

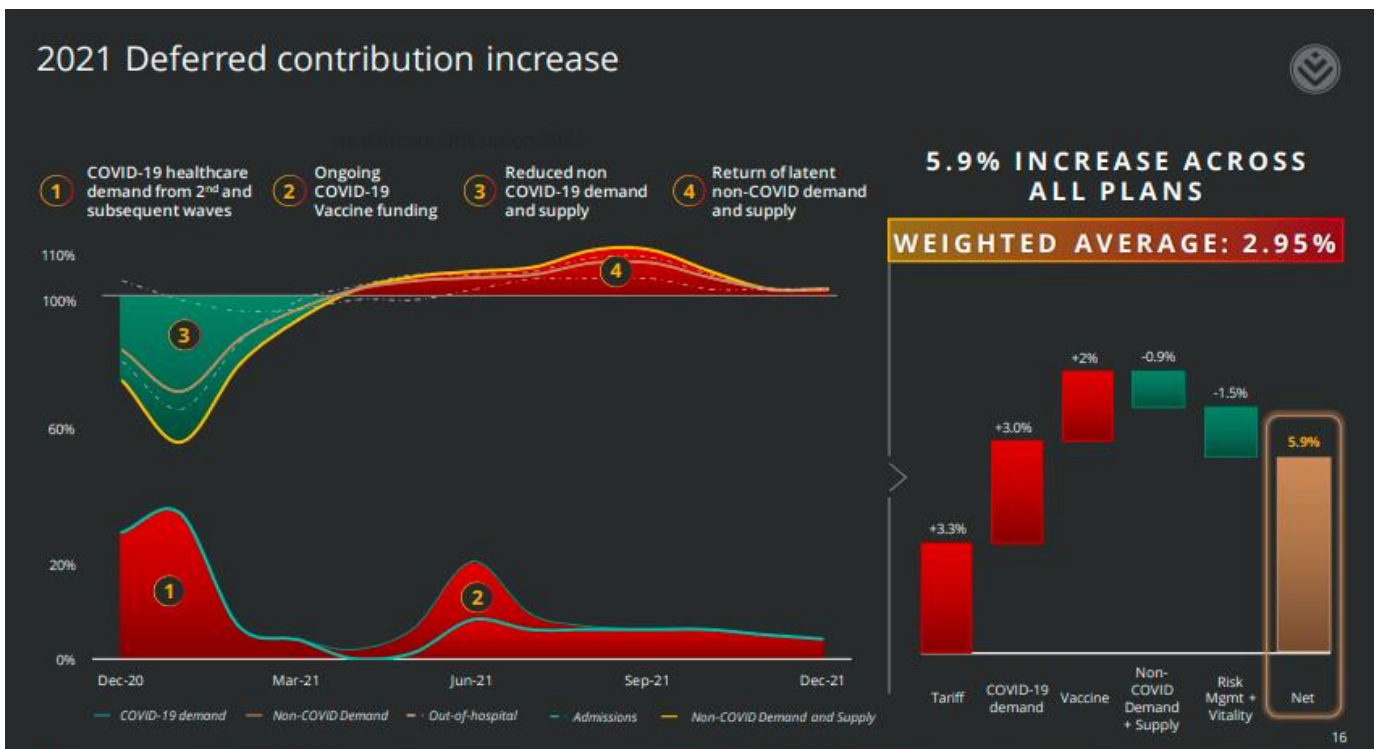
Discovery Health 2021 contribution and vaccine update

- Discovery Health Medical Scheme (DHMS) did not have an increase on their various options for the first six months of 2021. As communicated at the time, they have now announced an increase of 5.9% which will become effective from 1 July.
- The scheme also shared valuable insights in terms of the roll out of Covid-19 vaccinations for DHMS members.

In this newsletter we unpack these aspects.

Mid-year increase

DHMS considered a number of aspects to derive at the announced increase of 5.9% across all plans, effective 1 July. These included normal medical inflation, the prevalence and related Covid-19 treatment costs (given a possible third and further waves to occur), the cost of vaccines, the future non-Covid-19 utilisation patterns and the impact of DHMS’s risk management and Vitality on projected claims for the remainder of 2021 and into 2022.



- The weighted average increase for DHMS members for 2021, given the zero increase for the first six months equates to 2.95%. This is one of the lowest increases in the medical scheme industry.
- DHMS reports that the zero increase for the first six months of 2021 assisted many members to recover financially and retain membership during a time when medical scheme cover is valued more than ever.
- DHMS’s conservative approach has allowed the scheme reserves to grow and places it in a very favorable position in terms of possible future risks and related increases.

Benefit changes

Savings accounts increase by 5.9%	<ul style="list-style-type: none"> Across all plans with a Savings component Annualised pro-ration for the remaining 6 months
Above Threshold Benefit (ATB) concessions will apply	<ul style="list-style-type: none"> Members who have reached their ATB will remain in the ATB Additional 5.9% Savings will not impact the ATB Members can use Savings for any further shortfalls
Limits, deductibles, co-payments and thresholds	<ul style="list-style-type: none"> No further increases These were increased by 4% in January 2021
Upgrades	<ul style="list-style-type: none"> Mid-year upgrades will be allowed, effective 1 July These will have to be submitted by 15 June at the very latest
KeyCare income review	<ul style="list-style-type: none"> KeyCare members who are not part of employer groups will be individually contacted to provide their latest salaries as this was not done in January 2021 If a KeyCare member who is not part of an employer group has had an increase in income and this results in movement into a higher income category on a KeyCare plan, this will result in a further increase.

Please find attached the adjusted DHMS contribution table, reflecting also the Savings allocations related to the 5.9% increase.

Vaccine roll out

DHMS is busy gearing themselves to have members vaccinated for Covid-19. The roll out is dependent upon what is permitted in terms of the phased approach prescribed by Government, the capacity to administer the vaccinations and the availability of vaccines.

DHMS is currently investing in their own Mass Vaccination Programme to support Government's objectives. They have been working with Business for South Africa and the National Department of Health to ensure that capacity is in place and have developed a comprehensive strategy to support the national rollout plan. Over the course of 2021, the aim is to vaccinate three million adult DHMS clients quickly and efficiently, with the capacity to vaccinate up to 40 000 people per day. They have segmented and stratified members by age, identifying those at highest risk, and vaccines will be administered in phases according to a national prioritisation framework, as guided by the Ministerial Advisory Committee.

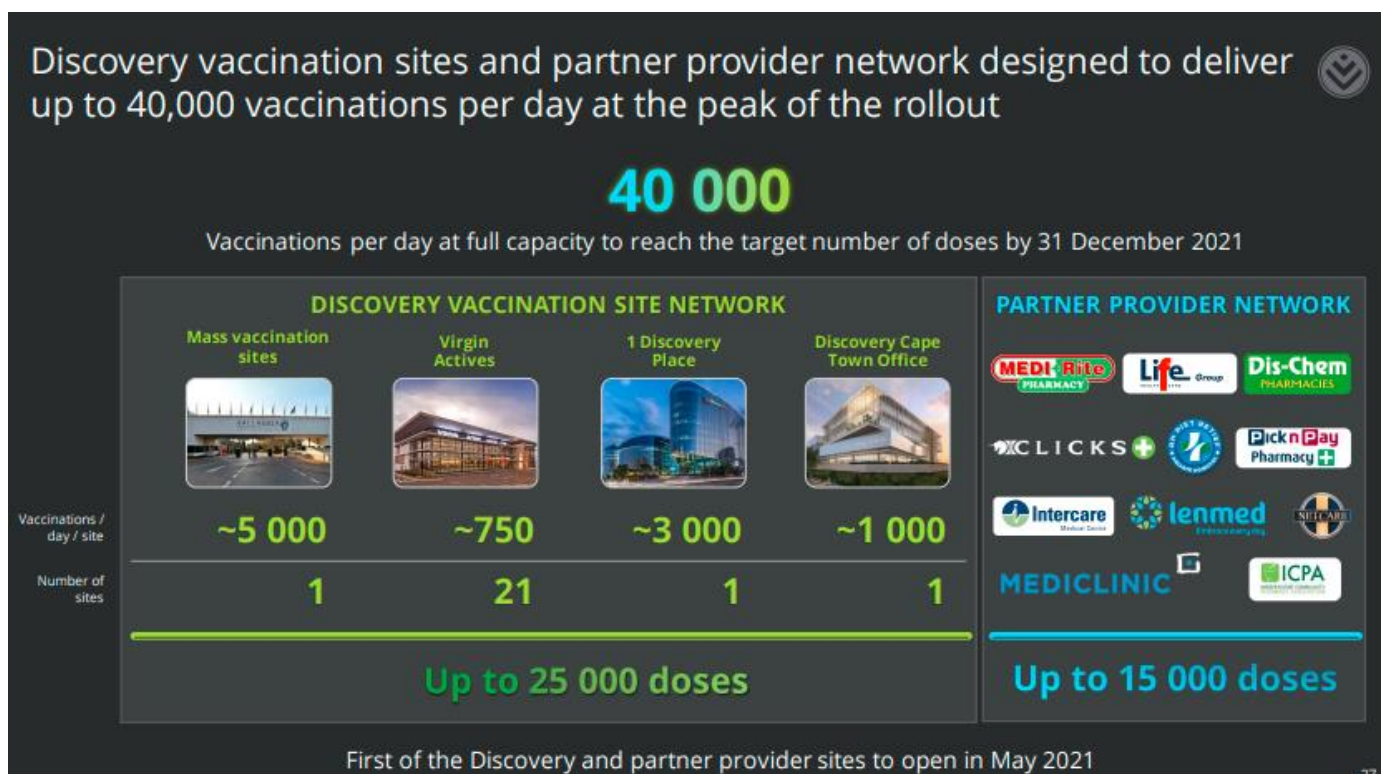
The phased approach:

Phase	Category	Discovery	Population
1	Health workers	TBC	0.7m
2	60+ years	0.6m	5,5m
	50 – 60 years	0.5m	4.8m
	40 – 50 years	0.7m	6.9m
3	18 – 40 years	1.3m	23.5m

DHMS will be deploying more than 1 500 people and spending significant capital with the aim of establishing more than 20 large-scale vaccination centres nationwide over the coming months. Vaccines will be administered in accredited vaccination sites across the country, including pharmacies, GP practices, hospitals, and large-scale vaccination sites. These large sites together with the partner provider networks have been designed to deliver up to 40 000 vaccinations per day when running at full capacity.

These sites are not exclusive to DHMS clients. All DHMS vaccination sites are accessible to any South African for vaccination purposes. The cost of the vaccination at an accredited vaccination site will be covered in full for members of a medical scheme. For individuals who are not members of a medical scheme, the cost of the vaccination will be

covered by the South African Government, where these individuals have been allocated to these sites by the National Department of Health. The first of the DHMS and partner sites will open in the latter part of May 2021, and we foresee these large-scale sites being open until the end of the year.



Personalised Covid-19 vaccination invitations

DHMS have sent personal invitations to all members over the age of 60 years and are currently sending invitations to members with registered underlying medical conditions. All members between the ages of 40 – 60 years will be next, with the remainder of the population to follow shortly thereafter. Members should await their personalised invitation to register on the DHMS Vaccination Portal over the next few weeks based on the phased approach described above. We encourage you to register on the DHMS Registration Portal when you receive your invite. The aim is to prioritise the elderly and high-risk clients. Please assist those that are not digitally enabled to complete their registration on the Department of Health’s National Electronic Vaccine Distribution System (EVDS) and DHMS Vaccination Portal when they receive their invitation.

Registration on the EVDS is a requirement of the National Department of Health for all South Africans. Registration on the EVDS provides you with a vaccination code that will need to be presented on the day of the scheduled vaccination. This process is managed by the National Department of Health and can be accessed via <https://vaccine.enroll.health.gov.za/#/>.

Member support

If you want to review your option, please contact your Human Resource department to arrange for engagement with your allocated Simeka Health consultant to assist you through the process. Please inform your HR via e-mail should you wish to change your DHMS plan with effect 1 July 2021.

Further, the Simeka Health Helpdesk (0860 100 380) is always available to assist employees with detailed information about the 2021 benefits and to select a suitable option.

Simeka Health
May 2021

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