



Good health
can change the world

DHMS Annual General Meeting 2016

Dr Jonathan Broomberg – CEO Discovery Health
23rd June 2016

Discovery Health's strategic approach to maximising value for DHMS members



Discovery Health's strategic approach to maximising value for DHMS members



Lowest Healthcare Costs



Focus on Quality of Patient Care



Vitality™

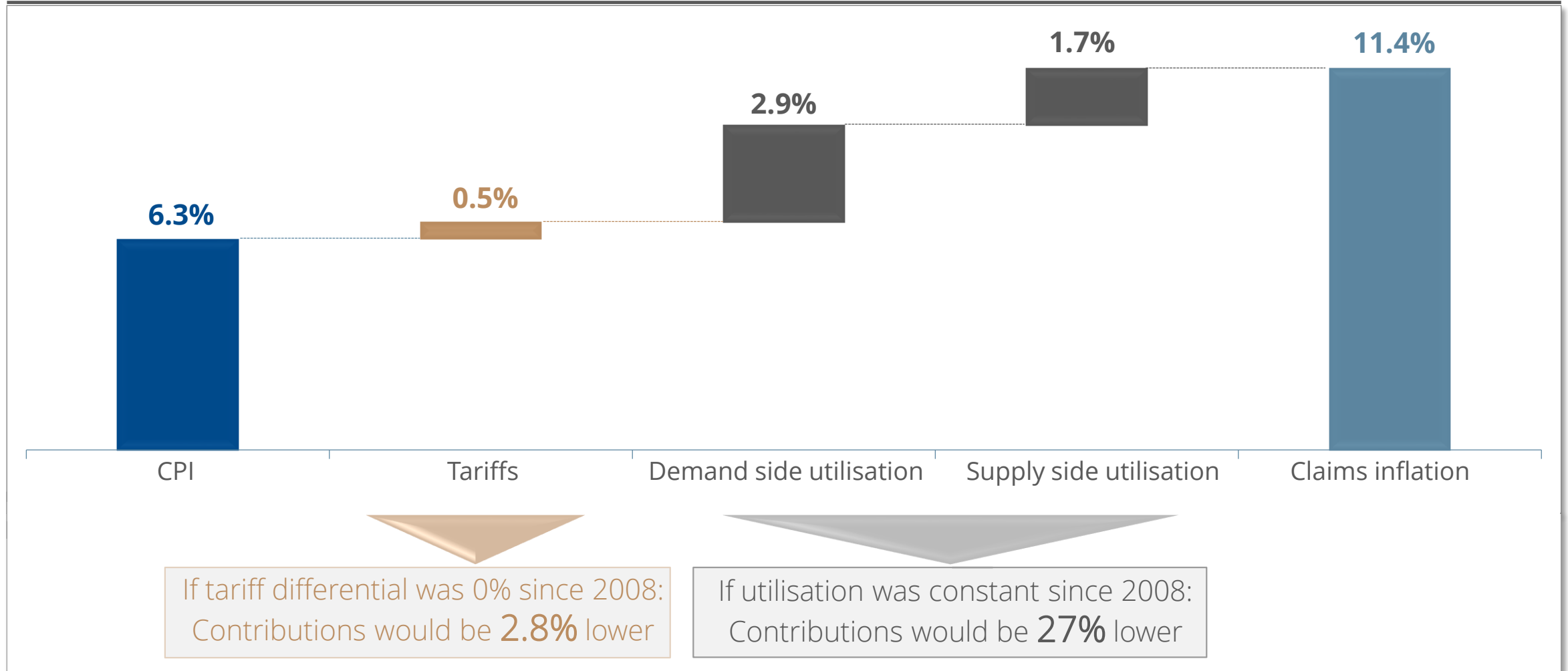


Make Members Healthier

World Class Service Experience

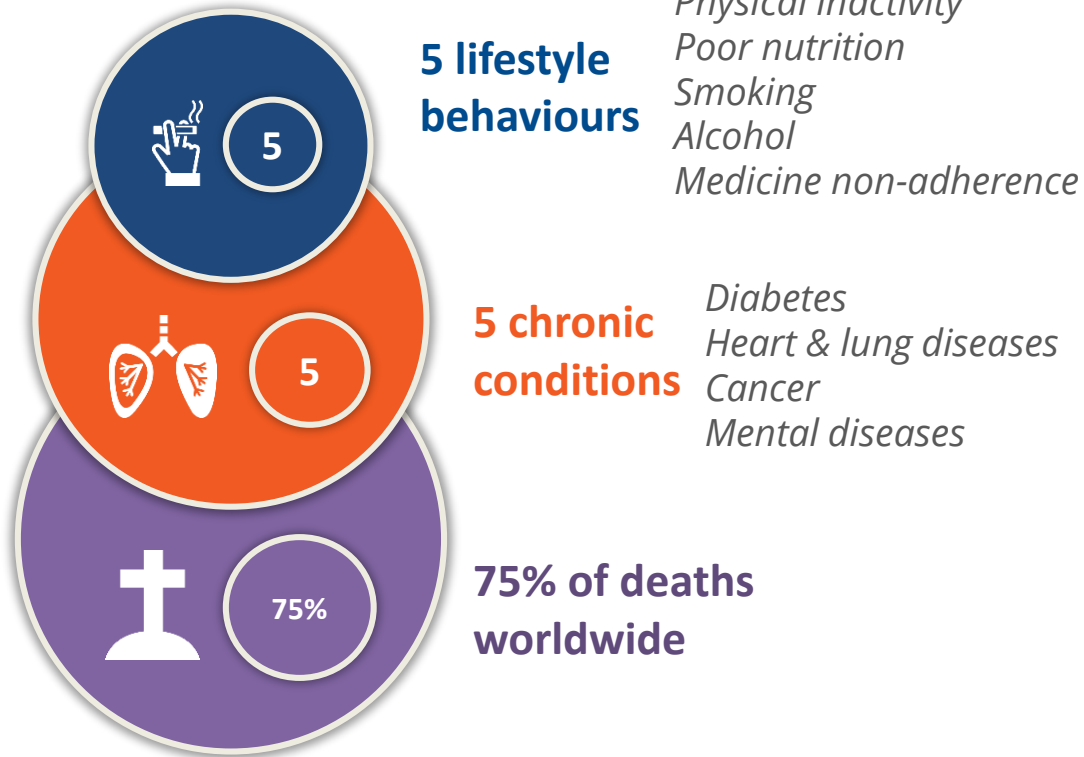
Claims inflation remains high – driven mainly by increasing utilisation of healthcare services

Average annualised inflation rates (2008 – 2015)

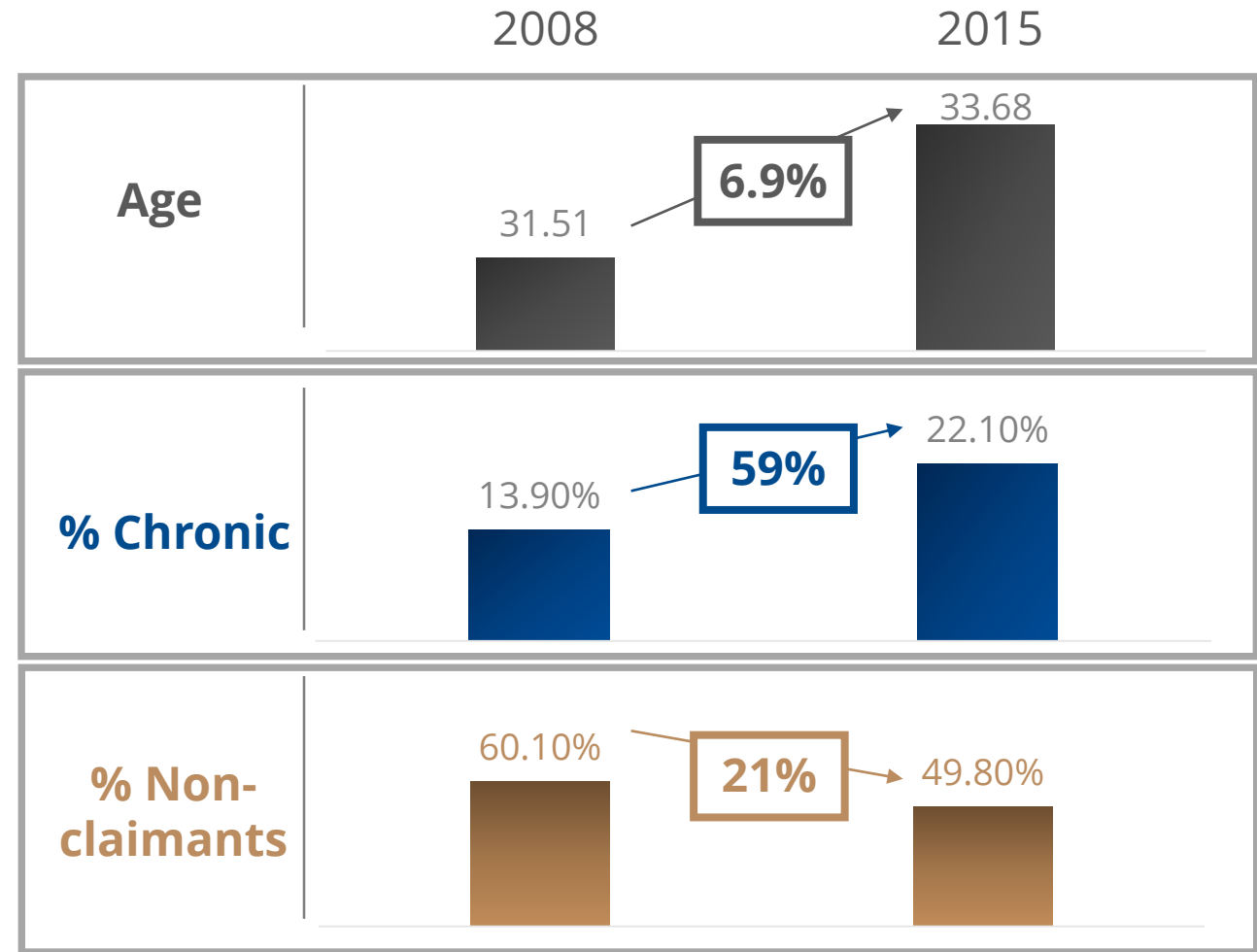


DEMAND SIDE | Increasing lifestyle diseases and adverse selection are driving claims costs

Epidemic of lifestyle diseases



Evidence of adverse selection in DHMS



SUPPLY SIDE | Growing impact of high cost medicines and new technologies

High cost medicines entering the market

Increasing incidence of ultra high-cost medicine

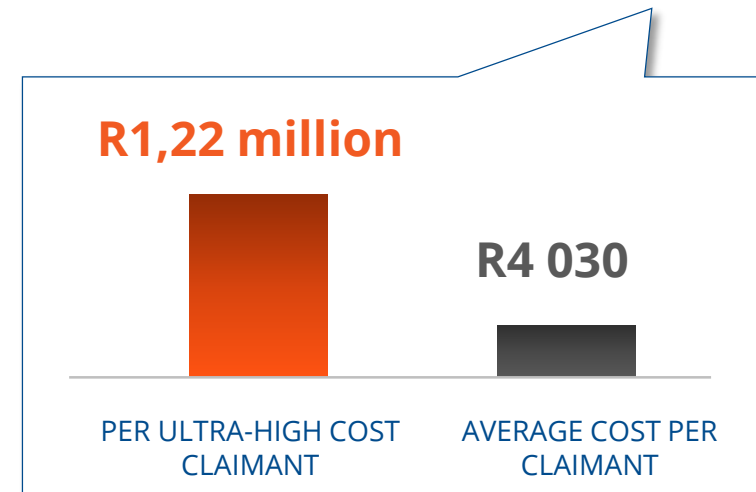
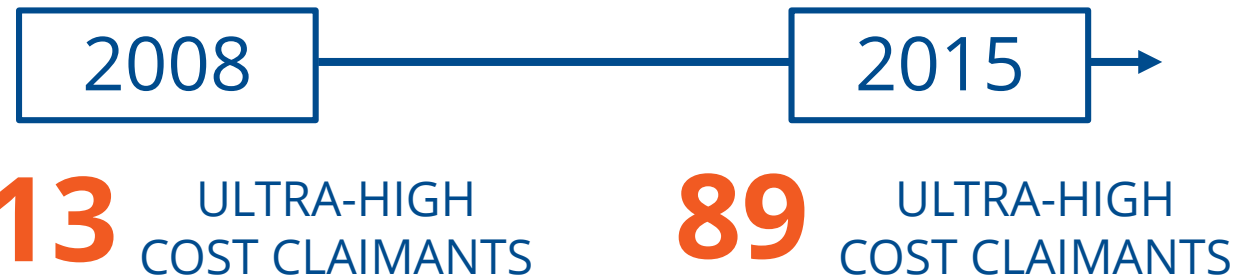


Treatment for Lymphoma

Treatment for melanoma or lung cancer

R2.2m
(7 month course)

R1.4m
(6 month course)



SUPPLY SIDE | New hospitals have led to R1.1bn excess expenditure

Impact of new hospitals (2008-2015)



27 new facilities



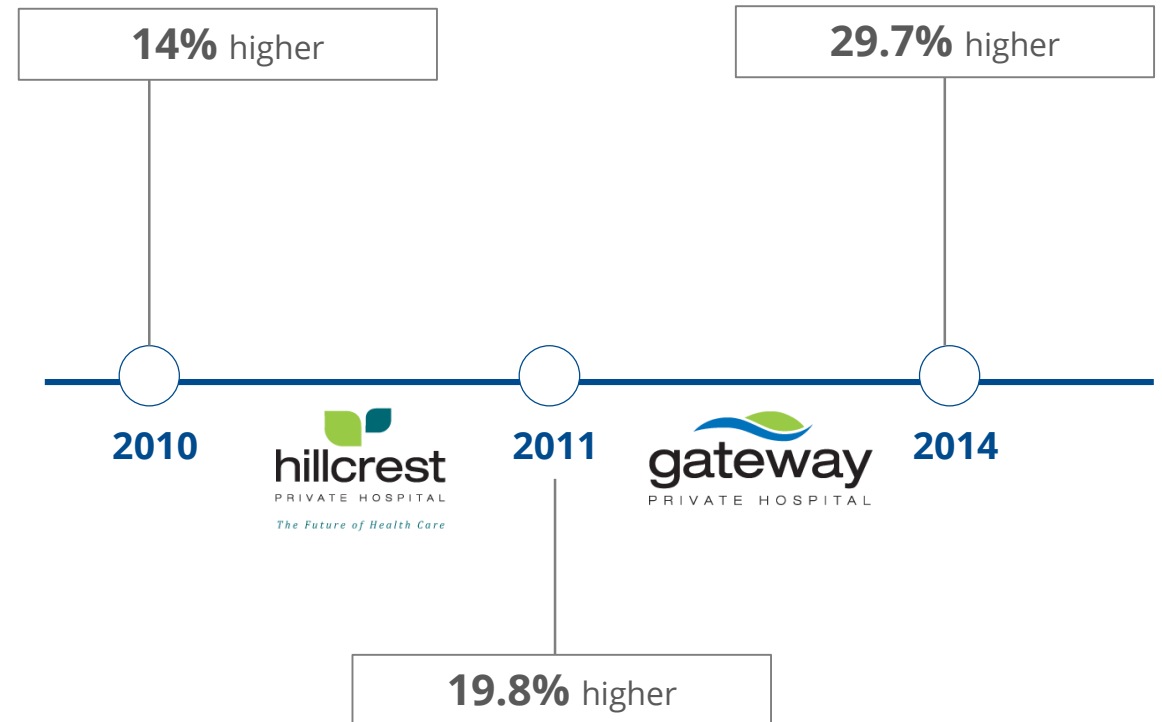
2,722 new beds



12 of 19 regional case studies show significantly increased utilisation levels, with total excess cost of **R1.1 billion**

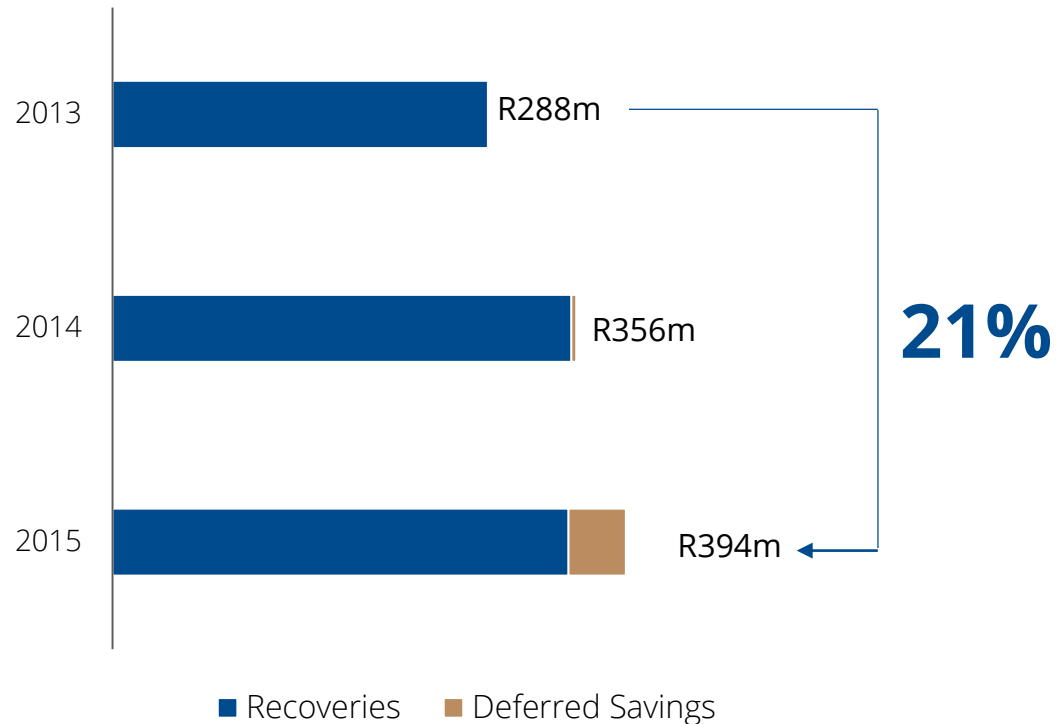
Regional Analysis: Durban

Regional admission rate vs national average

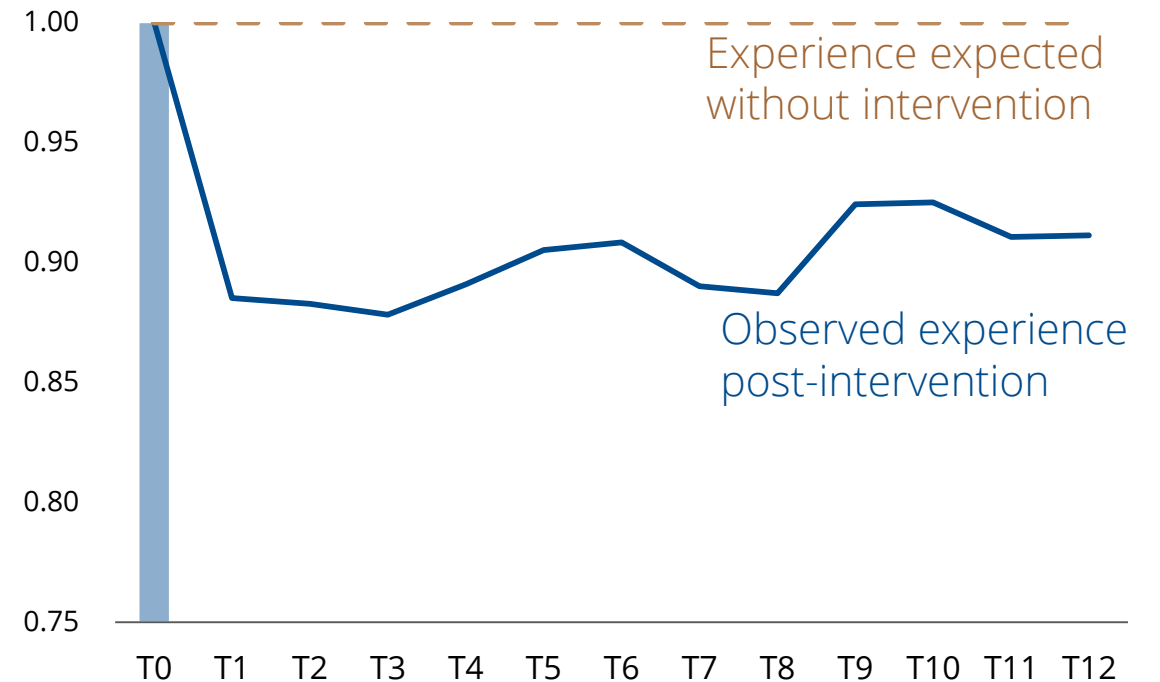


SUPPLY SIDE | Lower costs through improved fraud recoveries and savings

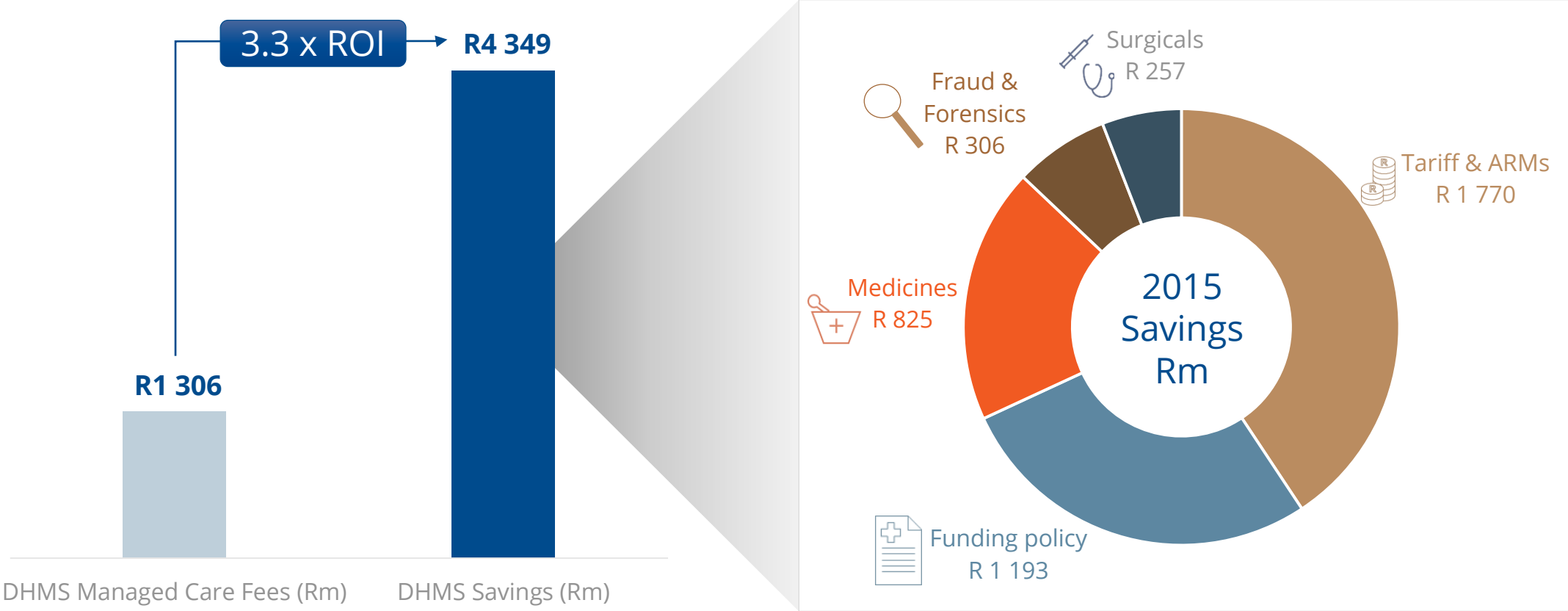
**R1.04 billion fraud savings
(2013-2015)**



Over R928 million cumulative rehabilitation effect in 2015



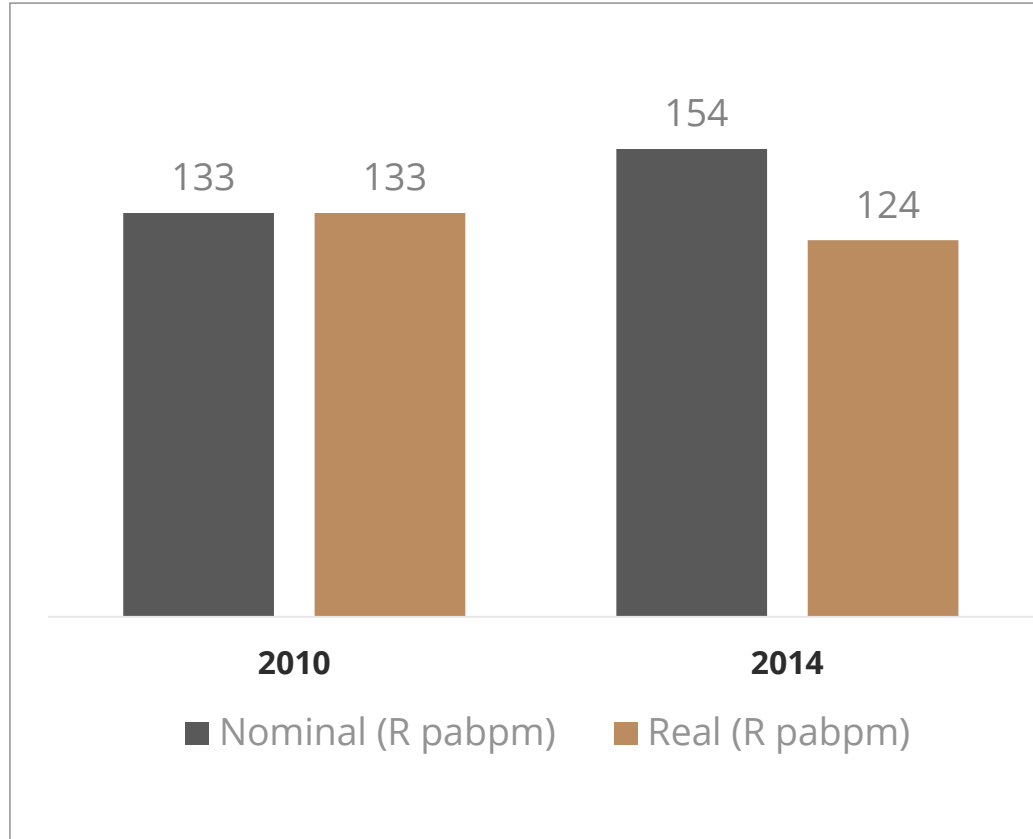
Discovery Health's managed care interventions achieved R4.3bn savings for DHMS in 2015



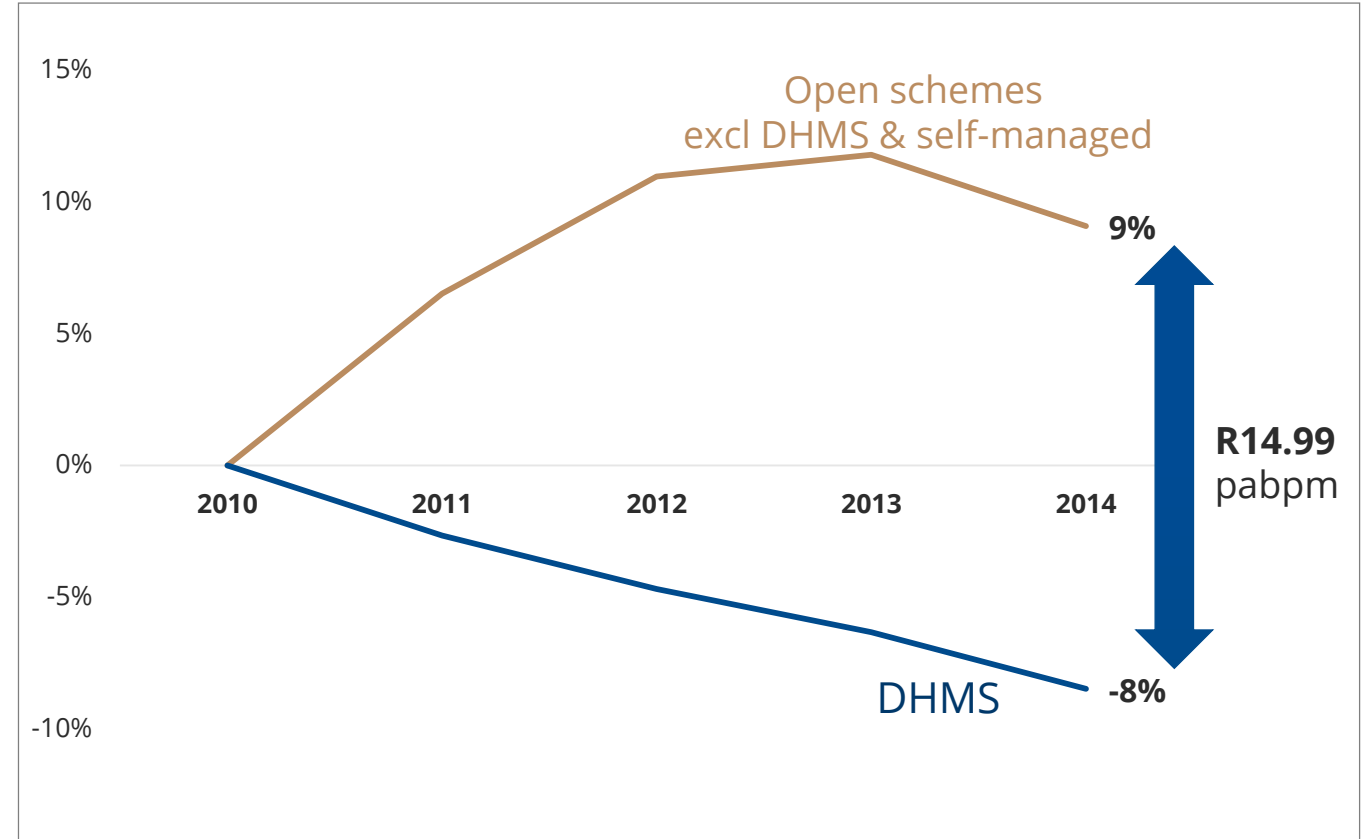
11.1% effective reduction in DHMS risk claims

Sustained decreases in administration and managed care fees as a percentage of gross contribution income (GCI)

DHMS admin and managed care fees pabpm



Cumulative increases in admin and managed care fee in real terms, pabpm



DHMS ranks **17th** out of 23 open schemes on admin fees as % of GCI, and **15th** on admin & managed care fees as % of GCI

Discovery Health's strategic approach to maximising value for DHMS members



Lowest Healthcare Costs



Focus on Quality of Patient Care



Vitality™



Make Members Healthier

World Class Service Experience

Discovery Health's quality of care strategies

Hospital Patient Experience and outcomes



Provide hospitals with **feedback on patients' experiences**, to improve care

Practice Quality Reports and Contracting for for Quality of Care



Incorporating **quality of care** into provider contracts

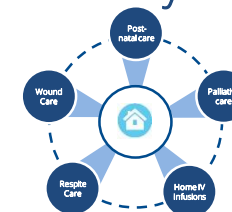
Personal Health Programmes



Personalised programmes for doctors and patients with diabetes and heart disease

PERSONAL HEALTH PROGRAMMES

Discovery HomeCare



Delivering **high quality** nursing care to DHMS members at home

Quality Summit and Quality Awards

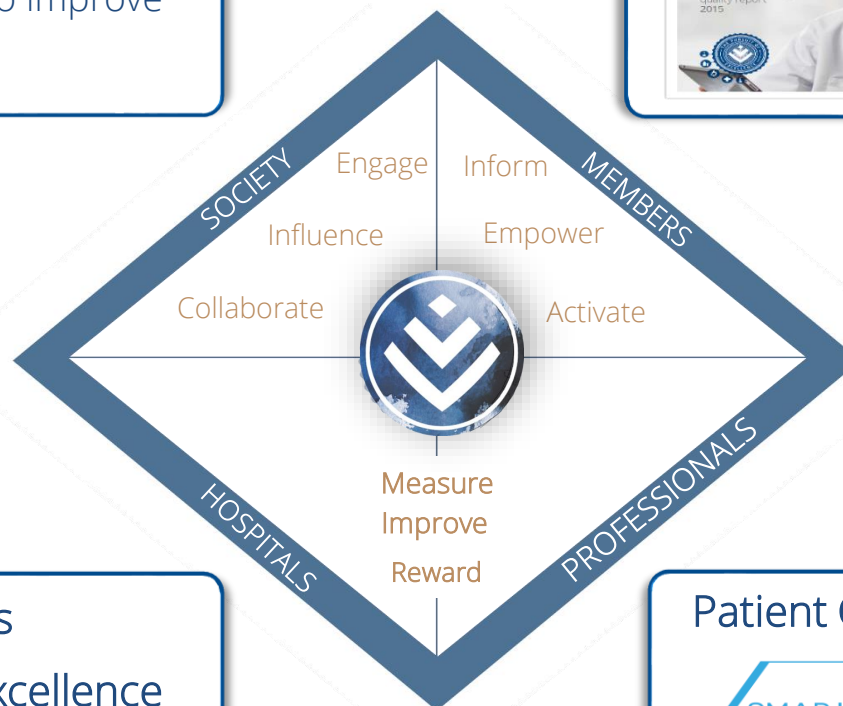


Recognising excellence in Quality of Care in Public and Private Sectors

Patient Guides and Smart Health Choices



Promoting conversations between clinicians and patients e.g. antibiotic stewardship; and **Empowering patients** with knowledge to participate in care decisions

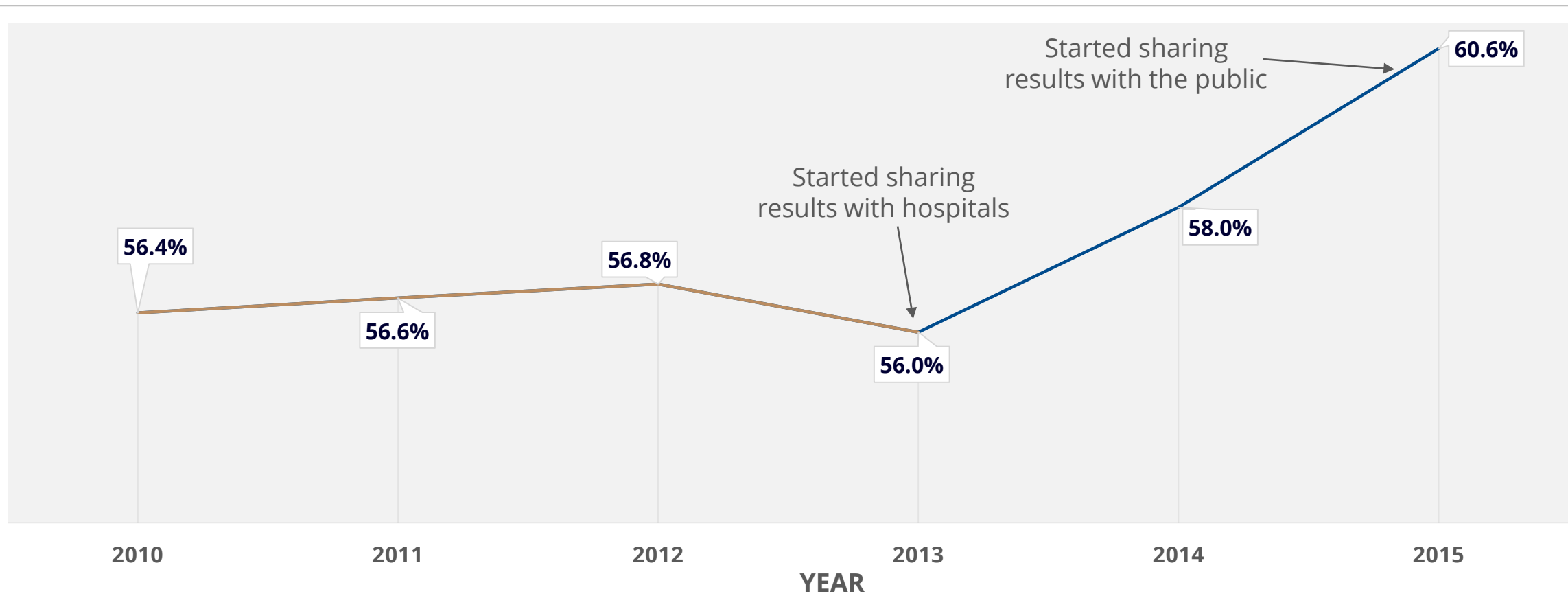


Discovery Health's Hospital Patient Experience Survey

Now online: www.discovery.co.za

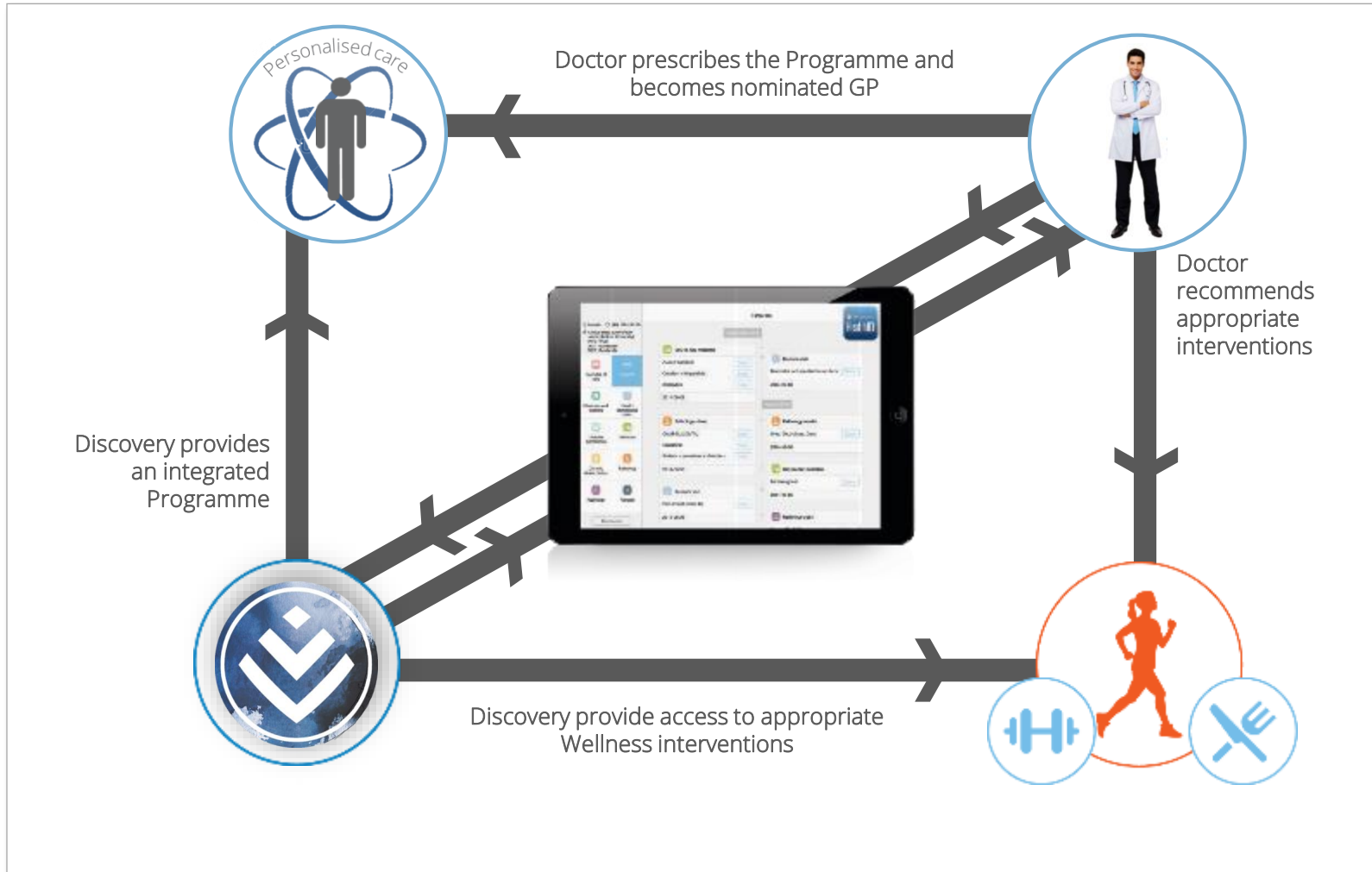


National average summary score: Patient Satisfaction Score (PaSS)



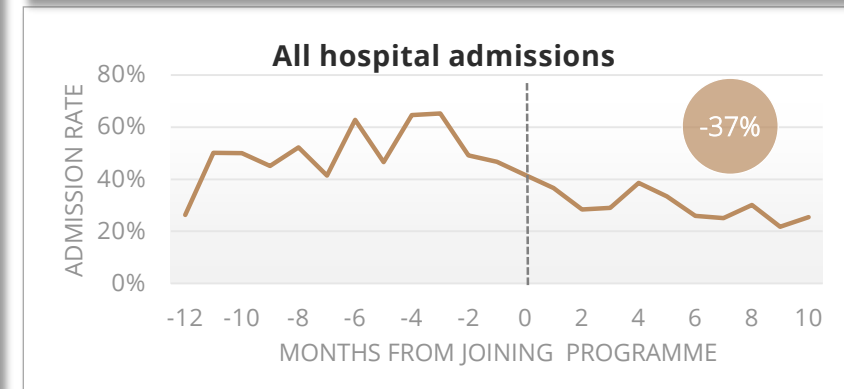
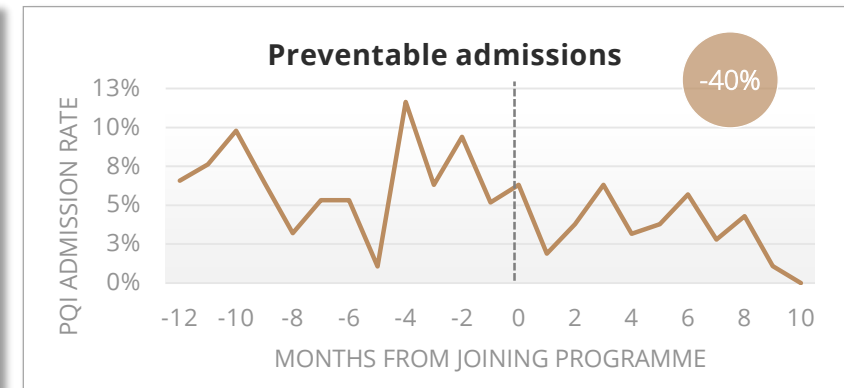
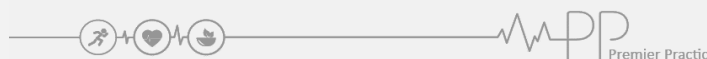
Publication of outcomes data by end of 2016

Personal Health Programmes for members with Diabetes and Heart disease



PREMIER PRACTICE DOCTORS ARE PAID INLINE WITH HEALTH OUTCOMES

- Ensures effective use of electronic health tools (e.g. HealthID, telemetric glucose monitoring)
- Quality care provided to members enrolled
- Management of the members and their conditions



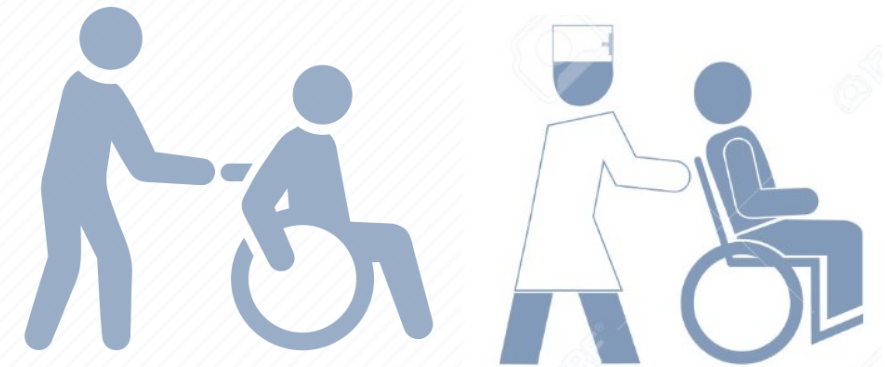
Discovery HomeCare: high quality home-based care for DHMS members

Unique home-based healthcare services



DHMS Case Study: 2 brothers with X Chromosome Adenoleuko Dystrophy

Through Discovery HomeCare, the mother is able to receive help at home

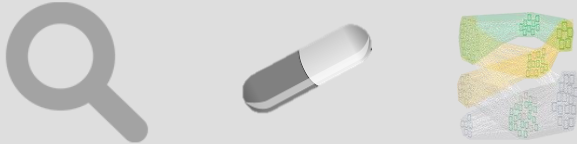


- No need to take time off work
- No need to take her sons to the hospital for regular polygam infusion
- No 10 hour waiting in hospital
- Assistant of a professional nurse

Discovery Health's strategic approach to maximising value for DHMS members



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World Class Service Experience

Ongoing substantial investment in digital tools and big data to improve quality of service and member experience



DIGITAL TOOLS AND SERVICES



HealthID



Member app



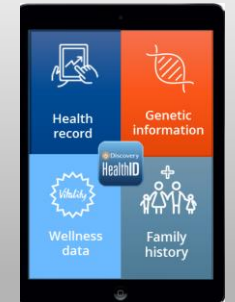
SmartAdvisor



Website



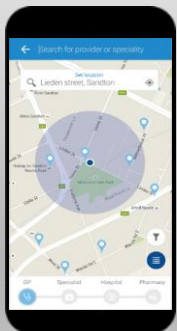
Wearable devices



Electronic health records



Maps



Virtual Consults



Smart Plan



Telemetry



Medicines



Wellness Experience



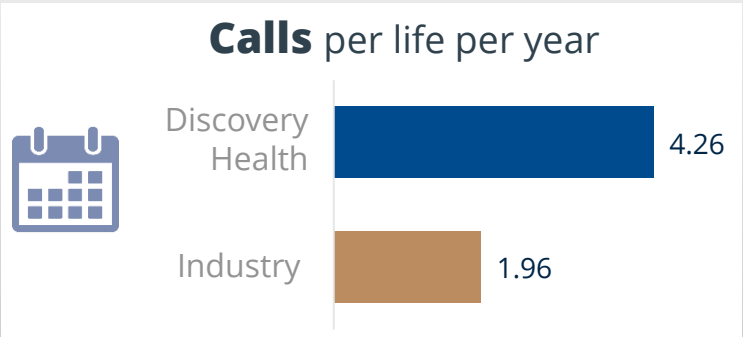
Servicing



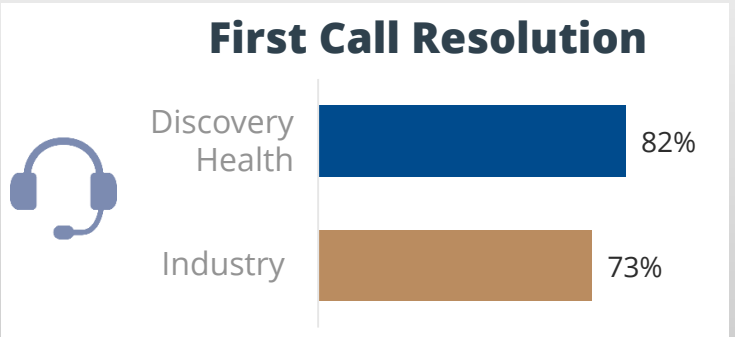
Discovery Health's service quality exceeds best international benchmarks



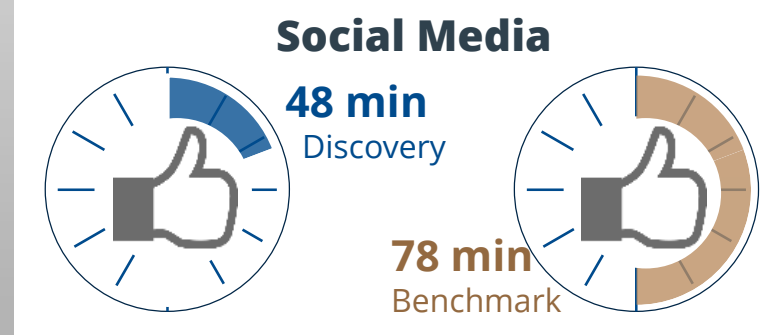
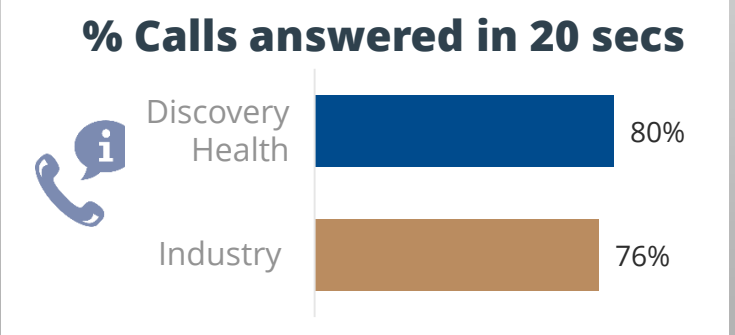
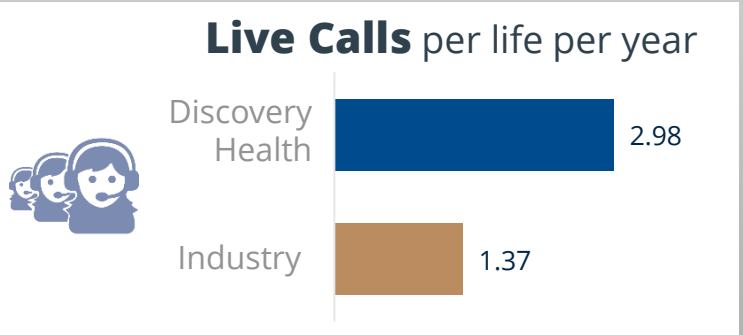
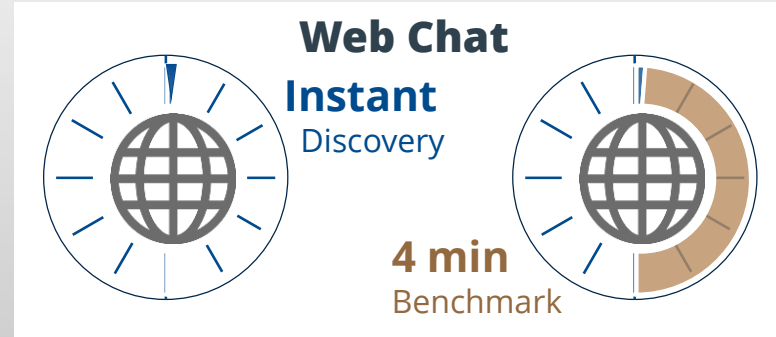
Higher service usage



Higher quality of service



Quickest online response



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Discovery Health's Wellness Solutions: Enhancing the Competitiveness of DHMS in the Employer Market



Wellness Experience



Executive Wellness



Prestige



Prime



Personal Coaching



Vitality recently launched Active Rewards, an immediate rewards mechanism to encourage physical activity



Download and activate



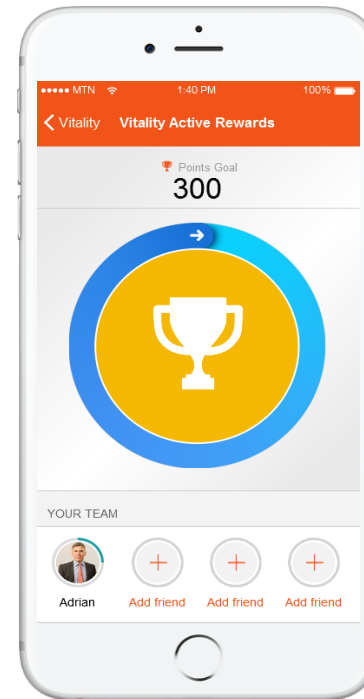
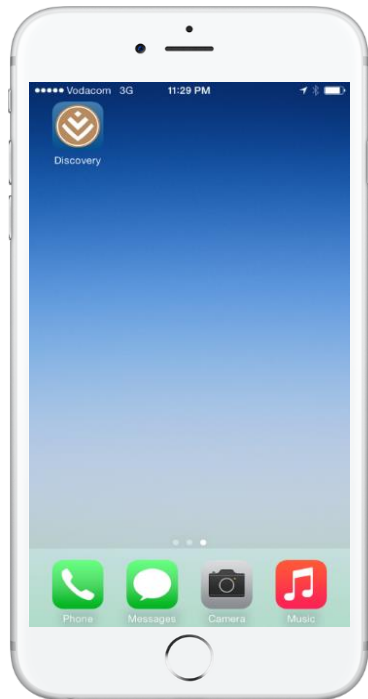
Get active



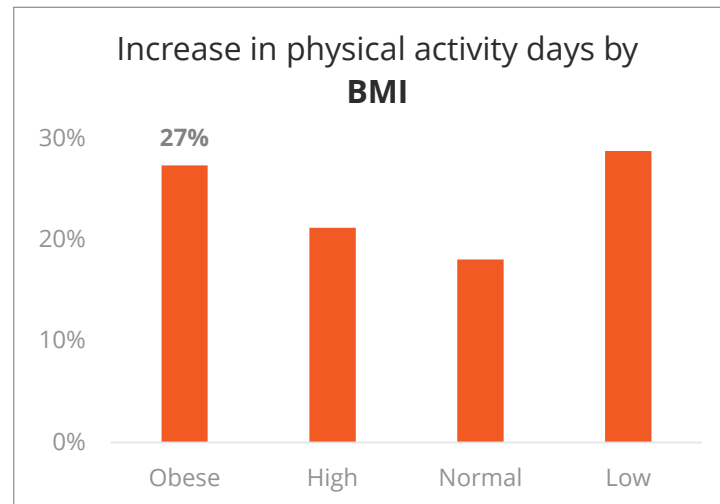
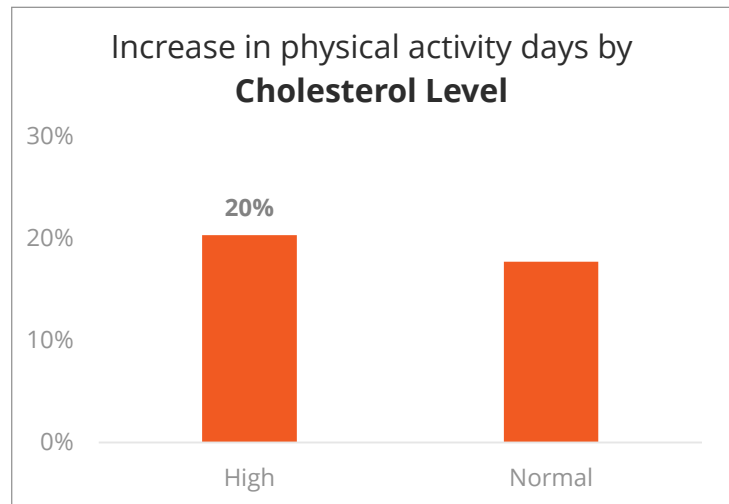
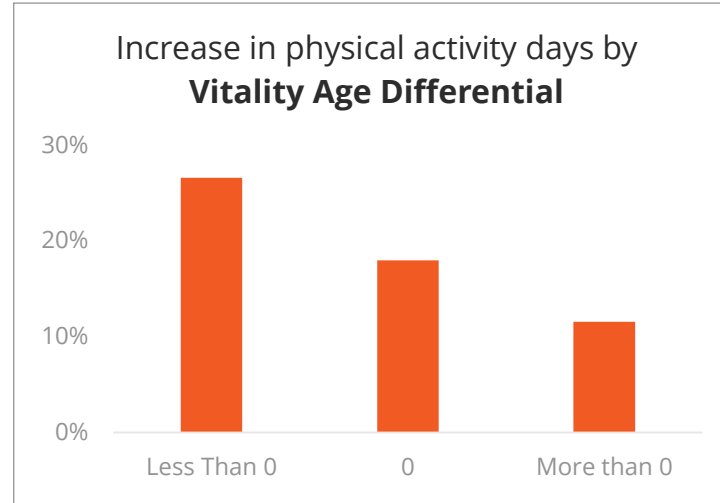
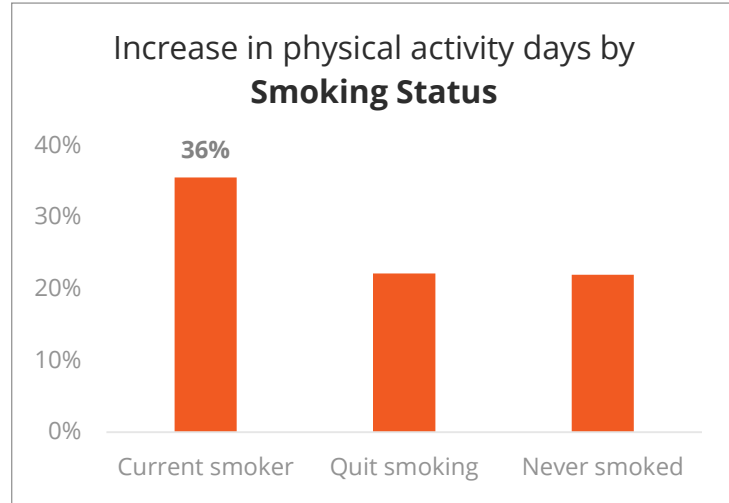
Achieve fitness goal



Get rewarded



Average 23.9% increase in physical activity engagement across a diverse range of members



Active Rewards is having an impact on high-risk members:



Smokers



Unhealthy members



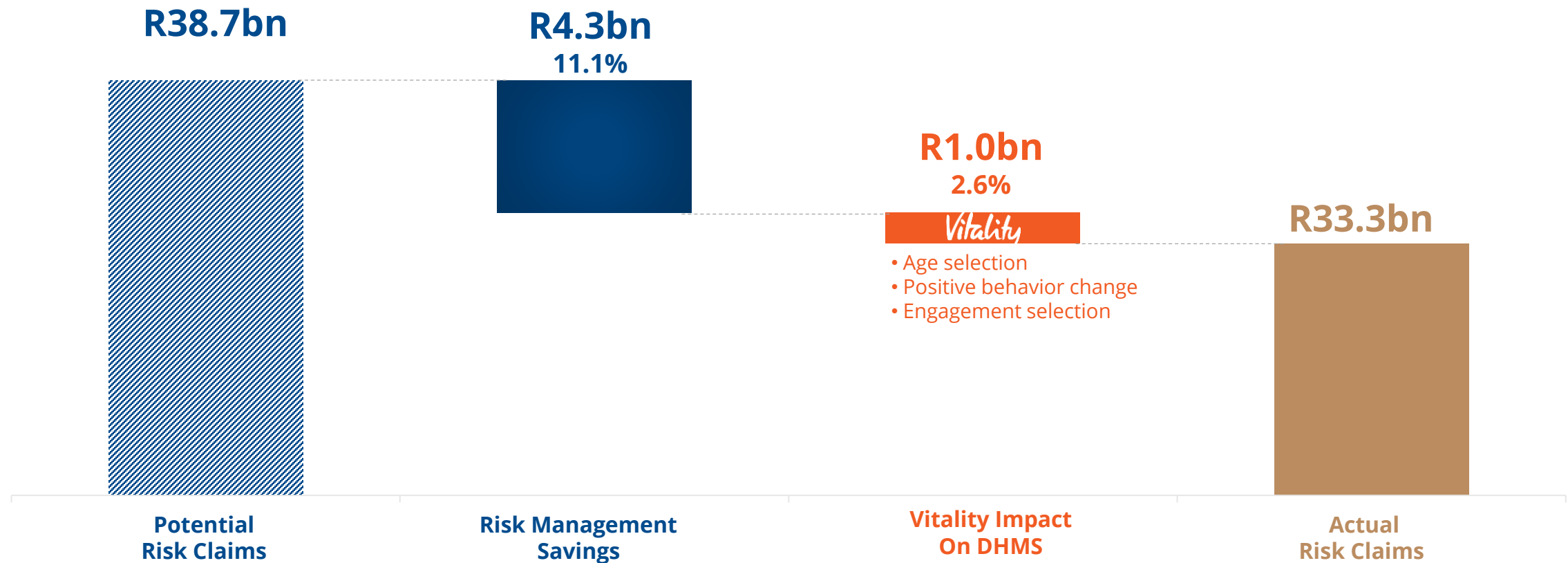
Chronic members



Obese members

Vitality generates substantial savings for DHMS

Vitality had a R1bn positive impact on DHMS risk claims in 2015



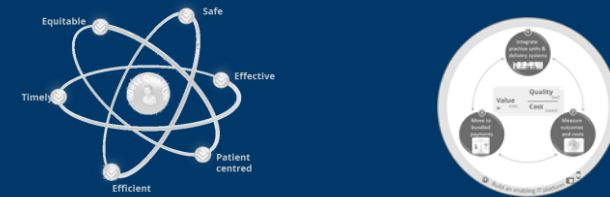
Discovery Health and Vitality: 13.7% effective reduction in DHMS risk claims

Discovery Health's strategic approach to maximising value for DHMS members

Total Managed Care and Fraud Savings of R4.3 billion per year



Focus on quality of patient care leading to improved care for DHMS patients and significant cost savings



Vitality™

**Vitality saves DHMS R1bn per year
Active Rewards impacting high-risk members**



DHMS members receive world class service



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