

HealthGroup Strategic Review: Discovery Health Medical Scheme 2026 vs 2027 Benefit & Contribution Guide

Scheme: Discovery Health Medical Scheme (DHMS)

Prepared by: HealthGroup (FSP No. 33932)

Effective Date: 1 January 2027 (Subject to CMS Approval)

1. Executive Summary & Market Context

Discovery Health Medical Scheme enters 2027 as South Africa's largest open medical scheme, covering over 2.7 million lives and representing 6 out of 10 open scheme members. Backed by R33 billion in accumulated funds, a solvency ratio of 32.6% (comfortably above the statutory 25% requirement), and a AAA credit rating, the Scheme demonstrates exceptional financial resilience and stability.

For the 2027 benefit year, the weighted average contribution increase is **8.2%** (with managed care interventions saving members R12.4 billion and restricting the increase by approximately 2.5 percentage points). Individual plan increases range from **7.4% to 8.9%**. Crucially, two-thirds of all scheme members will experience a contribution increase of less than 8%. Over the past three years, cumulative contribution increases for DHMS have tracked 5.1 percentage points lower than the broader open scheme industry average.

Core Strategic Highlights for 2027

- **Controlled Contribution Increases:** Weighted average increase of 8.2%, ranging from 7.4% on Active Smart up to 8.9% on KeyCare, Priority, Comprehensive, and Executive options.
- **New Active Core Plan Launch:** Purpose-built to bridge the affordability squeeze for early-career and lower-income families. It combines unlimited hospital cover in the Active Hospital Network with self-managed day-to-day funding through the Personal Health Fund, featuring a market-leading child dependant contribution rate of R500 per month.
- **Cardiovascular Health Enhancements:** Expanded clinical access to statin therapy for earlier cholesterol management, funding for additional follow-up lipograms, Scheme-funded specialist consultations for treat-to-target cholesterol control, and a risk-funded smoking cessation programme.
- **Clinical Care Pathway Additions:** Introduction of a 3-month conservative knee care programme (physiotherapy pathway) designed to improve function and avoid

unnecessary arthroscopy surgery, alongside Virtual Chronic Care for complex chronic conditions.

- **Personal Health Pathways & Personal Health Insights:** Powered by Vitality AI and Google, Personal Health Pathways connects data across 2,800 dimensions to deliver over 40,000 contextually unique Next Best Actions.
- **Discovery Gap 500 Plus Pro:** A comprehensive new gap cover option featuring 500% specialist cover, casualty benefits, and market-first Day-to-day and Oncology Protector benefits.
- **Ask Discovery Support:** An intuitive, conversational AI support channel available via WhatsApp, the Discovery Health app, and the website to resolve member queries instantly.

2. Spotlight: The New Active Core Plan

Rising living costs and essential cover pricing have placed a severe affordability squeeze on early-career and lower-income households, with medical scheme participation in this bracket declining by 8% over recent years. To combat this, Discovery Health is introducing the **Active Core** plan effective 1 January 2027 (subject to CMS approval).

How Active Core Works as an Alternative

- **Target Audience:** Purpose-built for young parents, early-career professionals, and lower-income families who want comprehensive hospital risk protection while preferring to self-manage or pay for routine day-to-day expenses directly.
- **Unmatched Affordability:** Priced from **R3,750 a month for a family of three** (R1,700 for principal member, R1,550 for adult dependant). Most notably, it offers a child dependant contribution rate of **R500 per month**, establishing the most affordable child rate in the open medical scheme model.
- **Hospital Cover & Network:** Provides unlimited private hospital cover within the newly curated **Active Hospital Network** (comprising over 40 top-tier hospital facilities nationwide selected for clinical outcomes, patient experience, safety, and cost efficiency). Elective non-PMB admissions carry a deductible of R8,050, while planned admissions to non-network hospitals carry a deductible of R15,900. In-hospital specialists are covered up to 100% of the Discovery Health Rate (DHR).
- **Core Clinical Protections:** Fully covers PMB chronic conditions (27 conditions on the Chronic Disease List) via network DSPs, comprehensive maternity care (averaging a R73,400 value basket), and essential mental health support for early depression management.
- **Standard Exclusions:** To maintain its low price point, Active Core excludes hospital admissions for general dentistry, skin disorders, functional nasal surgery, back and neck procedures, knee/shoulder surgery, arthroscopy, joint replacements, and endoscopies outside defined clinical pathways.

3. Contribution Increase Comparison & 2026 vs 2027 Contribution Tables

Option-by-Option Monthly Contributions (Total Contributions: 2026 vs 2027)

Note: The table below outlines the 2026 (post-April baseline) vs 2027 total monthly contributions across principal members (PM), adult dependants (AD), and child dependants (CD), incorporating KeyCare income bands.

Series & Plan Option	2026 PM Total	2027 PM Total	2026 AD Total	2027 AD Total	2026 CD Total	2027 CD Total
Executive	R12 338	R13 442	R12 338	R13 442	R2 358	R2 569
Classic Comprehensive	R10 037	R10 934	R9 492	R10 342	R2 002	R2 181
Classic Smart Comprehensive	R8 576	R9 343	R7 920	R8 628	R2 002	R2 181
Classic Priority	R6 198	R6 752	R4 889	R5 326	R2 478	R2 700
Essential Priority	R5 327	R5 803	R4 189	R4 564	R2 127	R2 317
Classic Saver	R4 850	R5 235	R3 825	R4 128	R1 943	R2 098
Classic Delta Saver	R3 875	R4 182	R3 062	R3 306	R1 556	R1 680
Essential Saver	R3 886	R4 194	R2 914	R3 145	R1 556	R1 680
Essential Delta Saver	R3 099	R3 345	R2 339	R2 525	R1 243	R1 342
Coastal Saver	R4 098	R4 441	R3 082	R3 330	R1 648	R1 778
Classic Smart Saver	R3 350	R3 616	R2 840	R3 066	R1 400	R1 511
Essential Smart Saver	R2 750	R2 968	R2 350	R2 537	R895	R966
Classic Smart	R3 018	R3 257	R2 381	R2 571	R1 205	R1 301
Essential Smart	R2 161	R2 332	R2 161	R2 332	R2 161	R2 332
Essential Dynamic Smart	R1 797	R1 939	R1 797	R1 939	R1 797	R1 939
Active Smart	R1 350	R1 450	R1 350	R1 450	R1 350	R1 450
Classic Core	R3 905	R4 215	R3 083	R3 328	R1 562	R1 686
Classic Delta Core	R3 126	R3 374	R2 465	R2 661	R1 250	R1 349
Essential Core	R3 356	R3 622	R2 517	R2 718	R1 347	R1 454
Essential Delta Core	R2 681	R2 894	R2 018	R2 178	R1 076	R1 161
Coastal Core	R3 250	R3 540	R2 438	R2 657	R1 291	R1 406

Series & Plan Option	2026 PM Total	2027 PM Total	2026 AD Total	2027 AD Total	2026 CD Total	2027 CD Total
Active Core	<i>New</i>	R1 700	<i>New</i>	R1 550	<i>New</i>	R500
KeyCare Plus (R0 to R10,650)	R1 961	R2 136	R1 961	R2 136	R713	R776
KeyCare Plus (R10,651 to R17,250)	R2 695	R2 936	R2 695	R2 936	R760	R828
KeyCare Plus (R17,251+)	R3 980	R4 336	R3 980	R4 336	R1 064	R1 159
KeyCare Core (R0 to R10,650)	R1 490	R1 623	R1 490	R1 623	R390	R425
KeyCare Core (R10,651 to R17,250)	R1 859	R2 025	R1 859	R2 025	R461	R502
KeyCare Core (R17,251+)	R2 845	R3 099	R2 845	R3 099	R645	R702
KeyCare Start (R0 to R11,400)	R1 436	R1 564	R1 436	R1 564	R875	R953
KeyCare Start (R11,401 to R17,200)	R2 107	R2 295	R2 107	R2 295	R947	R1 031
KeyCare Start (R17,201 to R26,150)	R3 306	R3 601	R3 306	R3 601	R992	R1 081
KeyCare Start (R26,151+)	R3 765	R4 101	R3 765	R4 101	R1 024	R1 115

4. Personal Health Fund (PHF) & Day-to-Day Funding

- How It Works:** Rather than relying entirely on traditional pre-funded savings, eligible members unlock flexible day-to-day healthcare funding through the **Personal Health Fund (PHF)** by actively engaging with Personal Health Pathways.
- Fund Allocation:** Base PHF amounts range from **Up to R1,000 up to R12,000 per family** per year depending on the chosen plan option. For instance, Active Core provides up to R8,000 in day-to-day funding (split into R4,000 for completing Next Best Actions and up to R4,000 for health challenges). Executive and Comprehensive series plans provide up to R12,000 per family.
- Challenge Boosts:** Adults can further unlock a **Challenge Boost** of up to an additional R3,000 per adult (up to R12,000 per policy) by completing two health challenges annually.
- Sustainable Governance Adjustments:** To ensure long-term sustainability after unlocking over R1 billion for members since inception, selected lifestyle-enhancing

products (including GLP-1 weight-loss and lifestyle medicines) will no longer be funded from the PHF from 1 January 2027, transitioning instead to standard Above Threshold Benefit rules. Furthermore, digital engagement actions adjust to R100, while high-effort clinical actions remain valued at R500.

5. Key Benefit Enhancements & Detailed Clinical Adjustments

- **Cardiovascular Risk Management:** To address cardiovascular conditions (which affect 1 in 5 members and account for 53% of total scheme spend), Discovery introduces four major clinical interventions:
 1. *Early Statin Access:* Expanded clinical entry criteria expand access to Scheme funding for statins and the Chronic Illness Benefit.
 2. *Follow-Up Lipograms:* Scheme funding for an additional follow-up lipogram for members whose cholesterol levels remain outside recommended ranges.
 3. *Specialist Consultations:* Scheme-funded specialist consultations to support treat-to-target cholesterol management.
 4. *Smoking Cessation Programme:* A risk-funded smoking cessation programme accessible up to three times per member lifetime.
- **Conservative Knee Care Programme:** A 3-month network physiotherapy pathway for members facing knee arthroscopy surgery, comprising 12 weeks of structured treatment to improve joint function and potentially avoid surgery. Funded from risk benefits without drawing from day-to-day limits, and must be activated by an orthopaedic surgeon before surgery is scheduled.
- **Virtual Chronic Care:** A 9-month remote monitoring and coaching programme for members with complex, advanced chronic conditions. Eligible participants receive tailored remote monitoring devices, a nurse home visit, a primary care consultation, and up to six health and lifestyle coaching sessions.
- **Hospital Network Updates:** Active Smart transitions from the Dynamic Smart Hospital Network to the dedicated Active Hospital Network (~40 hospitals chosen for clinical outcomes, patient experience, safety, and cost efficiency). Mediclinic Hermanus and Netcare Kroon Hospital are removed from the KeyCare Hospital Network.

6. Discovery Gap Cover: Introducing Gap 500 Plus Pro

- **Comprehensive In-Hospital Cover:** Provides 500% in-hospital specialist shortfall cover, coverage for out-of-network hospital deductibles (up to R17,000 per claim, up to 2 claims/year), in-hospital co-payments (robotic surgery co-payments capped at R10,000/year), and select medical scheme sub-limit shortfalls (up to R7,500 for scopes and R6,500 for scans).
- **Casualty Cover:** Up to R18,000 per policy per year for emergency casualty treatment following accidents, trauma, and qualifying after-hours illness events.

- **Travel & Oncology Benefit Extenders:** Extends shortfalls once medical scheme limits or travel scheme caps are exhausted.
- **Market-First Protector Benefits (Free of charge, require activation):**
 - *Day-to-day Protector:* Unlocks up to R2,000 per policy per year (R1,000 per adult, rolling over up to R8,000) for routine day-to-day shortfalls by completing healthy actions (Health Check, device linking, exercise actions).
 - *Oncology Protector:* A tiered lump-sum benefit of up to R250,000 (payouts ranging from 25% to 100% based on diagnosis severity) to assist with direct and indirect oncology shortfalls, non-medical expenses, and lifestyle adjustments.
- Pricing as follows:

Age at next birthday of the oldest member on the health plan	Executive and Classic Plans (Single Member)	Executive and Classic Plans (Family)	Essential and Active Plans (Single Member)	Essential and Active Plans (Family)	Coastal Plans (Single Member)	Coastal Plans (Family)
0 to 54	R385	R547	R499	R862	R612	R1,387
55 to 64	R602	R805	R729	R997	R1,080	R2,088
65 and older	R796	R1,314	R1,524	R2,830	R1,624	R2,930

- Should you be interested, please contact HealthGroup so that we can provide you with a comparative quote.

7. HealthGroup Advisory & Year-End Recommendations

- **Review Contribution Impact vs. Value:** With an average increase of 8.2%, members should review their current plan tier. Families seeking core protection should evaluate the newly launched **Active Core** plan as a cost-effective alternative. Coastal Saver continues to be outpriced and we recommend a change to an alternative saver option.
- **Engage with Digital Tools:** Members are strongly encouraged to complete their annual Health Checks and engage with Personal Health Pathways to unlock Personal Health Fund day-to-day benefits and potentially Gap Cover Protector benefits.
- **Comprehensive Gap Cover Integration:** Although Discovery provides strong hospital cover ratios (96.1% average vs. 90.6% industry average), members must ensure their gap cover policies are fully synchronised to guard against specialist balance-billing and procedural deductibles.

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