

FOR OUR MEMBERS

**DHMS PERFORMANCE AND CONTRIBUTION
STRATEGY UPDATE**

Taking on every moment



Contribution increase deferred to 1 October 2022

providing additional financial relief of

R2.6 billion

to members

amounting to total cash savings of

~R5 billion

for members during 2022

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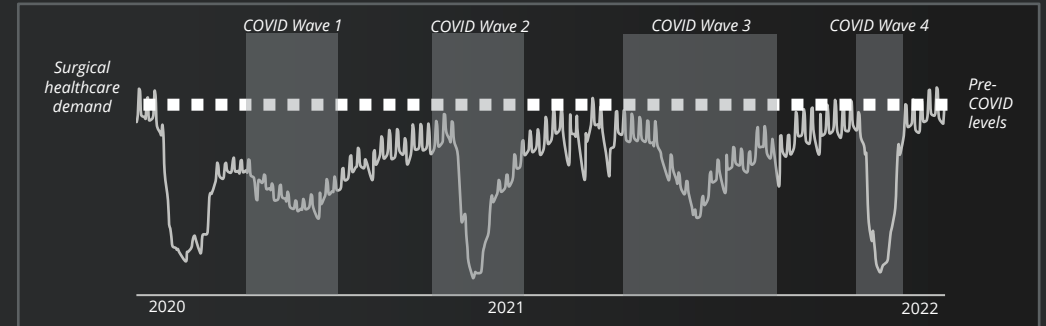
FAVOURABLE CLAIMS EXPERIENCE



LOWER THAN EXPECTED COVID-19 COSTS



INVESTMENT INCOME



Less severe Omicron + High vaccine coverage of at risk members:

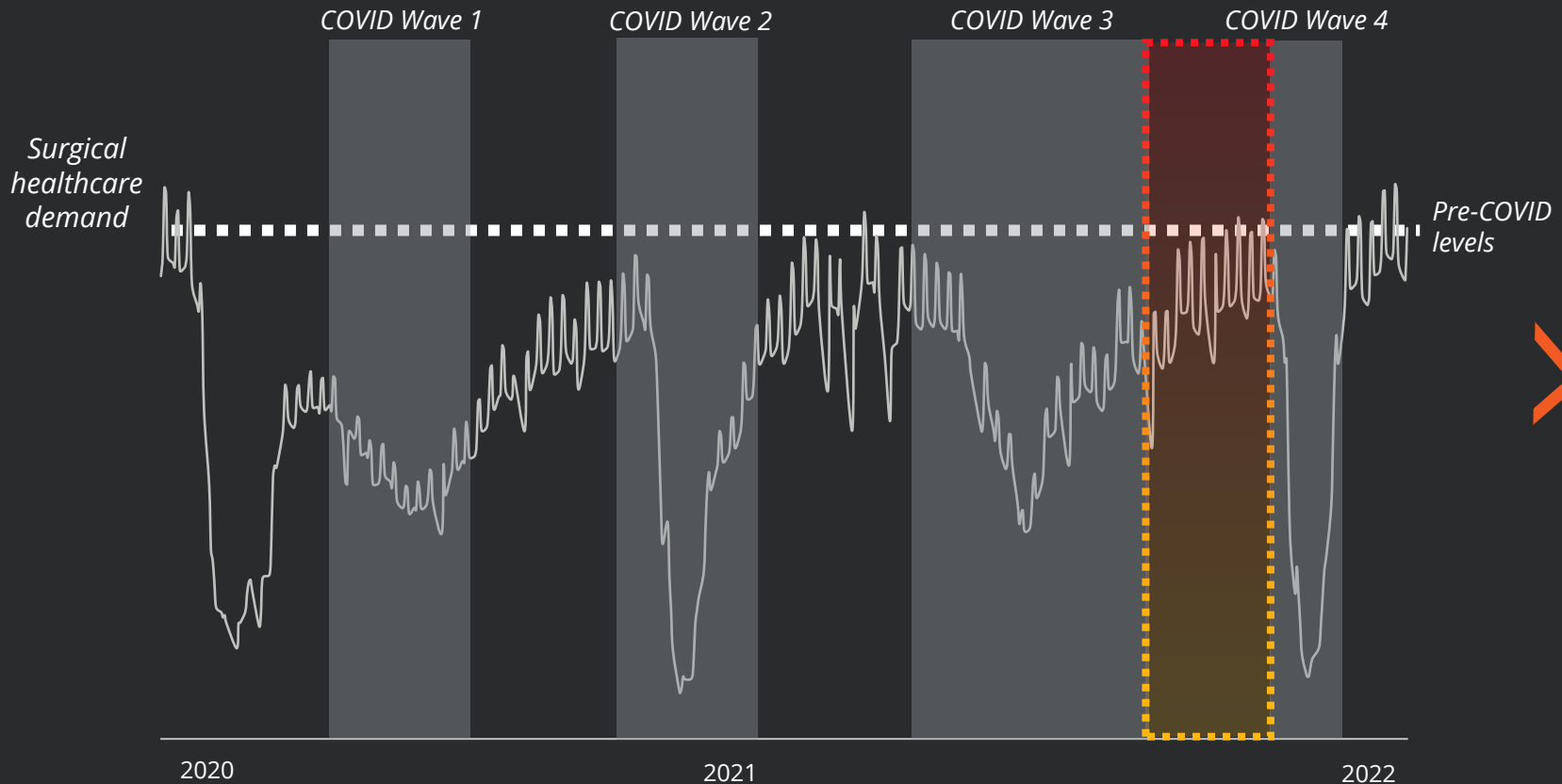
- Lower admission rates
- Fewer severe COVID cases

Realised gains of **R0.6bn**

Temporary discontinuity around the fourth wave creates favourable DHMS utilisation experience

Healthcare demand trends relative to pre-COVID levels 2020 - 2022

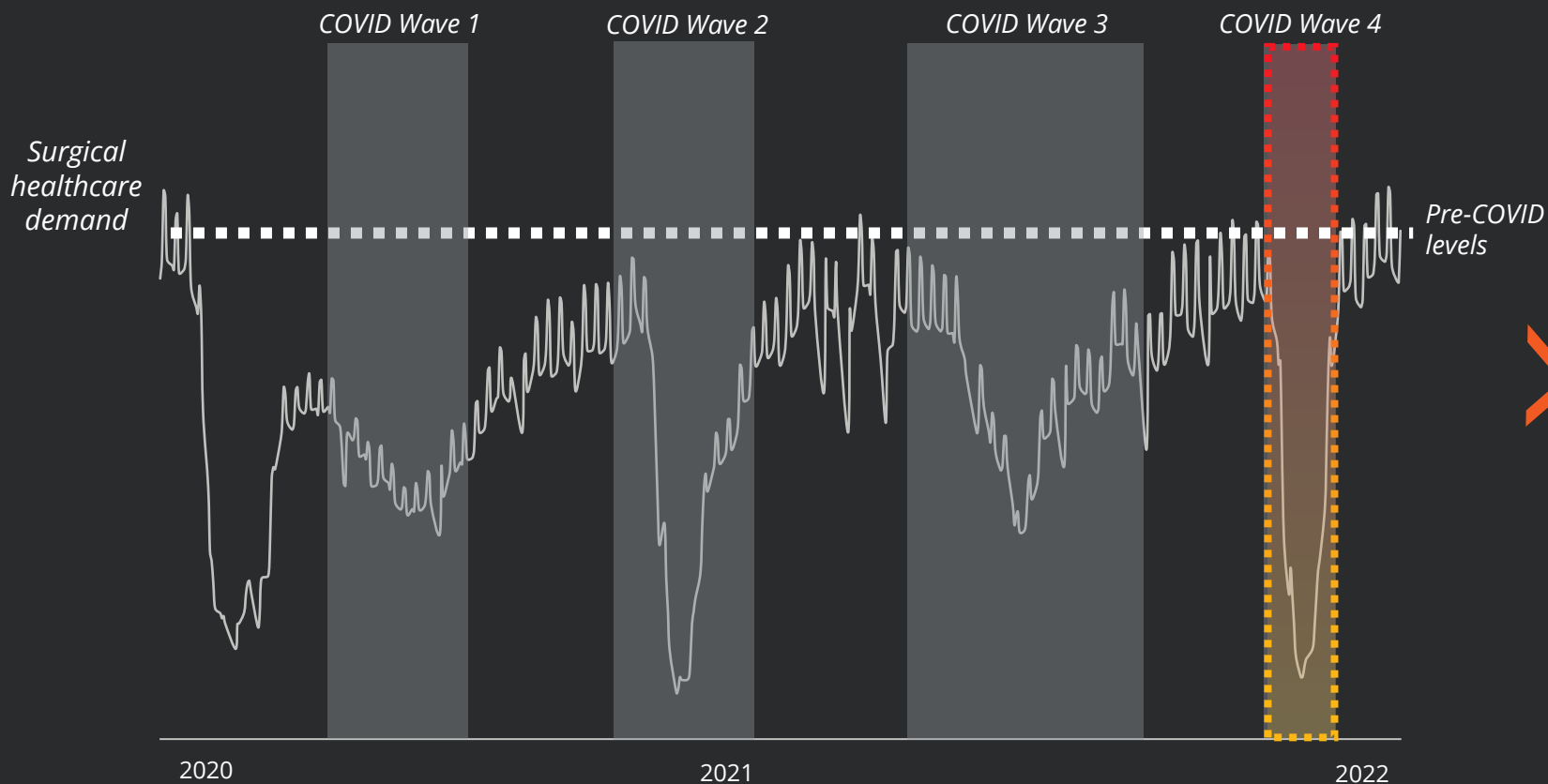
Favourable claims experience



Healthcare demand nearing, but not reaching, pre-COVID-19 levels

Temporary discontinuity around the fourth wave creates favourable DHMS utilisation experience

Healthcare demand trends relative to pre-COVID levels 2020 - 2022



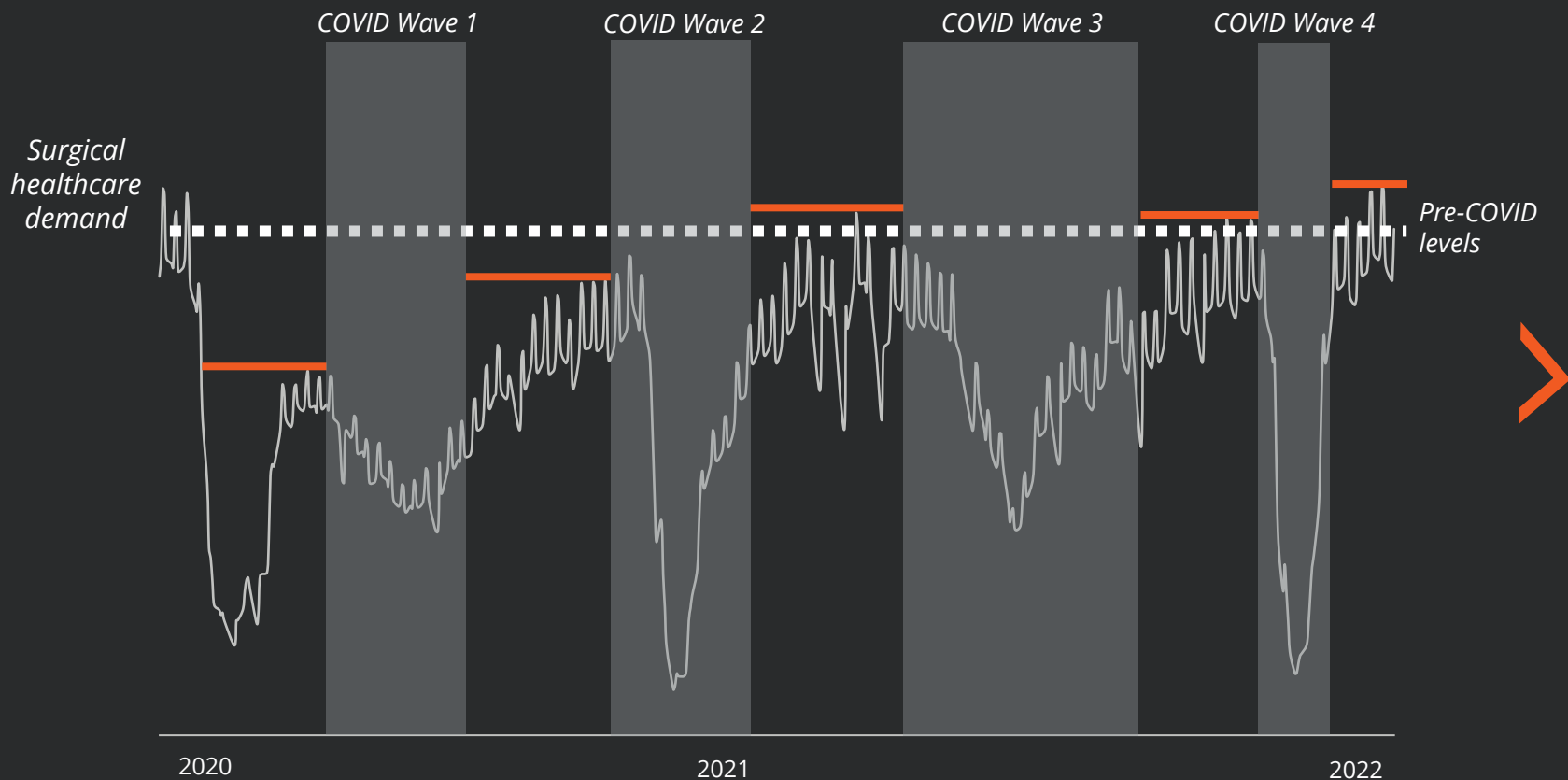
Favourable claims experience

Exacerbated utilisation discontinuity due to infectious nature of the Omicron variant

2021 year-end experience highlights accuracy in DHMS' pricing approach

Healthcare demand trends relative to pre-COVID levels 2020 - 2022

DHMS well placed to meet healthcare demand trends in 2022



Expected
medical inflation
for 2022 of
7.9%

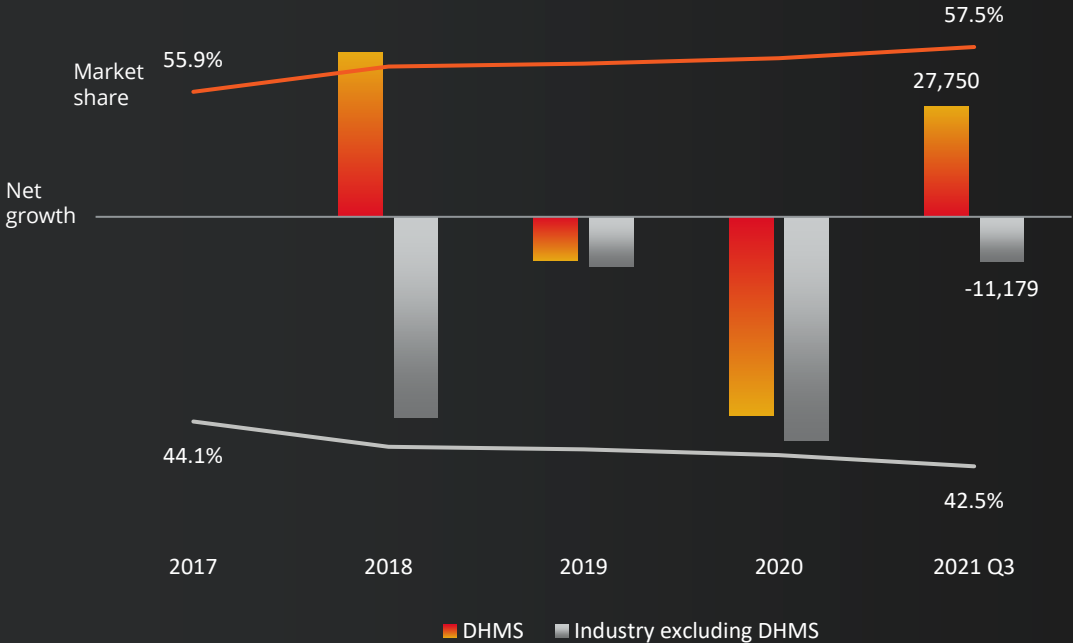
DHMS contributions
increase in line with
medical inflation

DHMS' growth continues to be an outlier in the industry

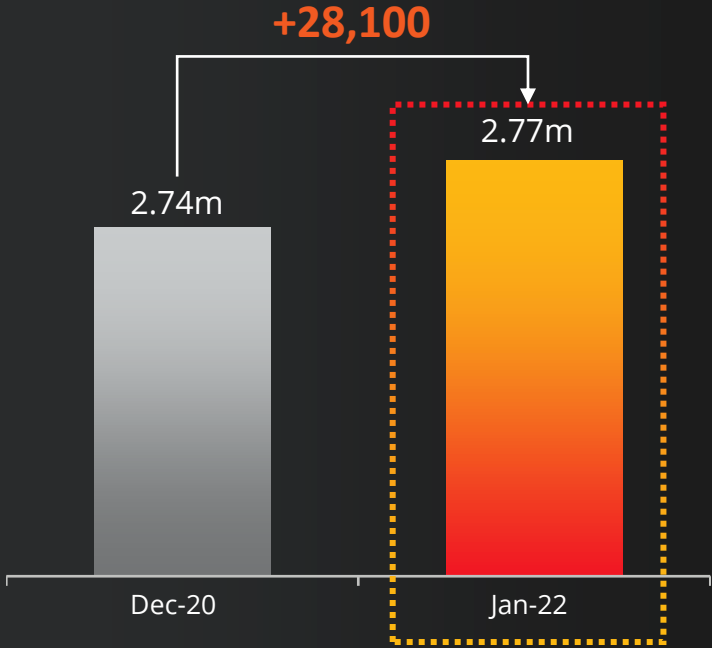
DHMS' market share trajectory different to the rest of the industry

Positive DHMS growth continues into 2022

DHMS market share trajectory



DHMS beneficiaries (2021-2022)



Flight to quality persists, representing positive long-term DHMS outlook

Healthy demographic profile



Younger new joiner profile

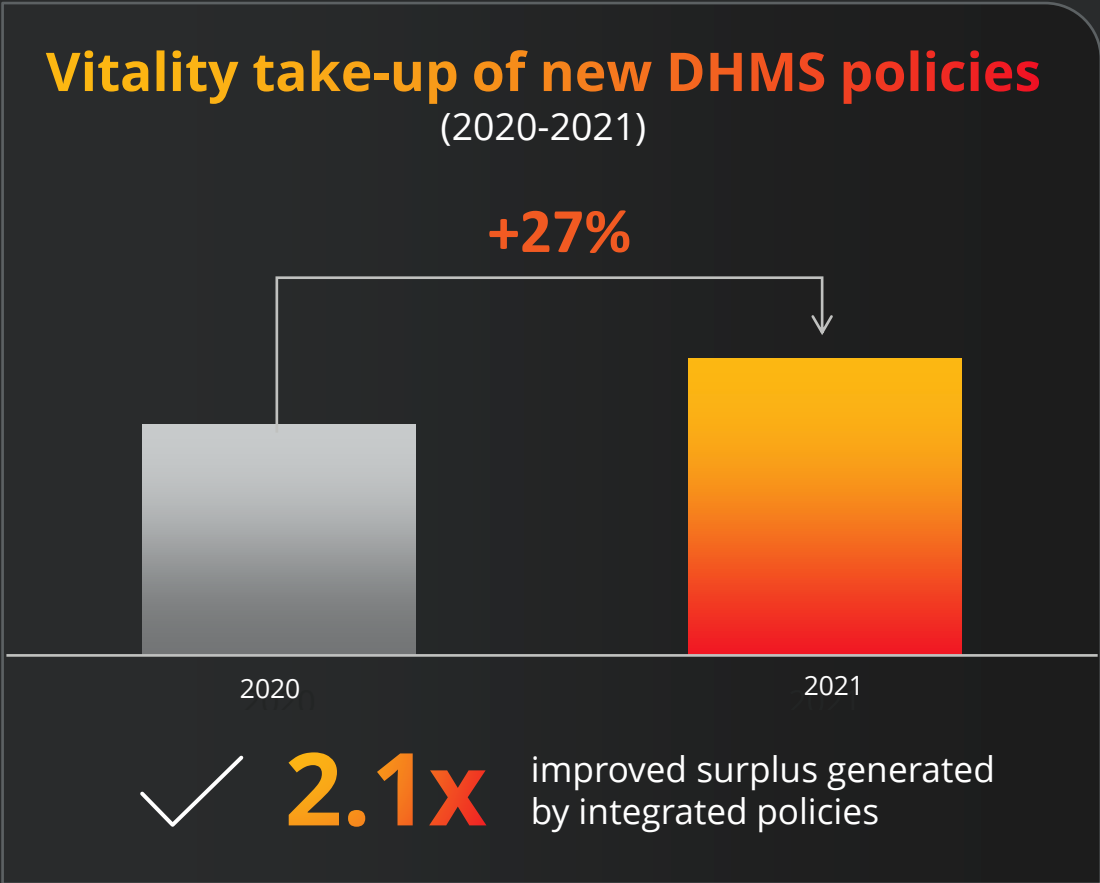
Open Industry		DHMS
27.6	→	26.1
Average age		Average age



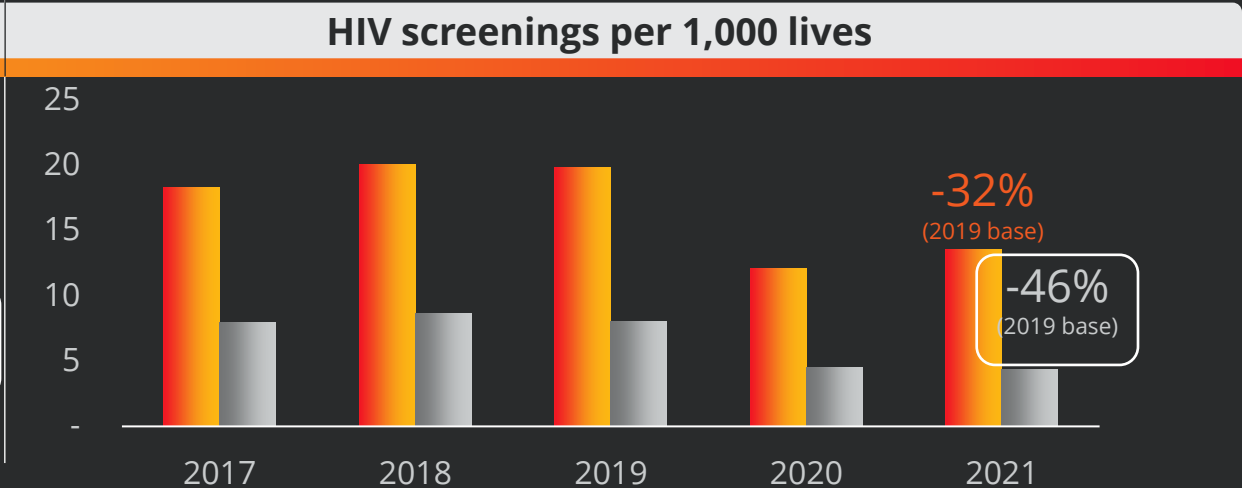
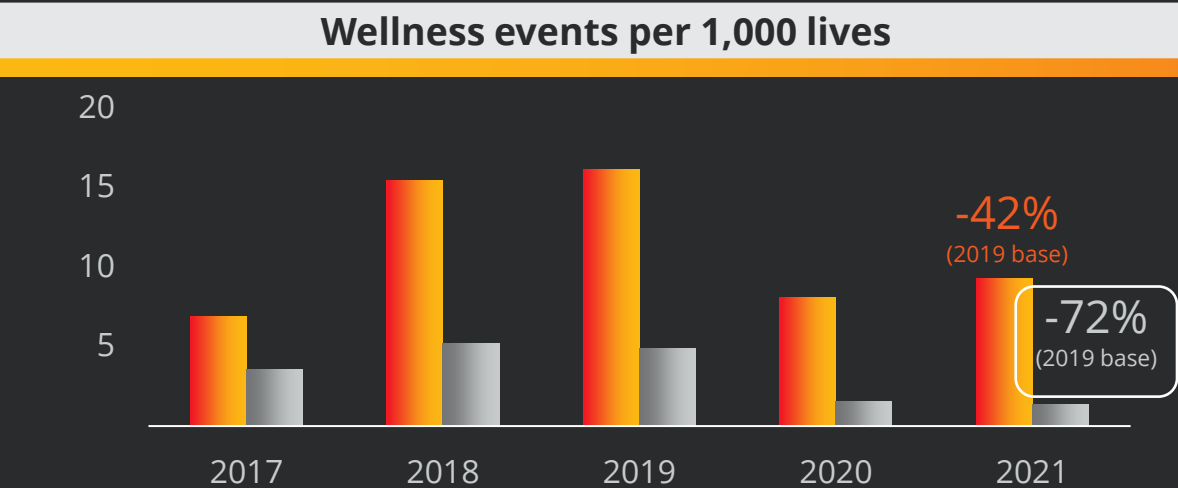
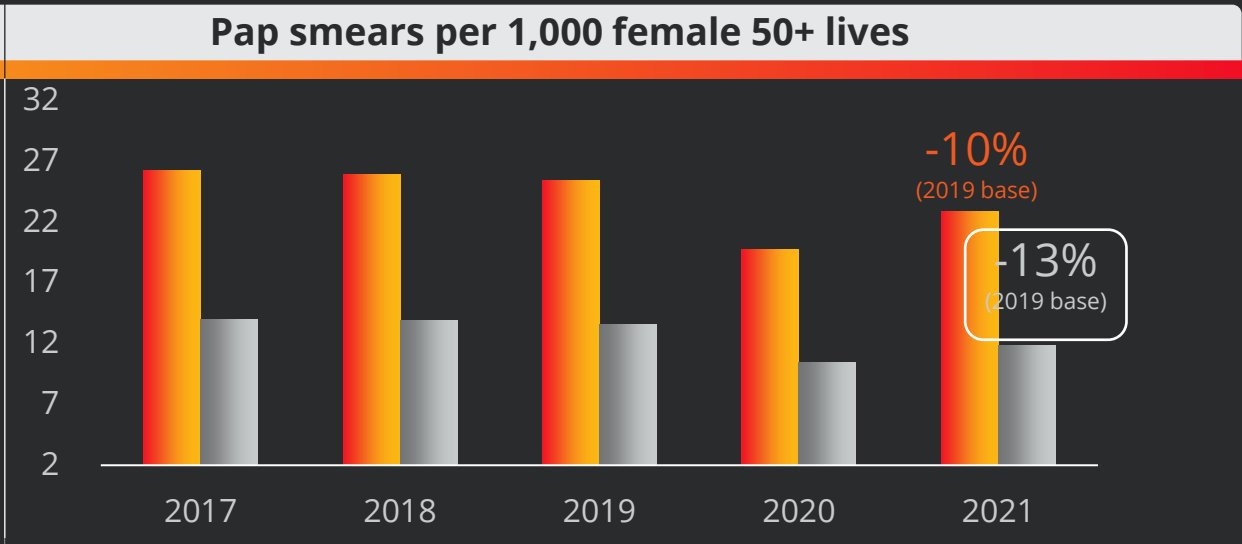
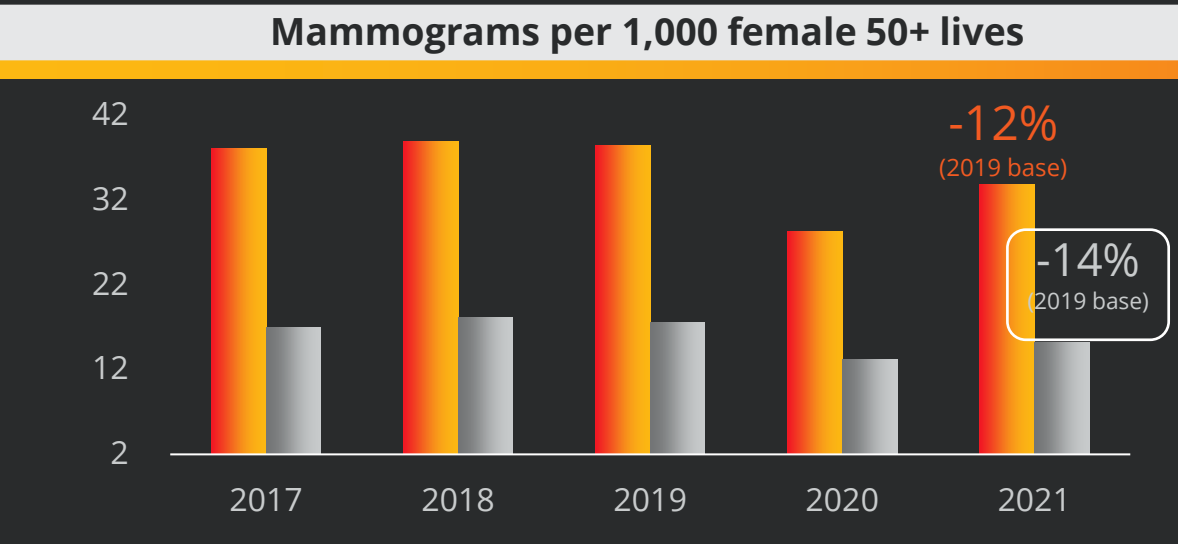
Healthier new joiner chronic profile

Open Industry		DHMS
9.3%	→	6.5%
Chronic ratio		Chronic ratio

Higher levels of integrated policies



Vitality members remain more resilient in prevention and screening despite the pandemic

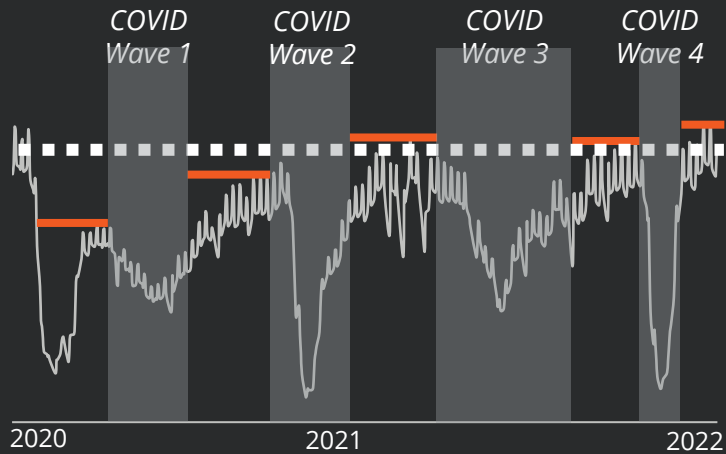


 Vitality members  Non-Vitality members

Note: Data is YTD September 2021
Source: Discovery Health Analysis

Strong DHMS outlook for 2022 and beyond

Pricing stability maintained

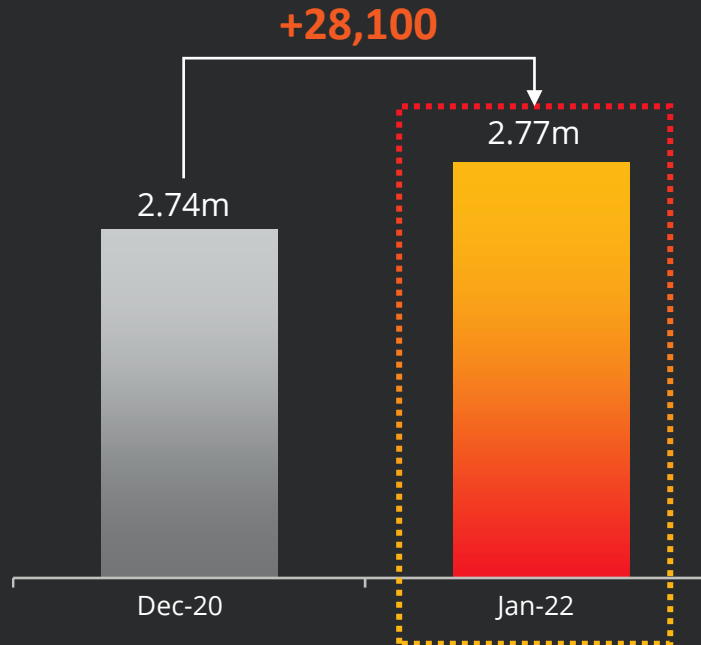


7.9% increase
in line with expected
medical inflation

Protects members from future
“price shocks”

Strong growth continues into 2022

DHMS beneficiaries



Affordability enhanced through contribution deferral

Contribution increase deferred to 1 October 2022

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Details of the extended 2022 contribution freeze



Contributions

**FLAT
7.9%
INCREASE ACROSS
ALL DHMS PLANS**

Applicable from
1 October 2022



Benefits

**ADDITIONAL MEDICAL
SAVINGS ALLOCATED
IN MARCH 2022**

Additional savings for
October to December 2022
will be allocated in
March 2022

**NO CHANGES
TO LIMITS,
DEDUCTIBLES,
CO-PAYMENTS AND
THRESHOLDS**

Increased in January 2022,
no further increase
will apply

**KEYCARE INCOME
BANDS AND INCOME
VERIFICATION**

KeyCare income bands will
be adjusted on
1 OCTOBER 2022

KIV will be done in
OCTOBER 2022



Plan changes

**MAY UPGRADES
WILL BE
ALLOWED**

Upgrades allowed on
1 May 2022 and 1 October
2022

Deadline for May upgrades:
30 April

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