



At-risk members proactively identified and contacted by a health coach



RISK IDENTIFICATION

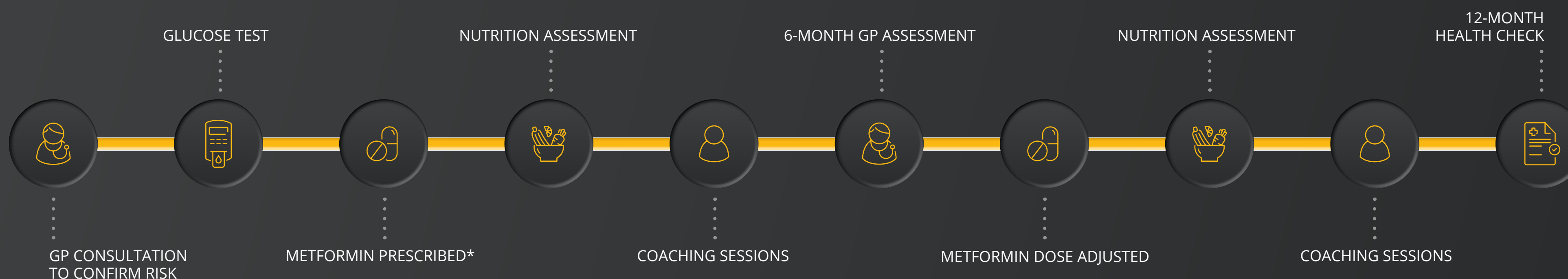
12-MONTH PROGRAMME

ONGOING MANAGEMENT

The first step is a referral to a Premier Plus GP where the level of risk is confirmed, after which the member is enrolled on the Disease Prevention Programme. This gives members access to a range of risk-funded benefits for assessments and monitoring as well as lifestyle and clinical management of cardiometabolic risk.



With the assistance of a health coach and dietician, the member sets lifestyle goals and works towards these goals with ongoing support. At 6-months the GP reassesses the level of risk for the member, repeating necessary tests and measurements. Where required, the member will also have access to medicine for the clinical management of their cardiometabolic risk.



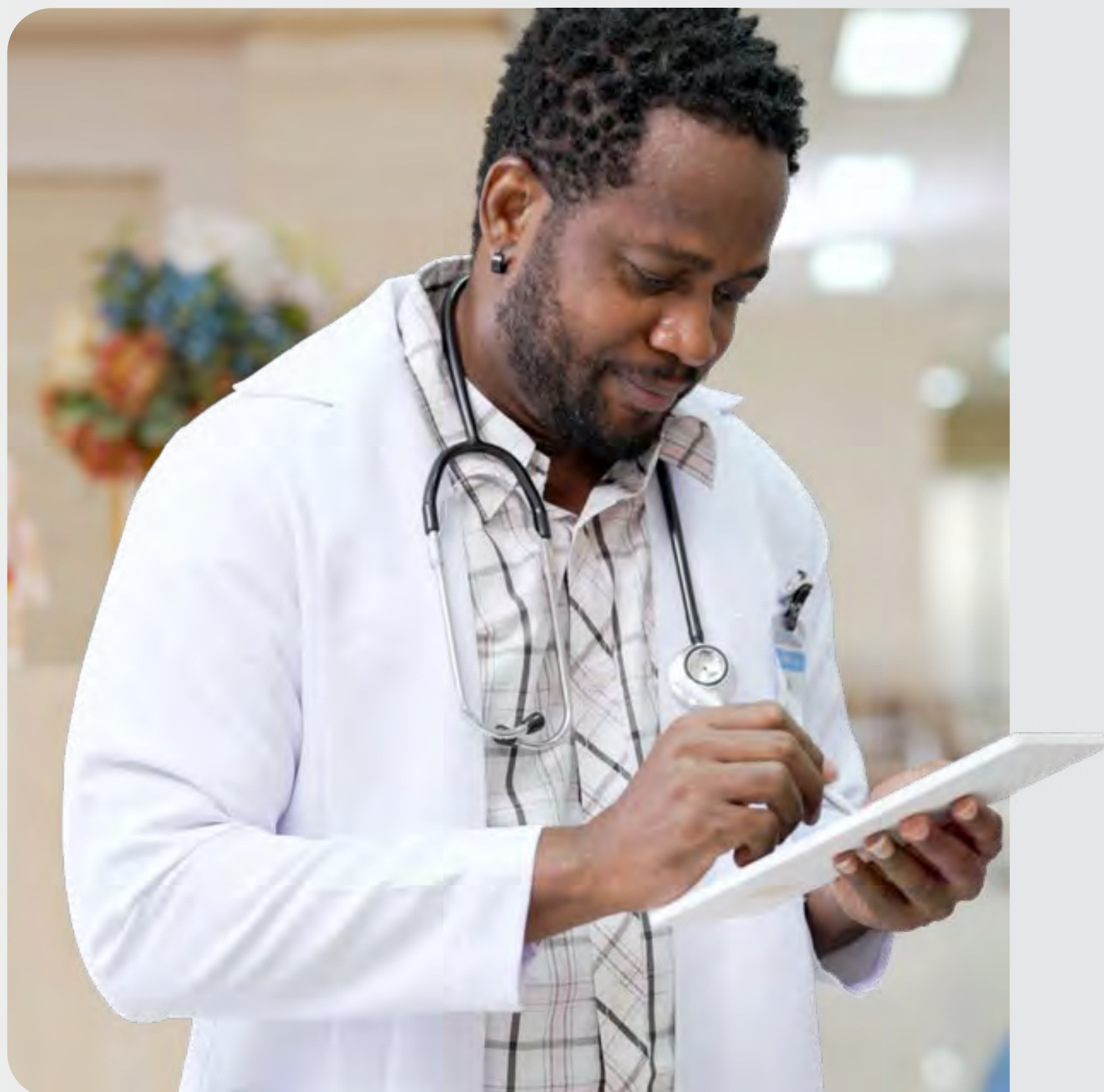
\* Medicine only prescribed if required



## RISK IDENTIFICATION

## 12-MONTH PROGRAMME

## ONGOING MANAGEMENT



At the end of the 12-month programme a Health Check is completed to reassess the risk.

Members who have successfully controlled their risk level exit the programme equipped with lifestyle changes to maintain their healthy status.

Those continuing to exhibit medium levels of risk and diagnosed with Impaired Glucose Tolerance (IGT) or Impaired Fasting Tolerance (IFT), receive ongoing access to prescribed medicine.

Should the member be diagnosed with diabetes, they are enrolled on the Chronic Illness Benefit with access to the Prescribed Minimum Benefit (PMB) basket of care and additional benefits through the Diabetes Care Programme.

Pathways after the 12-month programme depends on the health risk of the member



**In-range**  
+  
**Exit programme**



**Controlled health risk**  
+  
**Risk funded support**



**Diagnosed illness**  
+  
**Chronic Illness Benefit**



# Essential Dynamic Smart and the new Dynamic Smart Hospital Network

Hospital networks were introduced by Discovery Health Medical Scheme more than 20 years ago to shift admissions to cost-effective hospitals, secure lower tariffs from the hospitals, and offer hospital network-based plans with lower contributions to members. Since then, the Scheme has led the market in hospital network innovation, extending the benefits to members beyond just lower contributions to higher quality of hospital care. In 2022, more than 50% of hospital admissions will fall under a value-based care arrangement, which encourages the delivery of high-quality care at a lower cost.

For many members and their advisers, the trade-off between a lower contribution and restricted hospital choice is compelling. **In 2021**, more than 40% of open medical scheme beneficiaries were on hospital network plans. **In 2022**, more than 60% of new Discovery Health Medical Scheme members chose a plan with a hospital network.

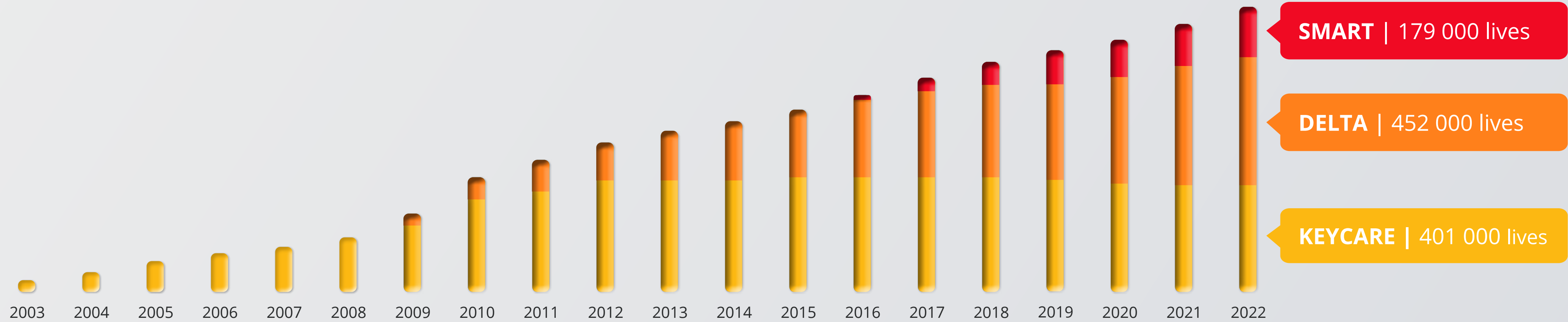
In 2023, Discovery Health Medical Scheme is introducing the next innovation in hospital networks with the first dynamic hospital network that will connect a member with the most efficient hospital for their admission at a specific point in time - the Dynamic Smart Hospital Network.

The efficiencies created by the Dynamic Smart Hospital Network enables the new Essential Dynamic Smart plan, which will be the most affordable plan in the Smart Series in 2023.



Discovery Health Medical Scheme has launched various hospital network innovations over the past 20 years to improve access, affordability and quality of private hospital care for its members. Today, more than one million Discovery Health Medical Scheme beneficiaries are on plans with hospital networks, and more than 60% of new beneficiaries join hospital network plans.

**1 033 000**  
lives on network plans



**KEYCARE**

**Lower cost of hospital access**

The KeyCare Plans lowered the cost of medical scheme membership significantly as a result of guiding members to cost-effective hospitals with full cover for admissions.

**DELTA**

**Efficiency Discount Option**

The Delta Hospital Network lowered the cost of existing plans by 10% to 20% by giving members a choice of hospitals where admissions are covered in full.

**SMART**

**Optimal healthcare journey supported by digital tools**

The Smart Hospital Network was designed around the referral patterns of digitally-enabled and cost-effective GPs, to offer members an intuitive journey through the healthcare system, supported by digital tools for them and their Smart GP.

**KEYCARE START REGIONAL**

**Regional networks**

The partnership with Mediclinic and Intercare creates unique, advanced regional healthcare ecosystems in six locations, and allows Discovery Health Medical Scheme to fund access to high quality coordinated healthcare in these ecosystems.



# Introducing the first **Dynamic Hospital Network**

Discovery Health Medical Scheme is introducing the Dynamic Smart Hospital Network in 2023. The dynamic network was created by combining sophisticated analysis of the quality and efficiency of clinical care in the Smart Hospital Network with the personalised insights from the health records of Smart members into data-driven care algorithms. Based on the particular healthcare needs of a member, the care algorithms will create a Smart Hospital referral for the member and their Smart GP, in the member app and on HealthID, that is clinically appropriate for the member based on their location and health status.



## GUIDING MEMBERS TO A DYNAMIC SMART HOSPITAL

Sophisticated care algorithms allow a real-time assessment of the member's immediate healthcare needs, taking into account their geolocation, their personal health record, and the quality and efficiency data for Smart Hospitals, to match the member to the most appropriate healthcare providers.

### Geolocation Data

By using geolocation data, access for the member can be optimised based on network provider proximity.



### Diagnosis and Health Record

The member's prior healthcare claims experience, underlying medical conditions and current medical needs are used in the algorithms.



### Provider data

Data on provider cost efficiency and quality of care for medical procedures are used in the algorithms.



### Dynamic Smart Hospital



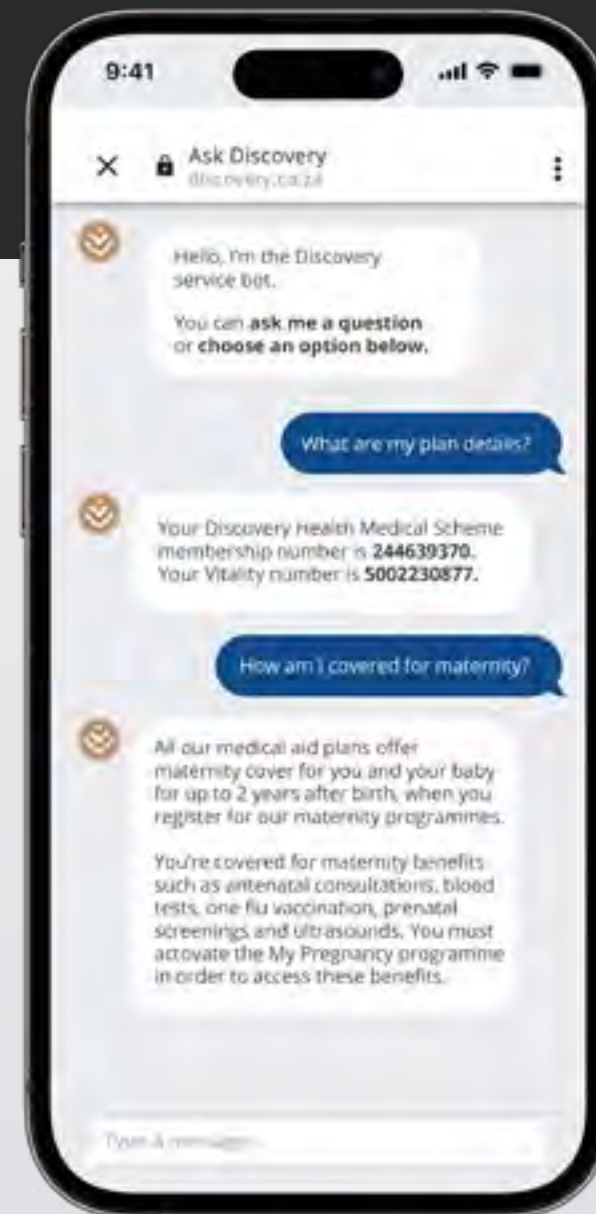
The Dynamic Smart Hospital represents the most efficient Smart hospital with the highest quality of care given the member's healthcare needs at the specific point in time.

In addition, specialists associated with the specific Dynamic Smart Hospital are identified to ensure that the member can have full cover for their admission.



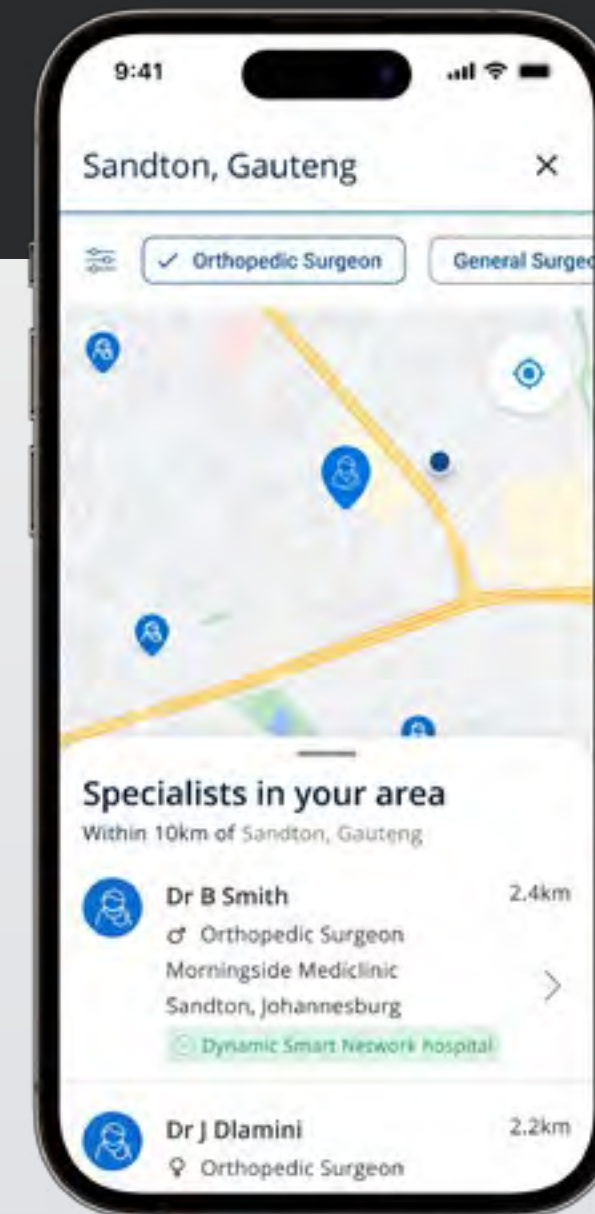
# Dynamic Smart Network enabled through **digital member tools**

Discovery Health Medical Scheme provides Essential Dynamic Smart members and their Smart GP with unique digital tools to navigate the Dynamic Smart Hospital Network.



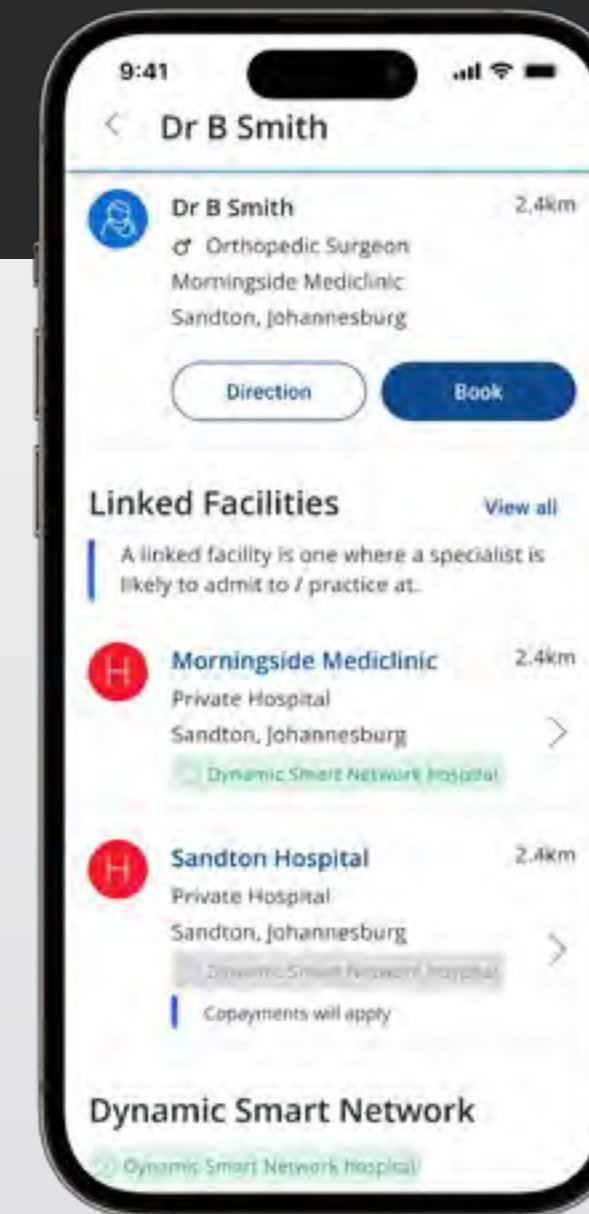
## View plan details and benefits

View information regarding your plan and healthcare cover.



## Find a provider and Dynamic Smart Hospital

Find your most appropriate network providers and your Dynamic Smart Hospital for the most efficient and highest quality of care based on your healthcare needs.

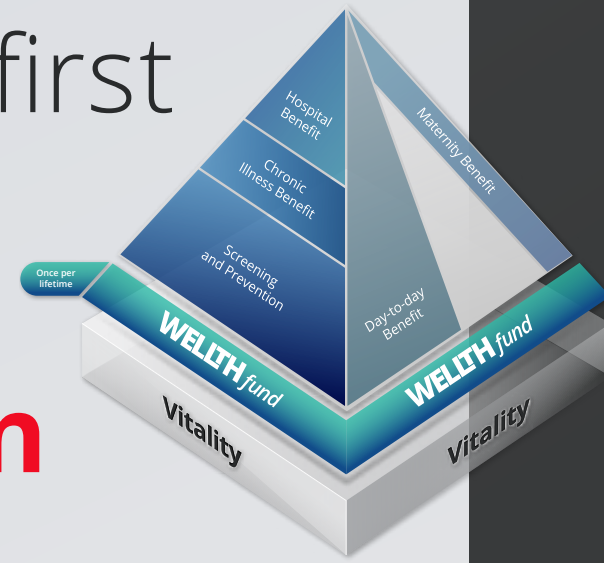


## Book a consultation

Book a consultation with a provider associated with the Dynamic Smart Hospital and if preferred, facilitate a virtual consultation.



# The digital-first Essential Dynamic Smart Plan



The new Essential Dynamic Smart plan is enabled by the efficiencies of the Dynamic Smart Hospital Network, and will be the most affordable plan in the Smart Series.

## From R1 450

JANUARY - MARCH 2023 CONTRIBUTIONS		
Main member	Adult	Child*
R1,450	R1,450	R1,450

\* We count a maximum of three children when we calculate your monthly contributions. For any additional children, cover is free.

Available from 1 January 2023.

Contributions will increase on 1 April 2023, in line with the contribution increase for Discovery Health Medical Scheme.

### HOSPITAL BENEFIT



#### COVER FOR EMERGENCIES

Cover for emergencies in any private hospital.



#### UNLIMITED COVER FOR PLANNED ADMISSIONS

Full cover for hospital admissions at the recommended Dynamic Smart Network hospital, with no overall limit on hospital cover. Admissions outside the Dynamic Smart Network hospital are subject to an upfront payment of R13,250. Guaranteed full cover for specialists in hospital on a payment arrangement and up to 100% of the Discovery Health Rate for other healthcare professionals.

### MAJOR MEDICAL BENEFITS



#### EXTENSIVE MATERNITY COVER

Cover for comprehensive pre- and postnatal healthcare services for maternity and early childhood.



#### ONCOLOGY COVER

Full cover for the first R250,000 of approved cancer treatment in a network facility, after which a 20% co-payment applies. PMB oncology treatment is covered in full.



#### SCREENING AND PREVENTION

Screening and prevention benefits that cover vital tests to detect early warning signs of serious illness.

### DAY-TO-DAY MEDICAL BENEFITS



#### UNLIMITED GP CONSULTATIONS

Unlimited GP consultations within the Smart GP Network, with a R150 payment for each consultation. Video consultations with your Smart Network GP covered up to the Discovery Health Rate.



#### DENTAL CHECK-UP

One dental check-up per year, with a R220 co-payment.



#### EYE TEST

One eye test per year within the Smart Optometry Network, with a R115 co-payment.



#### CHRONIC ILLNESS BENEFIT

Full cover for all Chronic Disease List conditions through your nominated Smart Network GP. Medicine on our medicine list covered in full when using MedXpress or MedXpress Network Pharmacies.



#### OVER-THE-COUNTER MEDICINE

Over-the-counter medicine obtained through the pharmacy network, up to a family limit of R420 per annum.



The WELTH Fund covers a comprehensive list of additional screening and prevention healthcare services at the member's discretion.



## Intuitive member journey through the Discovery App

CASE STUDY: MEMBER REQUIRING CARE FROM  
A PRIMARY CARE PROVIDER

Meet  
*Mary*



Mary has suffered repeated throat infections over the past few months. She has another infection and has decided to see a GP to get the right treatment.

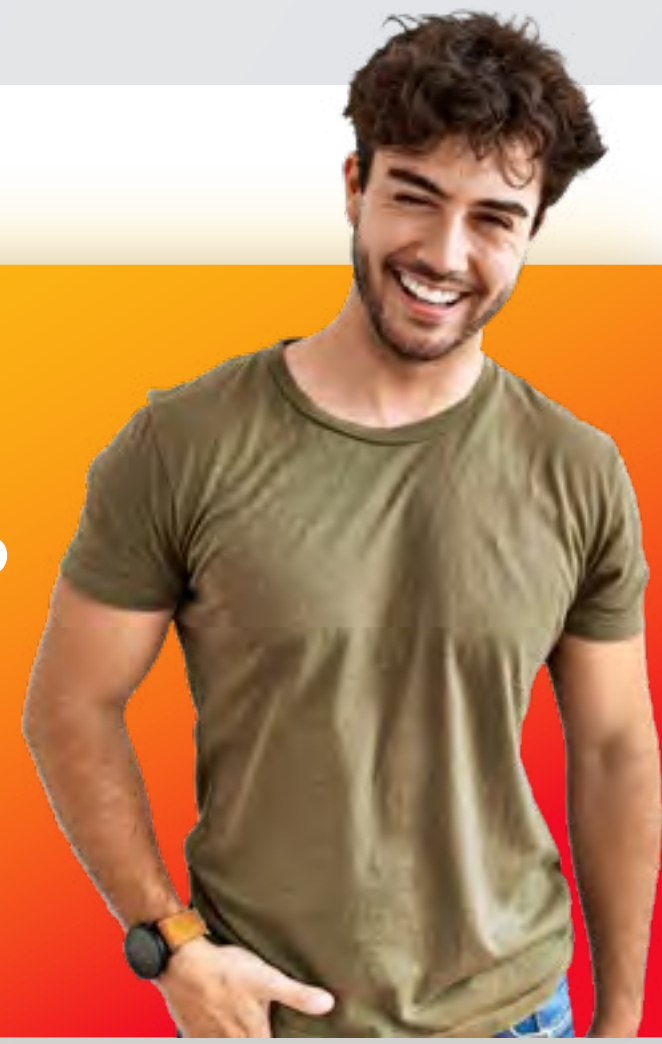




# Intuitive member journey through the Discovery App

CASE STUDY: MEMBER REQUIRING SPECIALIST CARE

Meet  
*Kyle*



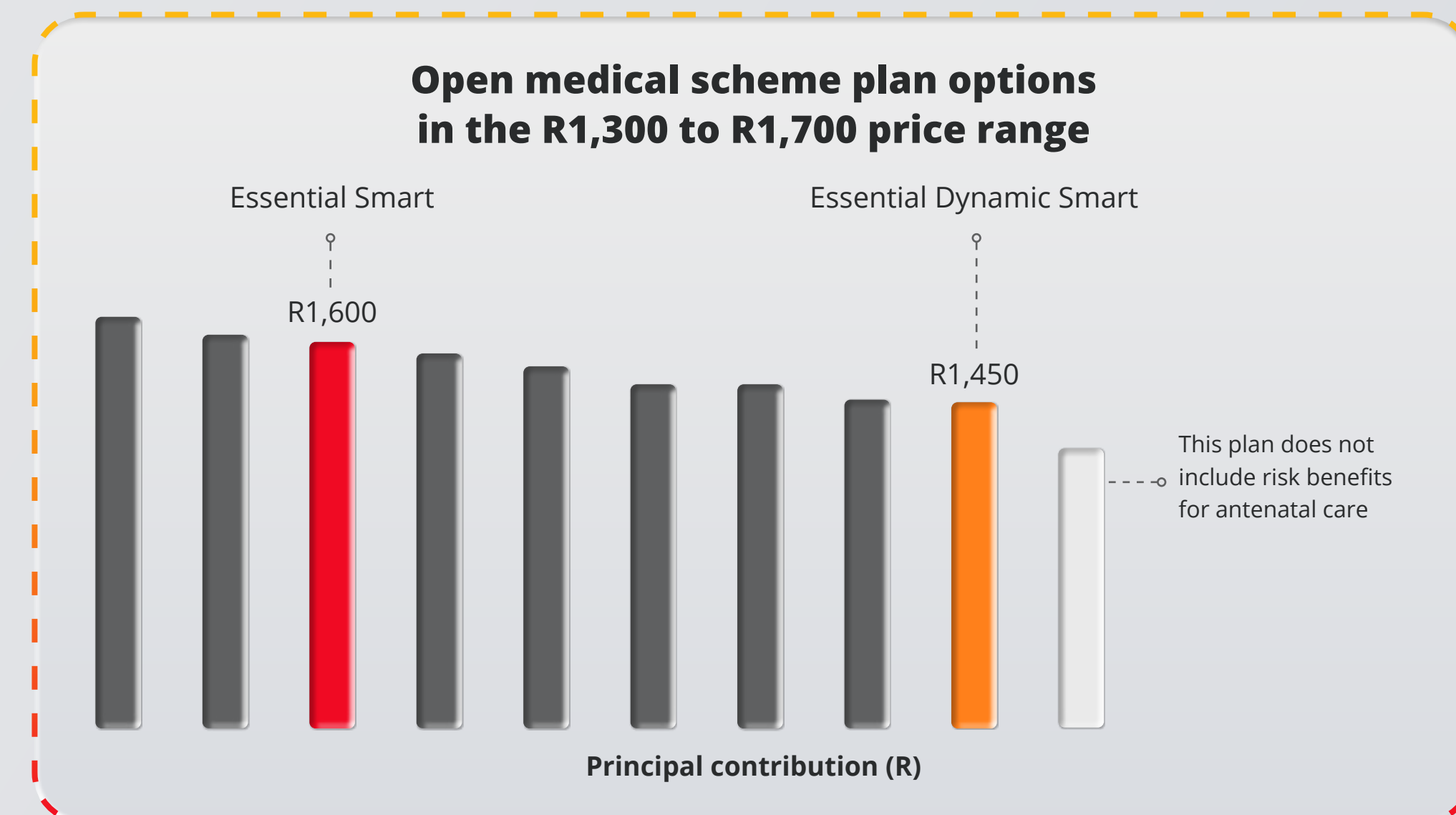
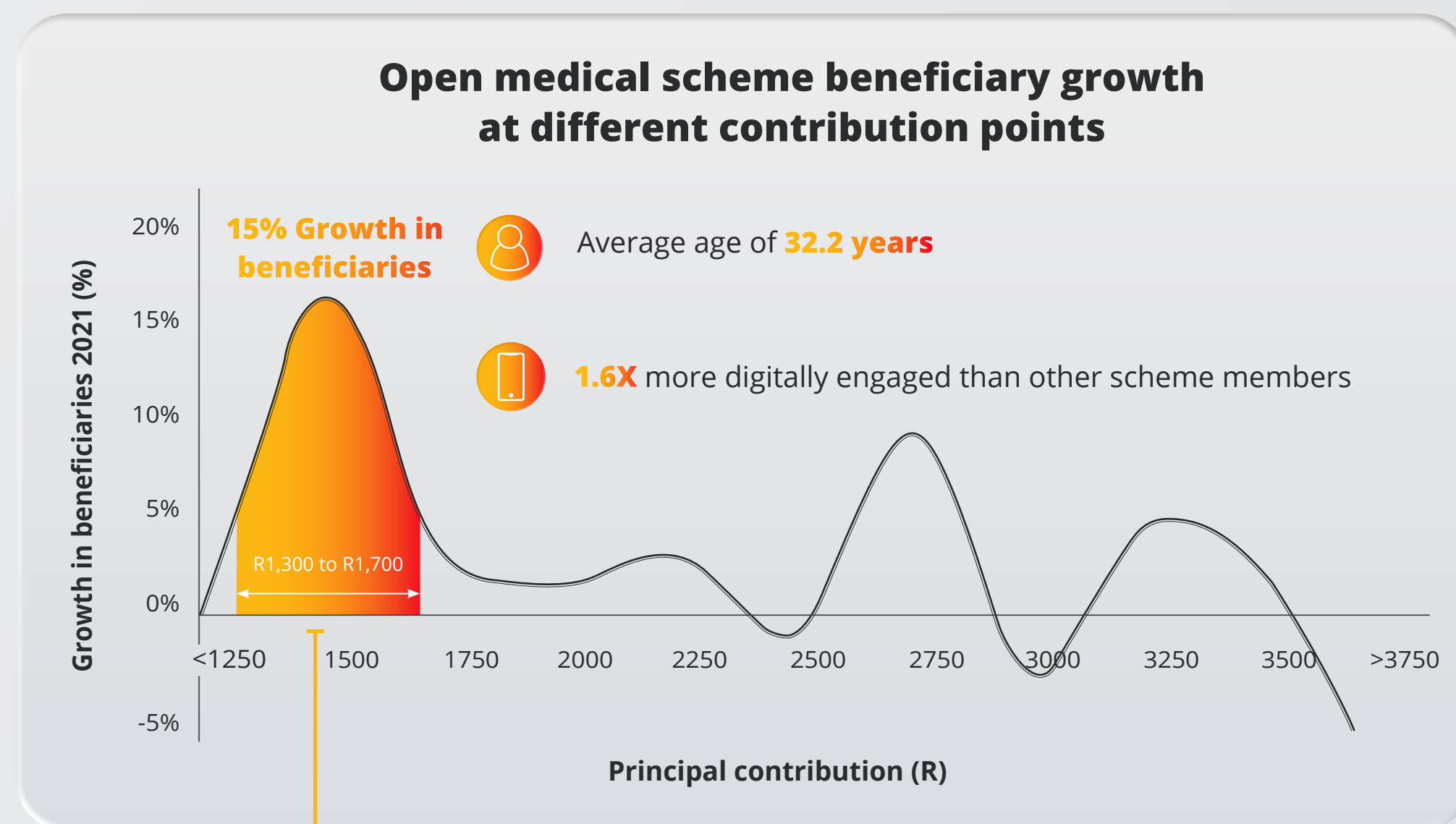
Kyle was playing soccer with his friends and injured his ankle. He suspects that he has torn a ligament and would like to see a specialist to understand whether he would need surgery.





# Essential Dynamic Smart is the **most affordable plan** in the Smart series, the industry's fastest-growing plan range

The fastest growing plans in open medical schemes are priced between R1,300 and R1,700, with the number of beneficiaries on these plans increasing by more than 15% in 2021. The plans appeal to young, healthy individuals - Discovery Health Medical Scheme data shows that new members joining these plans have an average age of 32 years, and are 60% more engaged with the digital tools offered by Discovery Health Medical Scheme than members in other price segments. The new Essential Dynamic Smart plan is designed to be one of the most affordable plans in this segment, without compromising on key benefits for primary care and maternity, and appealing to the highly digitally engaged population looking for medical scheme cover at this price point.





# WELLTH *fund*

Screening rates amongst Discovery Health Medical Scheme members have dropped significantly since the end of 2019, and are yet to recover to pre-pandemic rates.

Regular screening for the early detection and management of conditions such as cancer and lifestyle diseases can have a significant impact on a person's lifespan and healthspan. During 2023, the Scheme will make its excess solvency reserves available to fund screening and preventative healthcare for members through the new WELLTH Fund. The WELLTH Fund will provide up to R10,000 per family to help members reset their understanding of their personal health status, and empower them to manage and improve their health in the long-term. This represents the best possible use of the Scheme's reserves, since the improvement in the health of members leads to a long-term reduction in claims that is equivalent to nine times the funding of the screening and preventative healthcare through the WELLTH Fund.

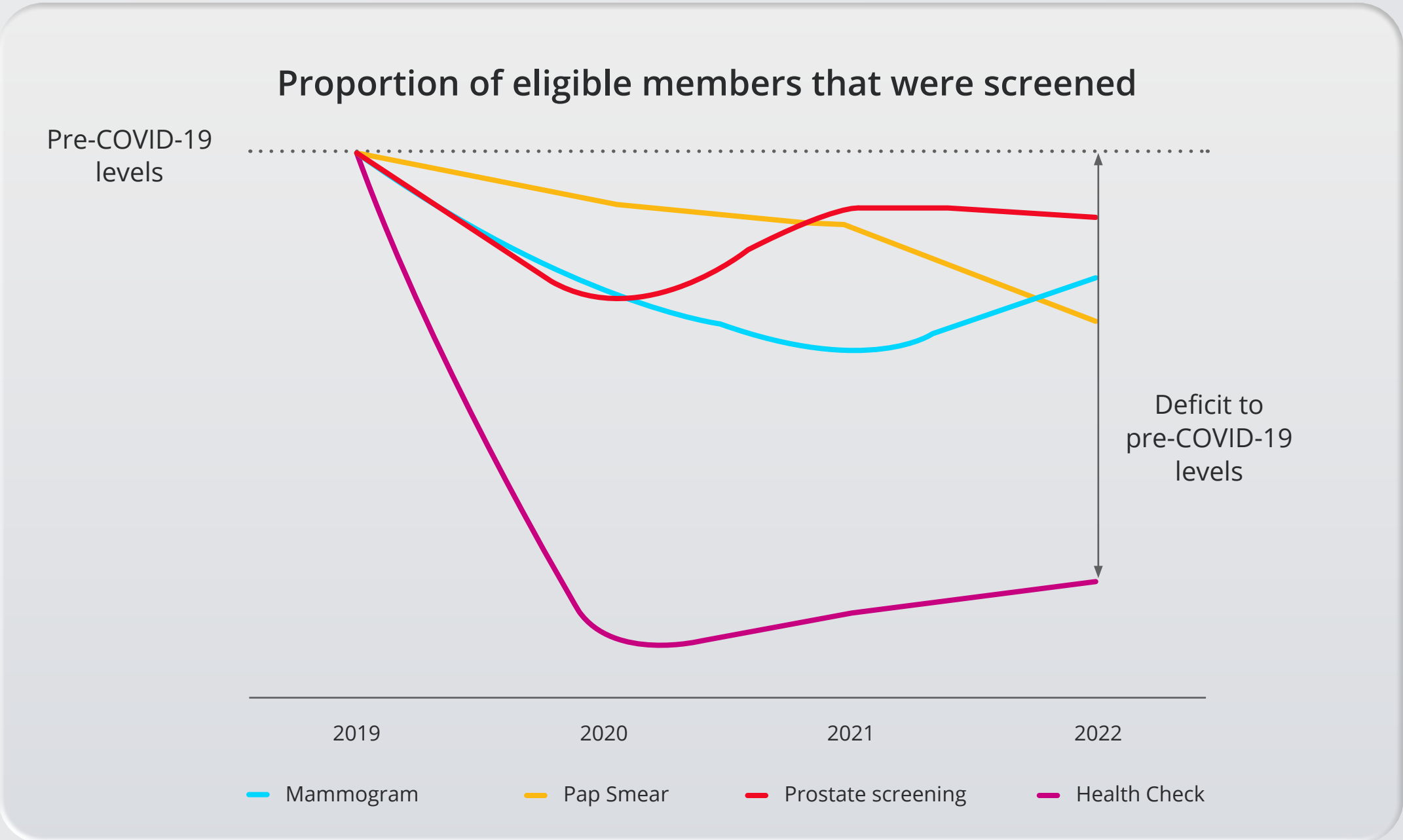




# Screening deficit is evident **post the COVID-19 pandemic**

The outbreak of COVID-19 and its particularly devastating impact on those with underlying medical conditions brought personal health to the forefront in South Africa and across the world. Seldom before has there been such a need to be in the know about one’s own health status than during the heightened risk of the pandemic. However - despite this need for greater understanding of personal health – restrictive COVID-19 lockdowns, lifestyle changes and people’s understandable cautiousness in avoiding public spaces has resulted in a significant drop in preventive screenings.

While regular screening pre-pandemic was below optimum levels, the past couple of years have seen the development of a dangerous screening deficit which has the potential for severe long-term health impacts on both individuals and the Scheme. Screening rates amongst Discovery Health Medical Scheme members have dropped significantly since the end of 2019, including the Health Check and various tests for cancer. While screening levels have improved since 2020, they are yet to recover to at least pre-pandemic rates.



	Proportion of members screening	Screening levels compared to pre-COVID-19
	2019	2022
Health Check	<b>17%</b>	<b>-50%</b>
Mammogram	<b>27%</b>	<b>-15%</b>
Pap Smear	<b>43%</b>	<b>-12%</b>
Prostate screening	<b>50%</b>	<b>-10%</b>



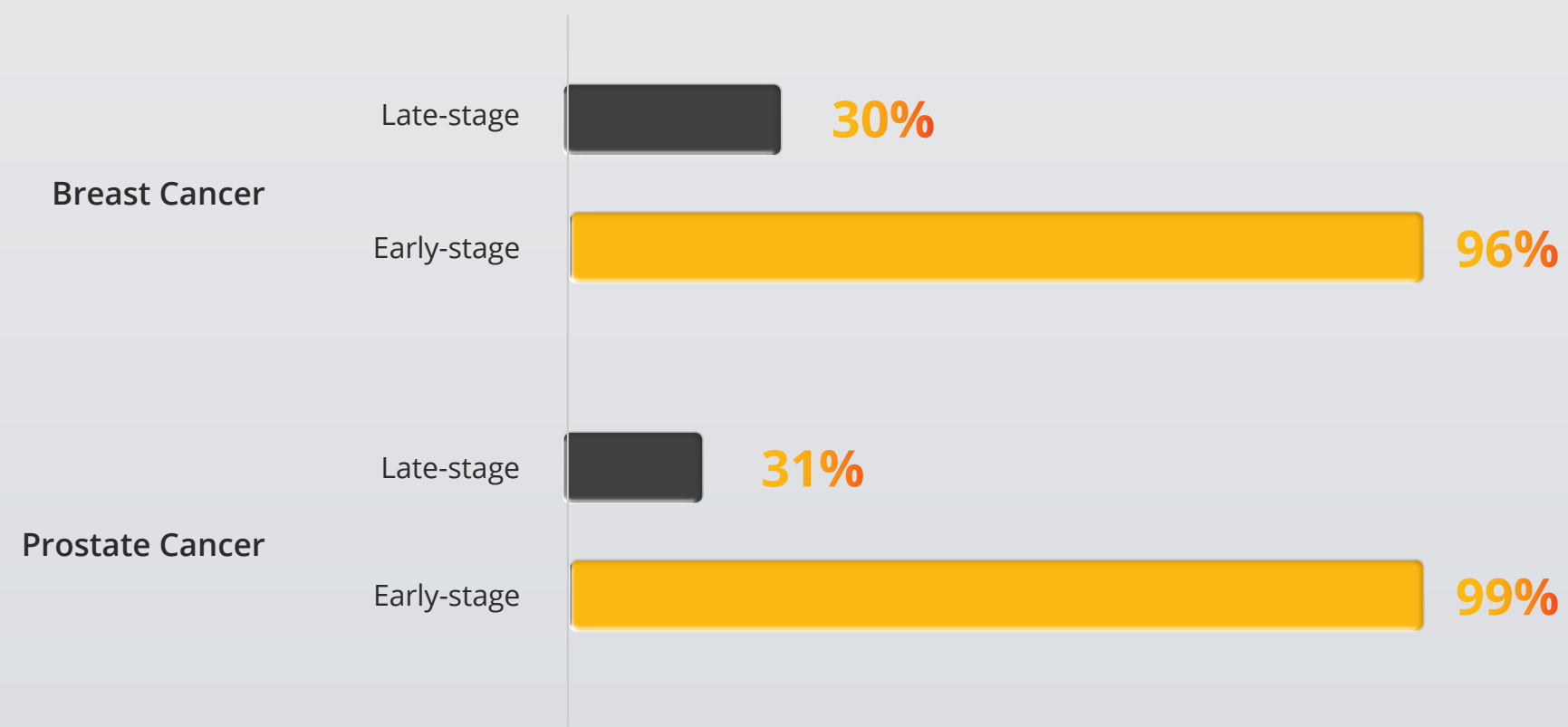
# Regular screening has a significant impact on a member's **lifespan and healthspan**

Regular screening for the early detection and management of conditions such as cancer and lifestyle diseases can have a significant impact on a person's life expectancy (lifespan) and their years spent in good health (healthspan). Early detection also has a positive impact on the Scheme, with early diagnoses of cancer and the management of diabetes and hypertension resulting in an estimated 131 000 less days in hospital per year for Discovery Health Medical Scheme members and annual savings of around R120m.

## CANCER

The early detection of cancer through regular screening can have a significant impact on expected life years. For example, on average, a person diagnosed with an early-stage breast cancer has a three times higher likelihood of surviving five years post diagnosis and is expected to live 22 additional years, assuming an age of 40 at diagnosis.

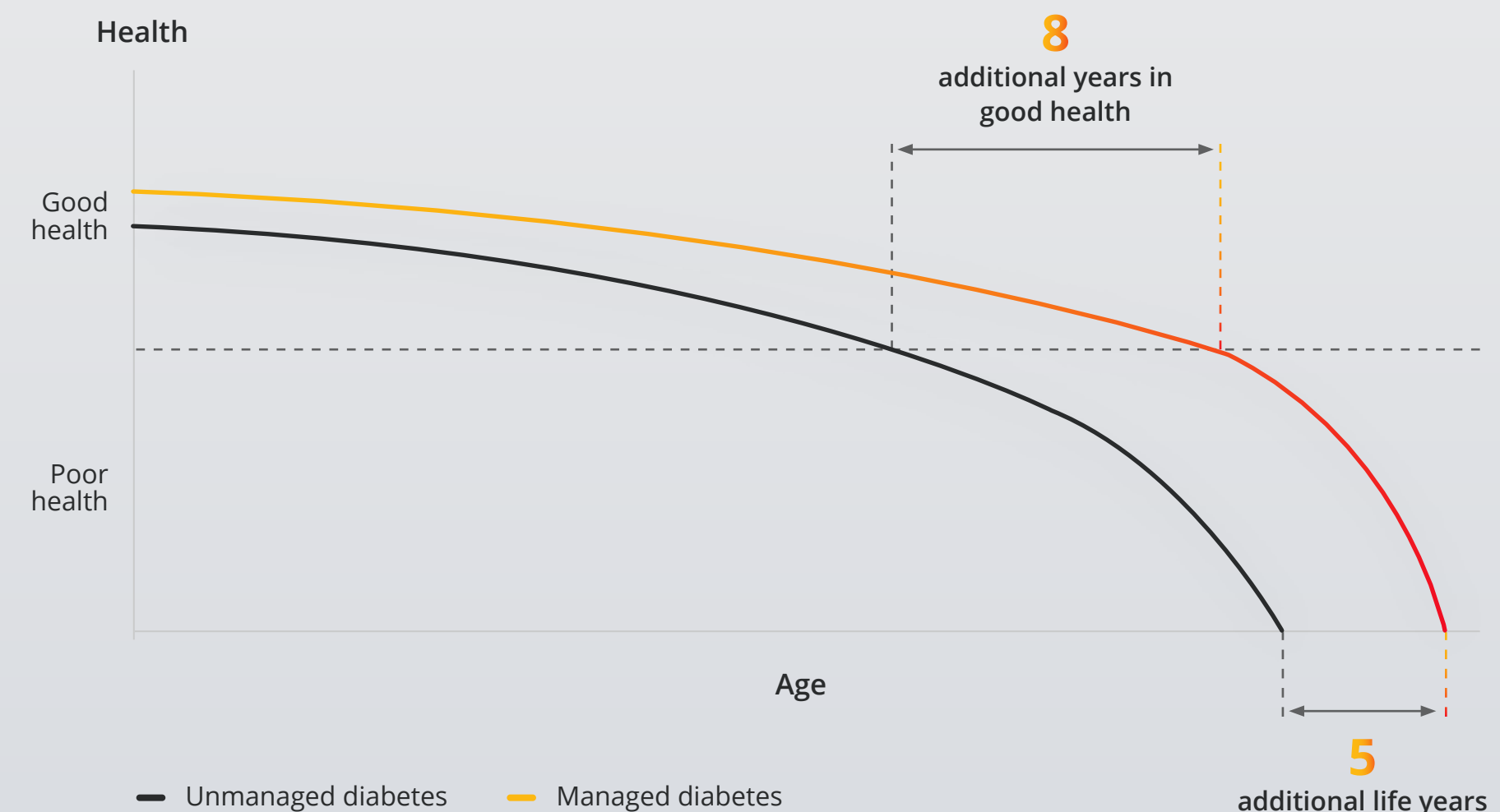
### 5-year survival rate at age 40



## LIFESTYLE DISEASES

For lifestyle conditions such as diabetes and hypertension, regular screening to inform condition management is crucial for enhanced quality of life. For example, through effective screening and management a 40-year-old with diabetes is expected to increase their lifespan by five years, and their healthspan by eight years.

### Expected lifespan and healthspan at age 40





# Discovery Health Medical Scheme makes an **unprecedented investment in the long-term health** of members and the Scheme in 2023

During 2023, the Scheme will make its excess solvency reserves available for preventative screening and healthcare services for members, to address the impact of the screening deficit on the long-term health of members and the long-term sustainability of the Scheme.

Prior to COVID-19, Discovery Health Medical Scheme was in a strong financial position, and held R19.2 billion in reserves at the end of 2019 to meet its regulatory solvency obligation. The reserves represented a solvency ratio of 27.5%, which was above the regulated minimum solvency requirement of 25%.

The healthcare utilisation discontinuities caused by COVID-19 in 2020, increased the Scheme's reserves and solvency to R28.2 billion and 36.9%, respectively, at the end of 2020. At that time, the Scheme committed to keeping contributions in line with expected claims in the long-term by increasing contributions in line with medical inflation, while keeping contributions affordable for members in the short-term by deferring those contribution increases. Using the excess solvency of the Scheme, members benefitted from R6.8 billion in contribution savings during 2020 and 2021 and effective contribution increases that were 0.5% below the market average. The Scheme's sustainability remains uncompromised, since contributions are in line with actual claims experience that excludes the COVID-19 discontinuities, and the Scheme projects a solvency ratio of 34.4% at the end of December 2022 based on reserves of R27.3 billion.

In 2023, the Scheme will use an estimated R1.9 billion of excess solvency to defer the required contribution increase for 2023 by three months. **The Scheme will also make excess solvency available to fund a range of additional preventative screening and healthcare services for members through the introduction of the WELLTH Fund.** The WELLTH Fund will allow members to reset their understanding of their personal health status following COVID-19 and empower them to manage and improve their health in the long-term. The expected long-term improvement in the health of members leads to a **long-term reduction in claims, with every R1 of reserves spent leading to a R9 reduction in long-term claims.**

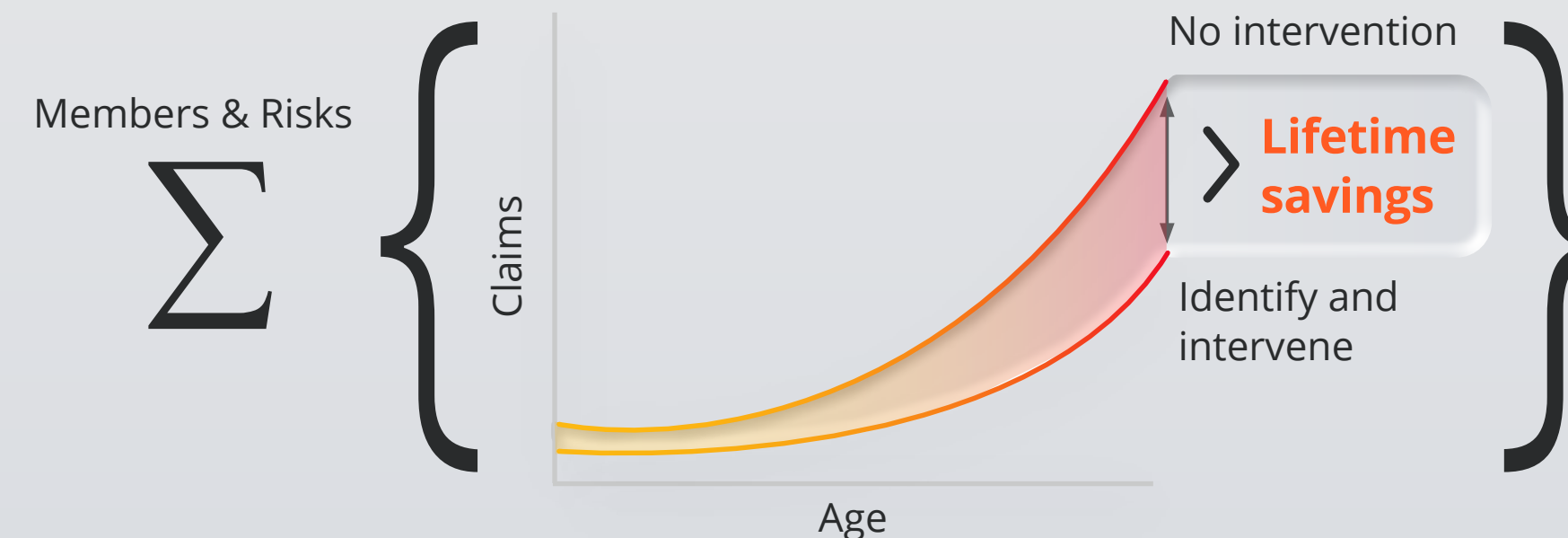
## GREATEST POSSIBLE LONG-TERM RETURN ON INVESTMENT OF SCHEME RESERVES

By identifying health risks earlier, effective interventions can reduce the expected lifetime claims for a member. The long-term savings for the Scheme can be estimated by aggregating the expected reductions in claims for all risks and all members, with appropriate allowance for the likelihood of screening and intervention.

The return on the investment of the Scheme's reserves in health screening and preventative healthcare services can be measured by expressing the estimated lifetime savings in healthcare expenses as a result of early identification and intervention as a proportion of the costs incurred in the early identification of health risks.

$$\text{Return on investment} = \frac{\text{Claims savings}}{\text{Cost of screening}}$$

**Claims savings =**



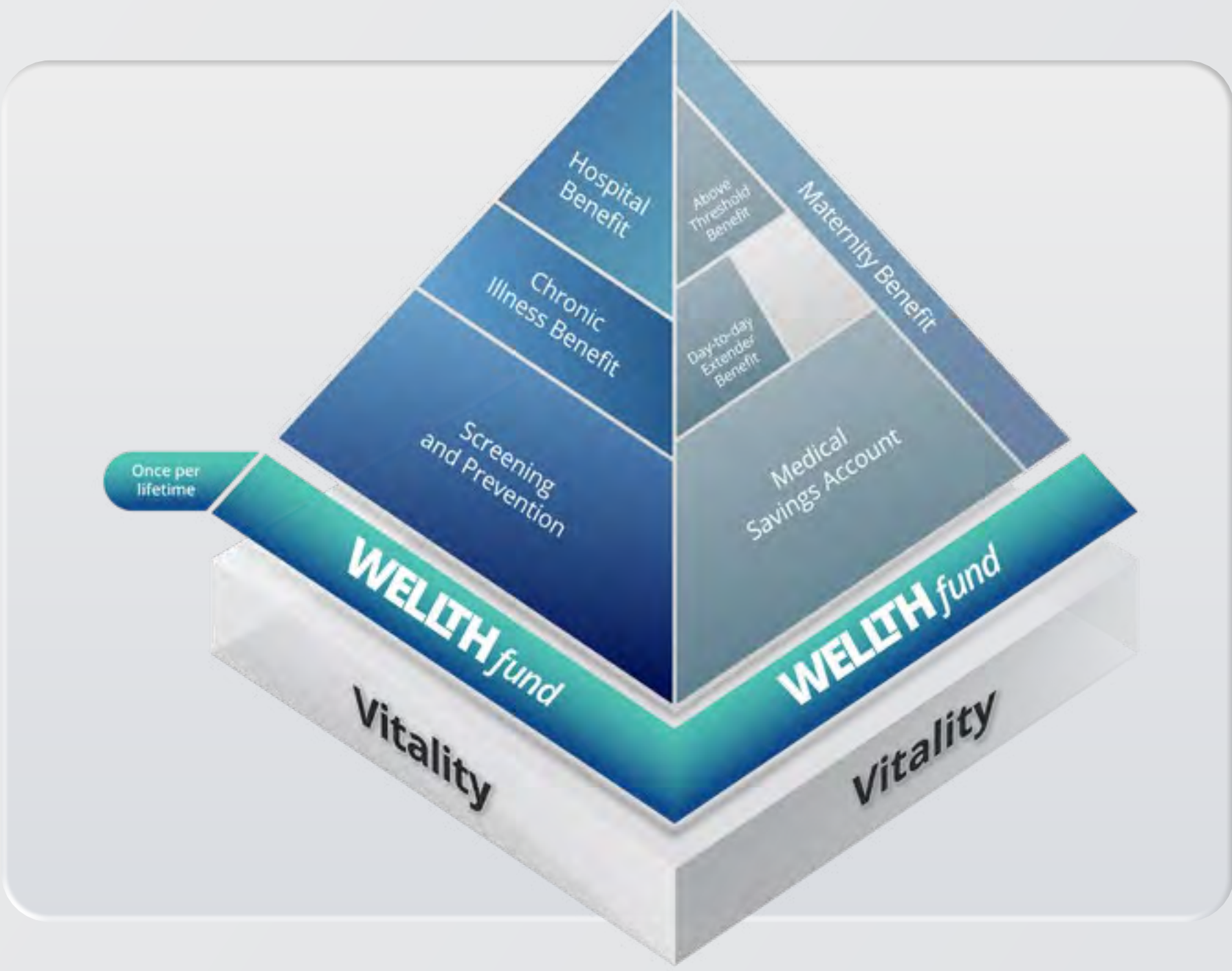
**= 9 x cost of screening**





# The Discovery Health Medical Scheme **WELLTH**fund

The WELLTH Fund enables Discovery Health Medical Scheme members to better understand their own health status by providing up to R10,000 of risk funding for a wide range of health screening and preventative healthcare services. The knowledge gained by members from undertaking these services will empower them to manage and improve their health, and will benefit the long-term sustainability of the Scheme through the improved health of its members.



## UP TO R10,000 TO UNDERSTAND YOUR PERSONAL HEALTH STATUS

The WELLTH Fund will be activated in 2023 where members completed their Health Check in 2022 or 2023. This sets the baseline for a member's health status, given that the Health Check captures the most essential health metrics. It can be completed at a Discovery Store, accredited pharmacy or GP, or at an employer's Wellness Day. The cost of the Health Check will be covered by Discovery Health Medical Scheme from the Screening and Prevention Benefit.

Once the member and all their dependants have completed their Health Checks, they will have access to up to R10,000 in their WELLTH Fund. Each adult on the policy is allocated an amount of R2,500, and each child 2 years or older is allocated an amount of R1,250.

Per adult	Per child	Per family
<b>+R2,500</b>	<b>+R1,250</b>	<b>Up to R10,000</b>

The WELLTH Fund can be used to cover a range of healthcare services focused on preventative care, over and above the services covered by the Screening and Prevention Benefit. This allows members to maximise the knowledge of their health status and the actions needed to manage and improve their health status in the future.

WELLTH FUND



# Improved knowledge of **personal health status**

The WELLTH Fund covers a comprehensive list of health screening and preventative healthcare services, over and above the annual Screening and Prevention Benefit.

Members have access to six broad categories of health screening and preventative healthcare services, including general health, physical health, mental health, women's health, men's health, and children's health. Medical monitoring devices for certain health measurements are also covered by the WELLTH Fund.

Discovery Health Medical Scheme will provide members with guidance regarding the screening and preventative care services that are most appropriate to them and their family, but members will have full discretion to select services from these categories that they deem most appropriate for them and their families.

## General Health

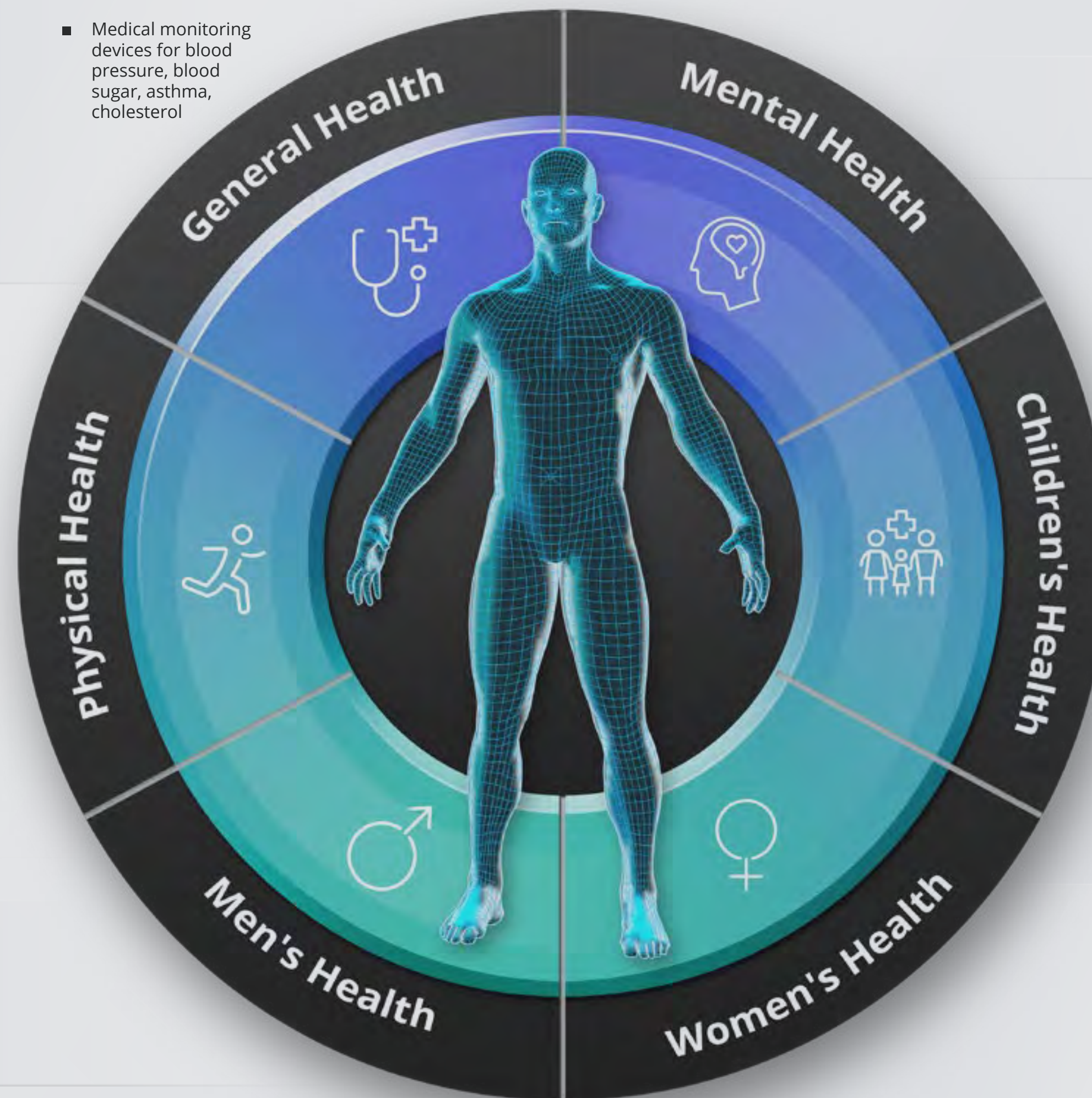
- Dental check-up
- Eye check-up
- Hearing check-up
- Skin cancer screening
- Colon cancer screening
- Heart health
- Lung cancer screening for long-term smokers
- Medical monitoring devices for blood pressure, blood sugar, asthma, cholesterol

## Physical Health

- Diet, nutrition and weight management at a dietitian
- Physical movement and mobility check at a biokineticist or physiotherapist
- Vitality Fitness Assessment
- Vitality high performance fitness assessment
- Foot health at a podiatrist

## Men's Health

- Consultations related to prostate screening
- Osteoporosis bone density



## Mental Health

- Mental Health assessment

## Children's Health

- Developmental milestone assessment checks at a physiotherapist, or an occupational or speech therapist
- Well child visit at a GP, nurse or well child clinic

## Women's Health

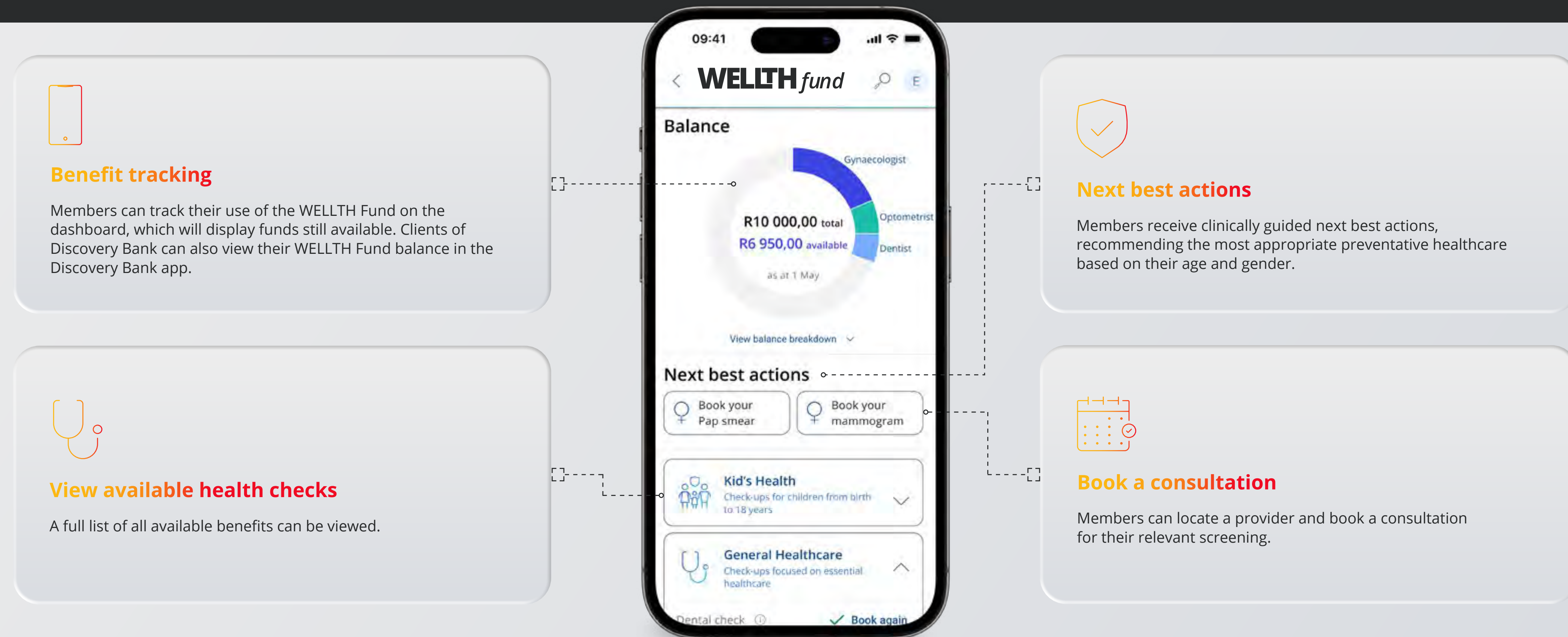
Consultations related to:

- Pap Smear
  - HPV
  - Mammogram
- Gynaecology consultation  
Osteoporosis bone density



# Interactive dashboard supporting the **WELLTH** fund

The WELLTH Fund Dashboard will allow members to view all available health checks and recommended next best actions, book consultations and keep track of their use of the WELLTH Fund. Clients of Discovery Bank can also view their WELLTH Fund balance in the Discovery Bank app.





A paramedic in an orange uniform with reflective stripes is pushing a gurney at night. The paramedic is looking to the left. In the background, the back of a yellow ambulance is visible with its rear door open. The scene is illuminated by the ambulance's lights and some ambient light from the building.

# Discovery Trauma Cover

Discovery Trauma Cover is an affordable insurance product that provides clients with the peace of mind that they and their family can access quality private emergency hospital care following an accidental healthcare emergency. With cover of up to R1 million per event, Discovery Trauma Cover provides clients with financial security when faced with the significant unforeseen costs of urgent medical care.



# Affordable insurance to cover private healthcare costs for accidental emergencies

Every day, thousands of South Africans suffer an accidental emergency that requires urgent medical treatment, with a related financial burden that can overwhelm their financial security. Discovery Trauma Cover aims to ease this financial burden, with cover that makes urgent medical treatment in private hospitals accessible and affordable.



Discovery Trauma Cover is an affordable insurance product that covers the unforeseen costs of private ambulance transport and emergency medical treatment for accidental emergencies.

## FOLLOWING AN ACCIDENTAL EMERGENCY, DISCOVERY TRAUMA COVER WILL COVER THE COSTS OF:

- 01** Evacuating the patient by private ambulance services, in partnership with Netcare 911, to the nearest private hospital's casualty unit
- 02** Stabilising the patient in the casualty unit
- 03** Emergency medical treatment for the patient in the private hospital

Clients can choose to have **R400,000** or **R1,000,000** cover for each accidental emergency.

## MONTHLY PREMIUMS

	R400,000 per event	R1,000,000 per event
Main policy holder	<b>R160</b>	<b>R224</b>
Adult dependant	<b>R160</b>	<b>R224</b>
Child dependant	<b>R60</b>	<b>R99</b>

Discovery Trauma Cover is a Medical Emergency Evacuation and Transport contract as per Regulation 7.2 of the Short-term Insurance Act Regulations. Discovery Trauma Cover is a non-life insurance policy, underwritten by Discovery Insure Ltd, registration number 2009/011882/06, a licensed non-life insurer and an authorised financial services provider. Discovery Trauma Cover is administered by Discovery Health (Pty) Ltd, registration number 1997/013480/07 an authorised financial services provider.





# Discovery Gap Cover special offer

Join Discovery  
Gap Cover at  
**no cost for  
3 months!**

**Offer valid for policies  
with a start date of  
1 October, 1 November  
or 1 December 2022.**





discovery.co.za

This Discoverer 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 Discoverer is only a summary of the key benefits and features of the Discovery Health Medical Scheme plans, awaiting formal approval from the Council for Medical Schemes. For detailed information on all Discovery Health Medical Scheme plan options, please visit [www.discovery.co.za](http://www.discovery.co.za) for access to plan brochures as well as a full copy of the proposed 2023 Scheme Rules.

The Discovery Gap Cover limited offer is available to all Discovery Health Medical Scheme members. Gap cover is underwritten by Discovery Insure and is not a medical scheme. Ts&Cs, Auth FSP.

Discovery Trauma Cover is a Medical Emergency Evacuation and Transport contract as per Regulation 7.2 of the Short-term Insurance Act Regulations. Discovery Trauma Cover is a non-life insurance policy, underwritten by Discovery Insure Ltd, registration number 2009/011882/06, a licensed non-life insurer and an authorised financial services provider. Discovery Trauma Cover is administered by Discovery Health (Pty) Ltd, registration number 1997/013480/07 an authorised financial services provider.

Vitality and Discovery Bank are not part of the Discovery Health Medical Scheme. Vitality is a separate product sold and administered by Discovery Vitality (Pty) Ltd. Registration number: 1999/007736/07. Limits, terms and conditions apply. Discovery Bank Limited. Auth FSP. FSP 48657. NCRCP9997. Limits, Ts & Cs apply.

