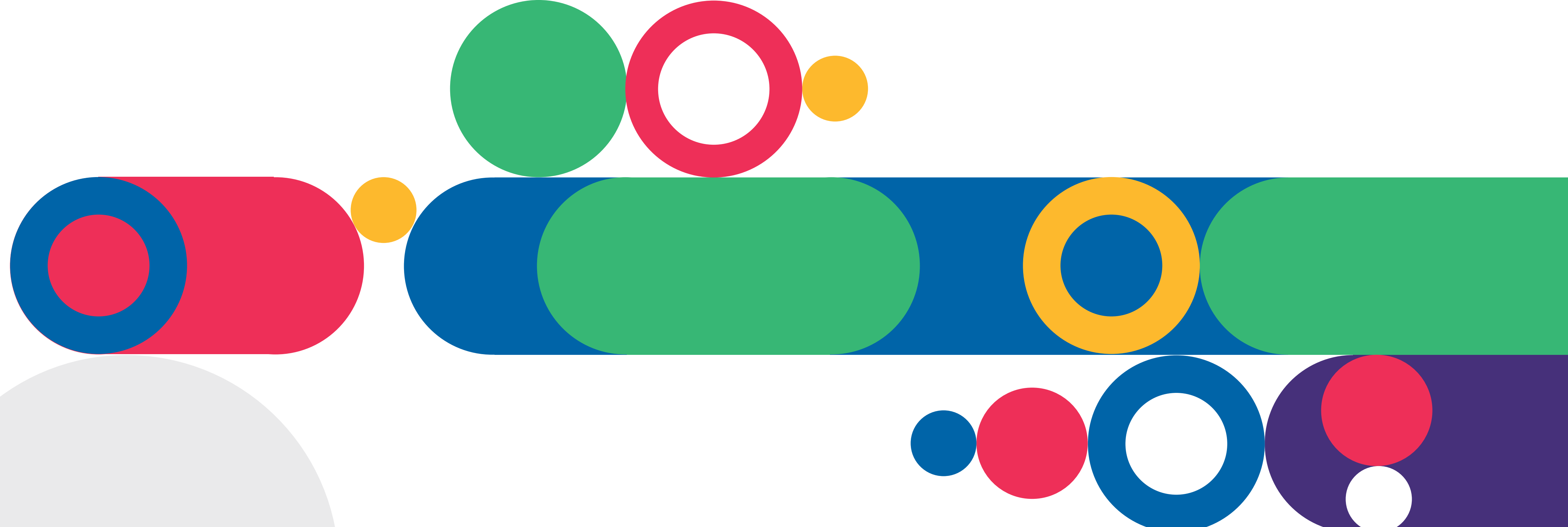




LA
2024 Conversations

WE'RE IN IT FOR YOUR HEALTH
.....

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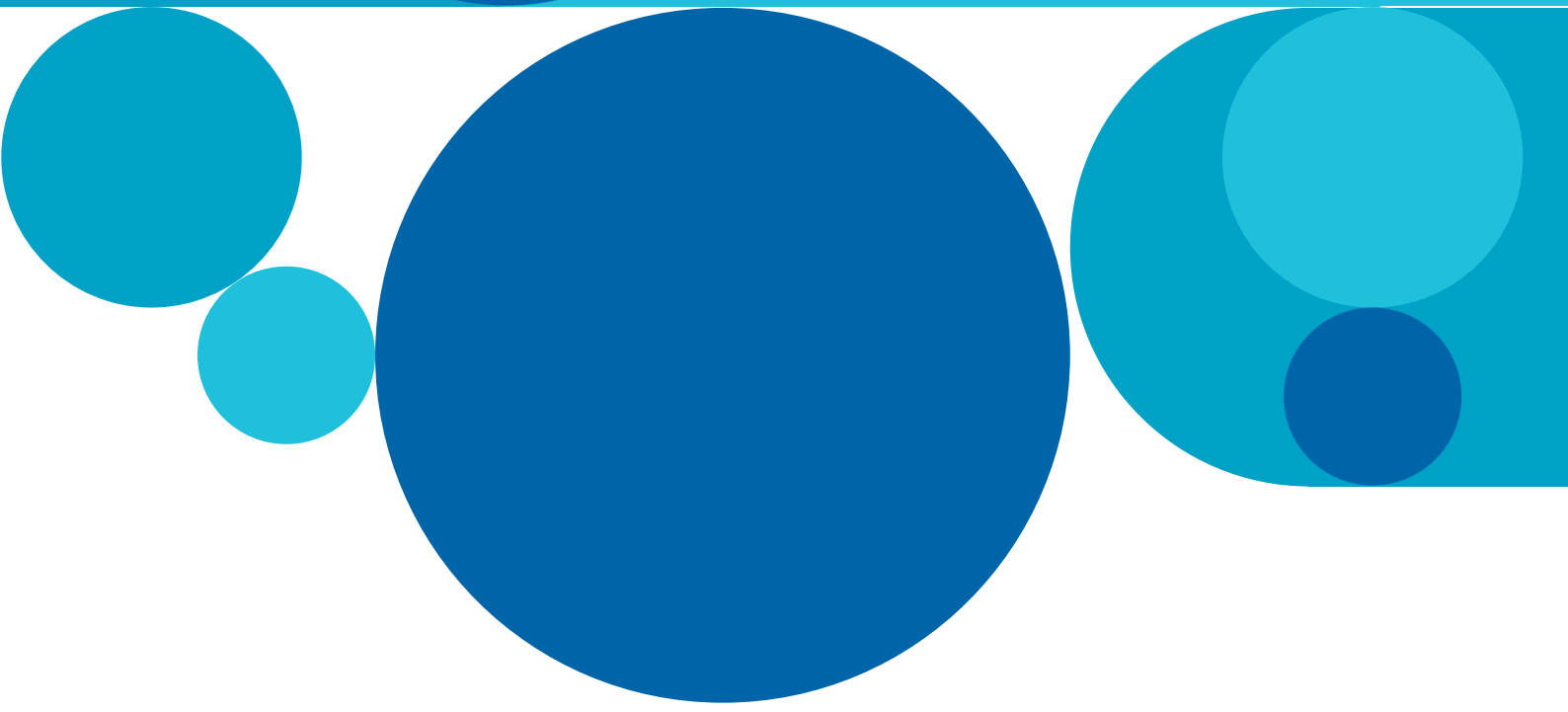
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LA HEALTH
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STRONG

Membership Growth

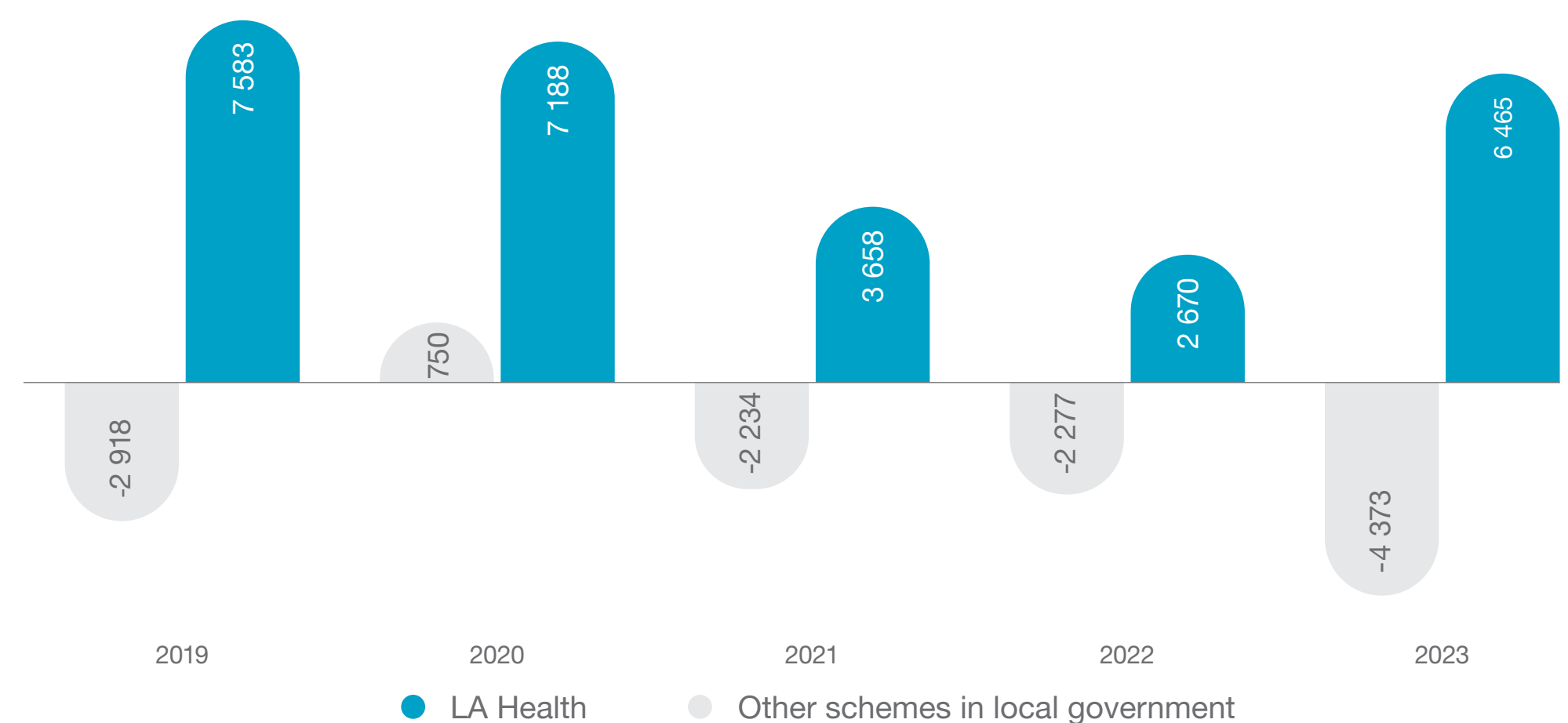
LA Health remains the fastest growing medical scheme within the local government sector. The Scheme added almost 6 500 principal members in the last year, growing by a staggering 27 564 members over the past five years. LA Health recently celebrated an incredible milestone of providing cover to over 100 000 principal members.

More than
100k
MEMBERS

This growth has reinforced LA Health's position as the largest medical scheme in local government. The size of the Scheme is best illustrated through its flagship option, LA Active, which in terms of principal membership is over 39% larger than the next largest scheme in the local government sector.

Membership Growth

NET GROWTH IN PRINCIPAL MEMBERS (2019 - 2023)



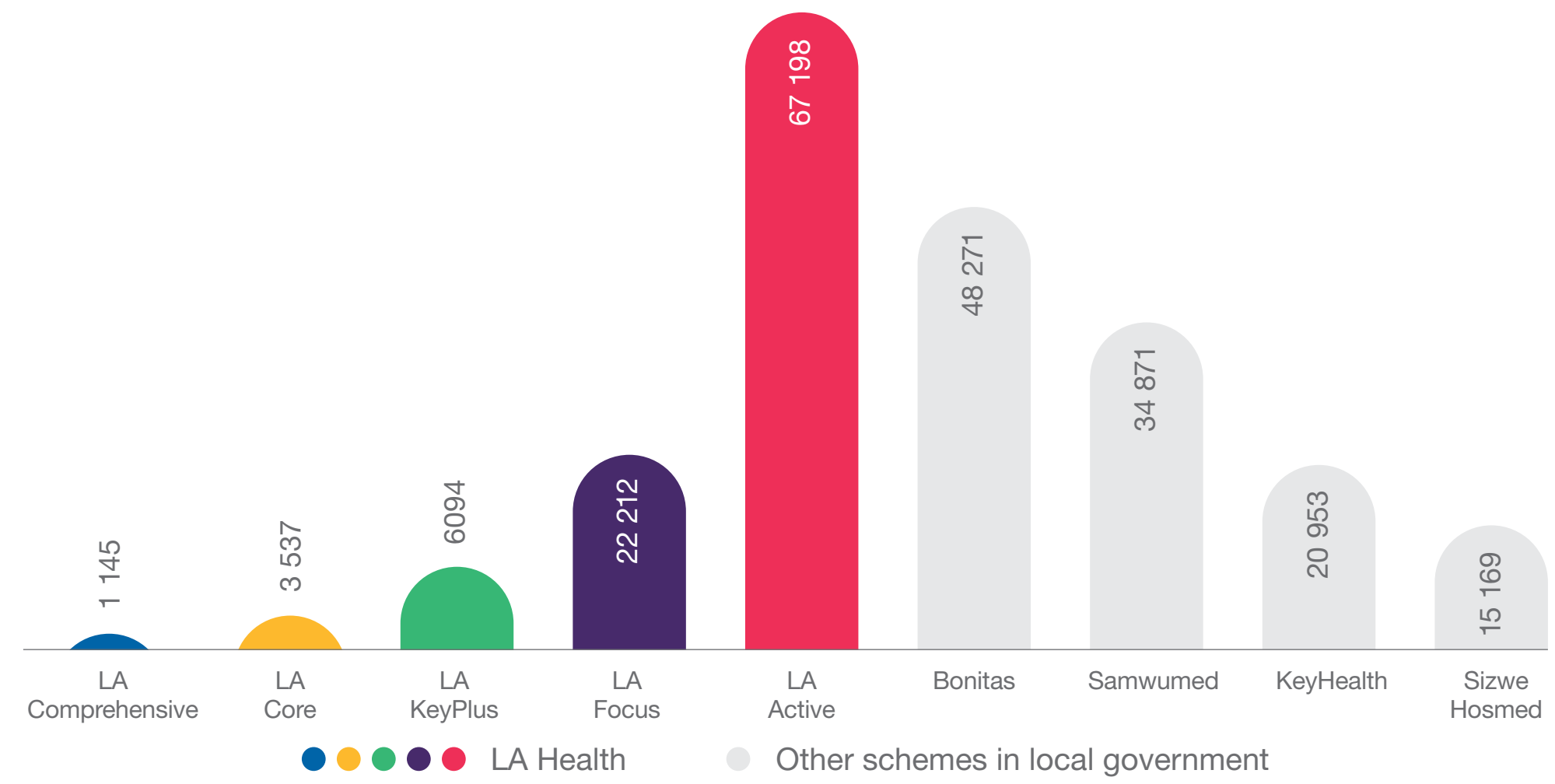
NET GROWTH IN PRINCIPAL MEMBERS OVER THE PAST 5 YEARS (TO 31 MARCH 2023)

+27 564
LA Health

-11 052
Other schemes in local government

Membership Size

TOTAL PRINCIPAL MEMBERS AS AT 31 MARCH 2023



TOTAL PRINCIPAL MEMBERS AS AT 31 MARCH 2023

>100 000
LA Health

<49 000
Next largest scheme in local government



STRONG

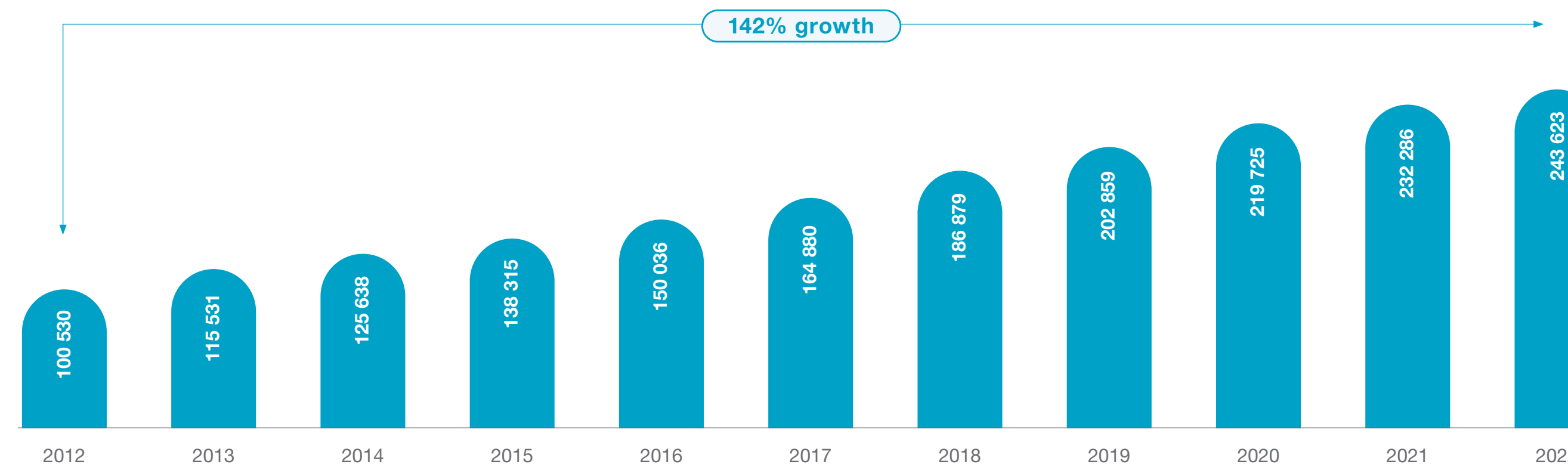
Beneficiary Growth

LA Health continues to experience strong growth recording an addition of more than 10 000 beneficiaries each year for the past decade. The Scheme provides cover to approximately 260 000 beneficiaries, making LA Health the sixth largest medical scheme in South Africa when compared to both open and restricted medical schemes.

The Scheme has already recorded an increase of over 13 000 beneficiaries this year, with evidence of continued growth for the remainder of 2023.

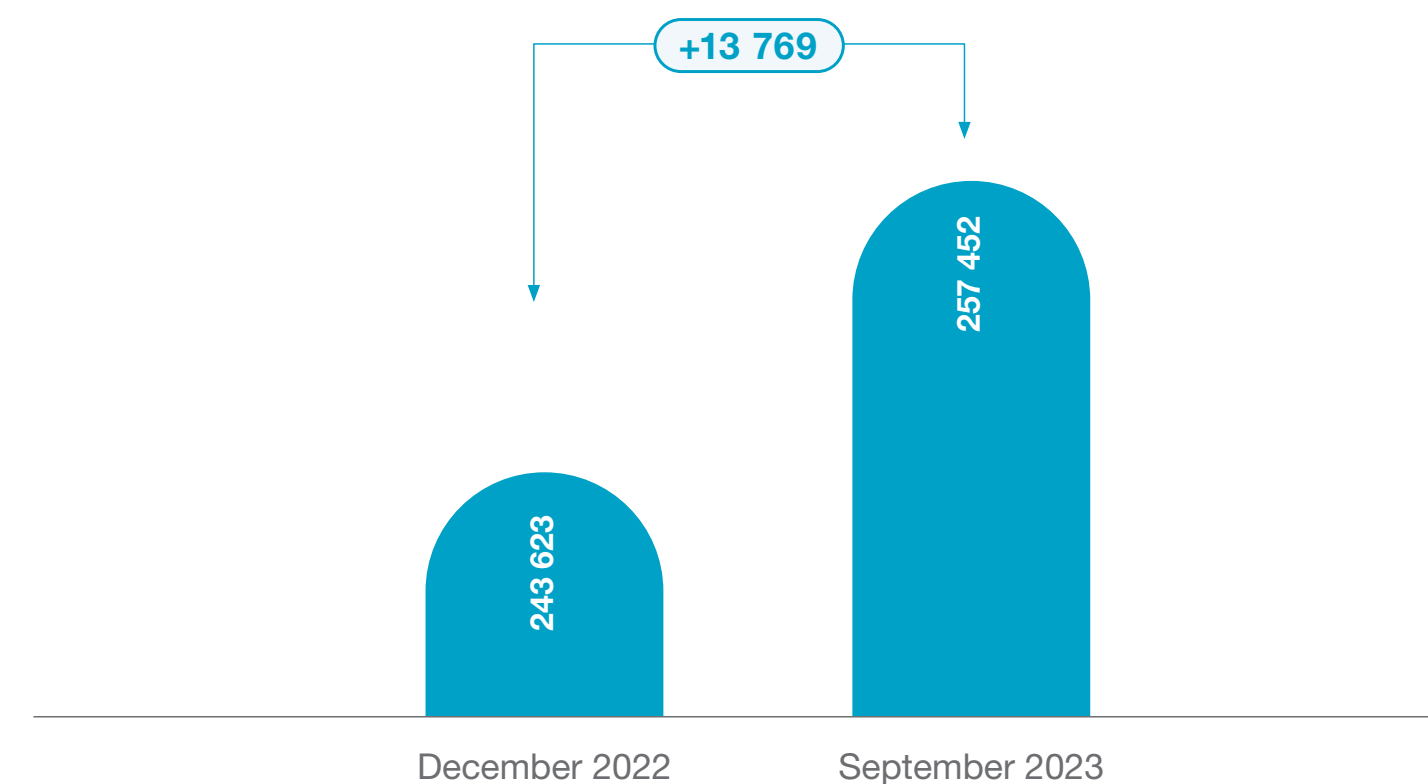
Exceptional beneficiary growth

GROWTH IN BENEFICIARIES (2012 - 2022)



Positive LA Health growth continues in 2023

NET GROWTH IN BENEFICIARIES (31 DEC 2022 – 31 SEPTEMBER 2023)



The Scheme of choice

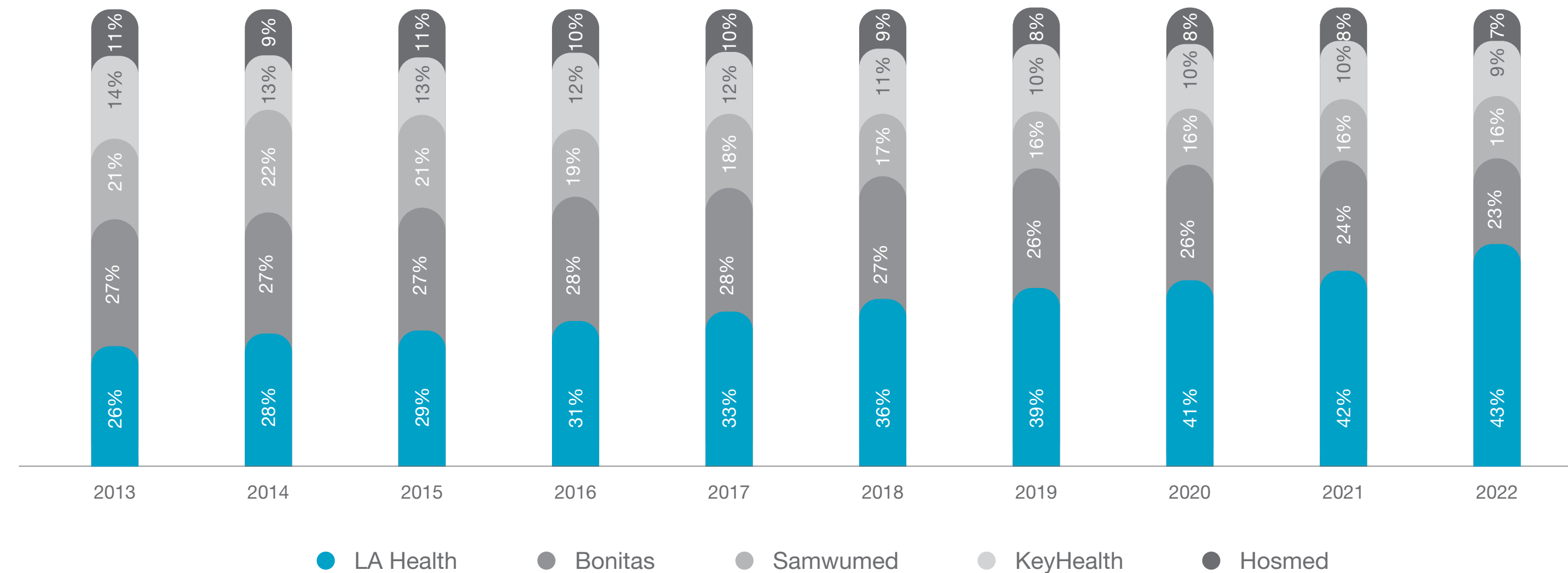
FOR LOCAL GOVERNMENT EMPLOYEES

Nearly 50% of the local government workforce chooses LA Health as their medical scheme of choice. This position of market leader has been solidified over time through consistent membership growth, financial sustainability and value creation for members.

LA Health was the only medical scheme in the local government sector this year to record market share growth. The Scheme gained an additional 2.5 percentage points bringing its total market share to 46%, with LA Health providing healthcare cover to more than double the number of principal members when compared to the next largest scheme.

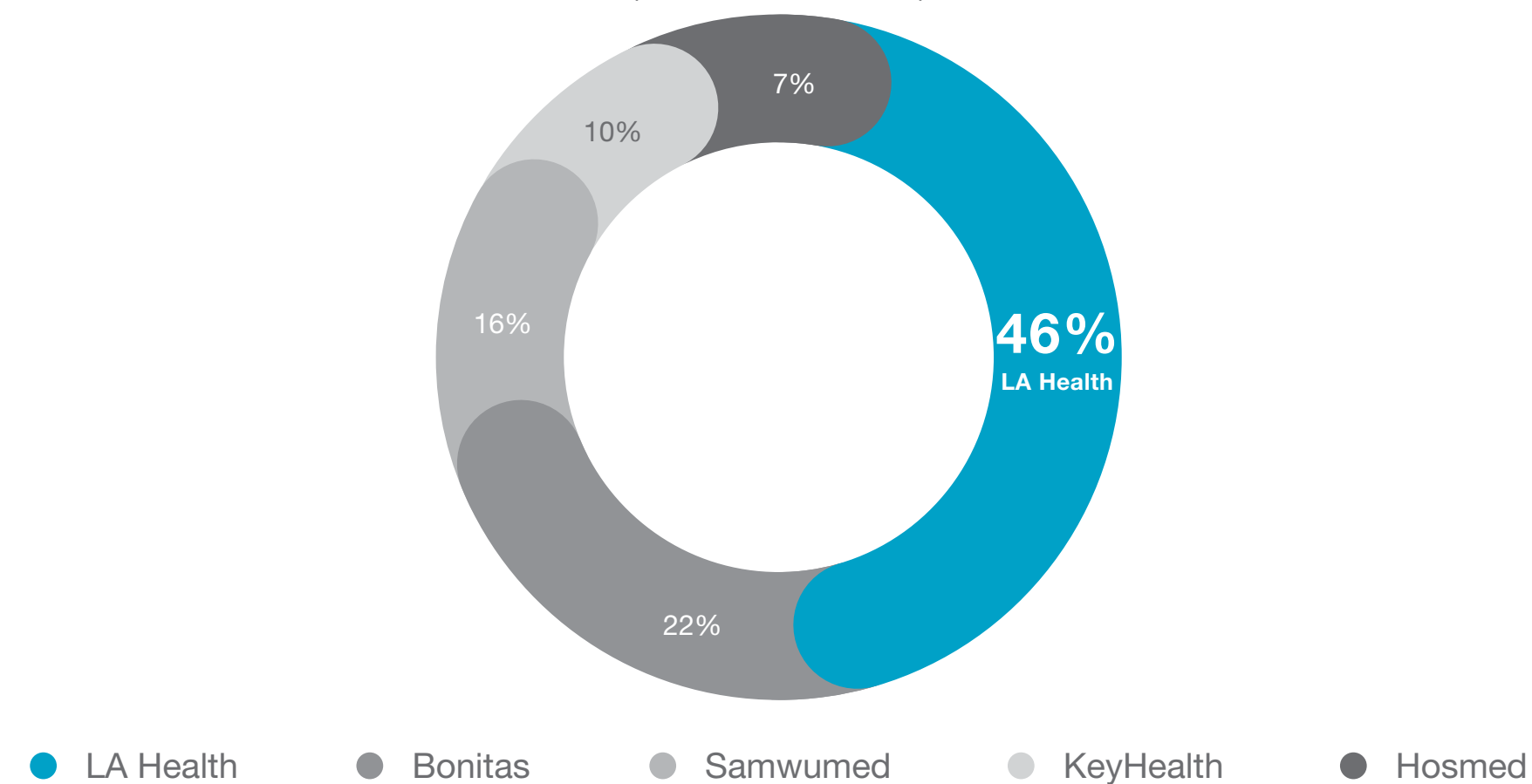
Local government market share

(2013-2022)



Local government market share

(MARCH 2023)



ATTRACTING

Young and healthy lives

LA Health Medical Scheme has consistently attracted young and healthy members over the past ten years, maintaining a healthy demographic profile with an average age well below competitor schemes.

Typically, medical schemes age in line with their aging beneficiary profile, unless this is offset by new younger joiners. LA Health has remarkably reduced the average age of the Scheme by 1.7 years over the previous eight year period, while maintaining its average age between 2021 and 2022. Consistent membership growth of young and healthy beneficiaries ensures the long-term sustainability of the Scheme while simultaneously supporting more affordable contributions.

The overall demographic profile of LA Health remains significantly younger than that of its competitors

AVERAGE AGE (2022)

LA Health recorded an unchanged average member age of 29.3 years in 2022.



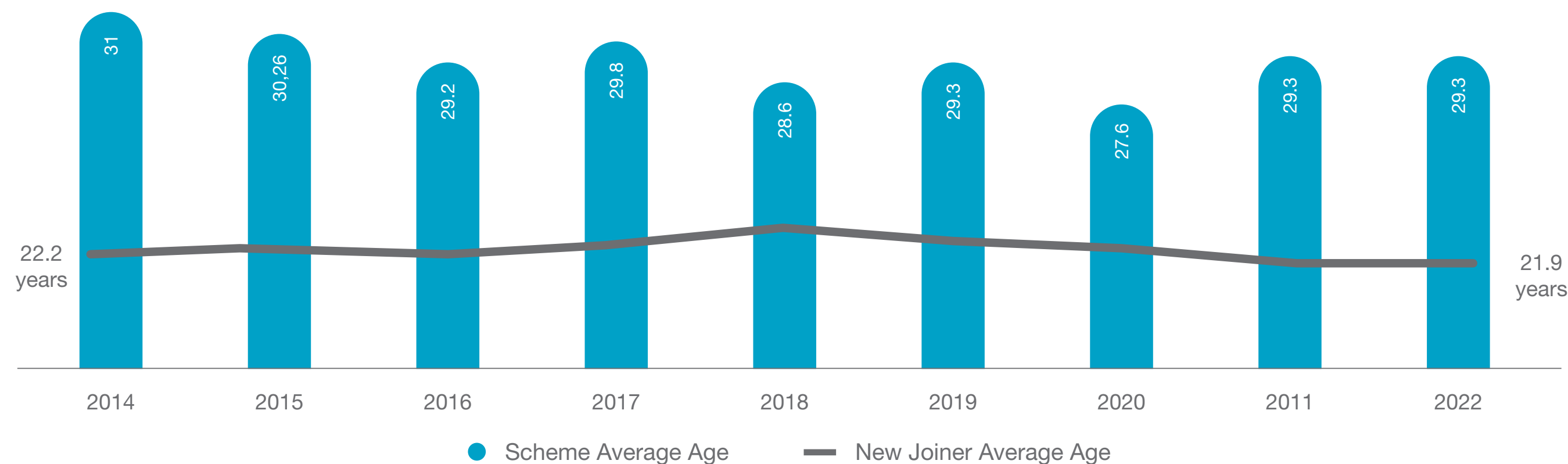
PENSIONER RATIO (2022)

LA Health's pensioner ratio remained unchanged in 2022.



LA Health continues to attract a younger, healthier new joiner profile

AVERAGE AGE OF LA HEALTH BENEFICIARIES COMPARED TO AVERAGE AGE OF NEW LA HEALTH JOINERS (2014 - 2022)



SUSTAINED
financial strength

LA Health maintained a strong operational performance in 2022. The Scheme's commitment to prudent financial planning has ensured its ability to consistently manage changes in healthcare utilisation, while still introducing benefit enhancements and maintaining affordable contributions.

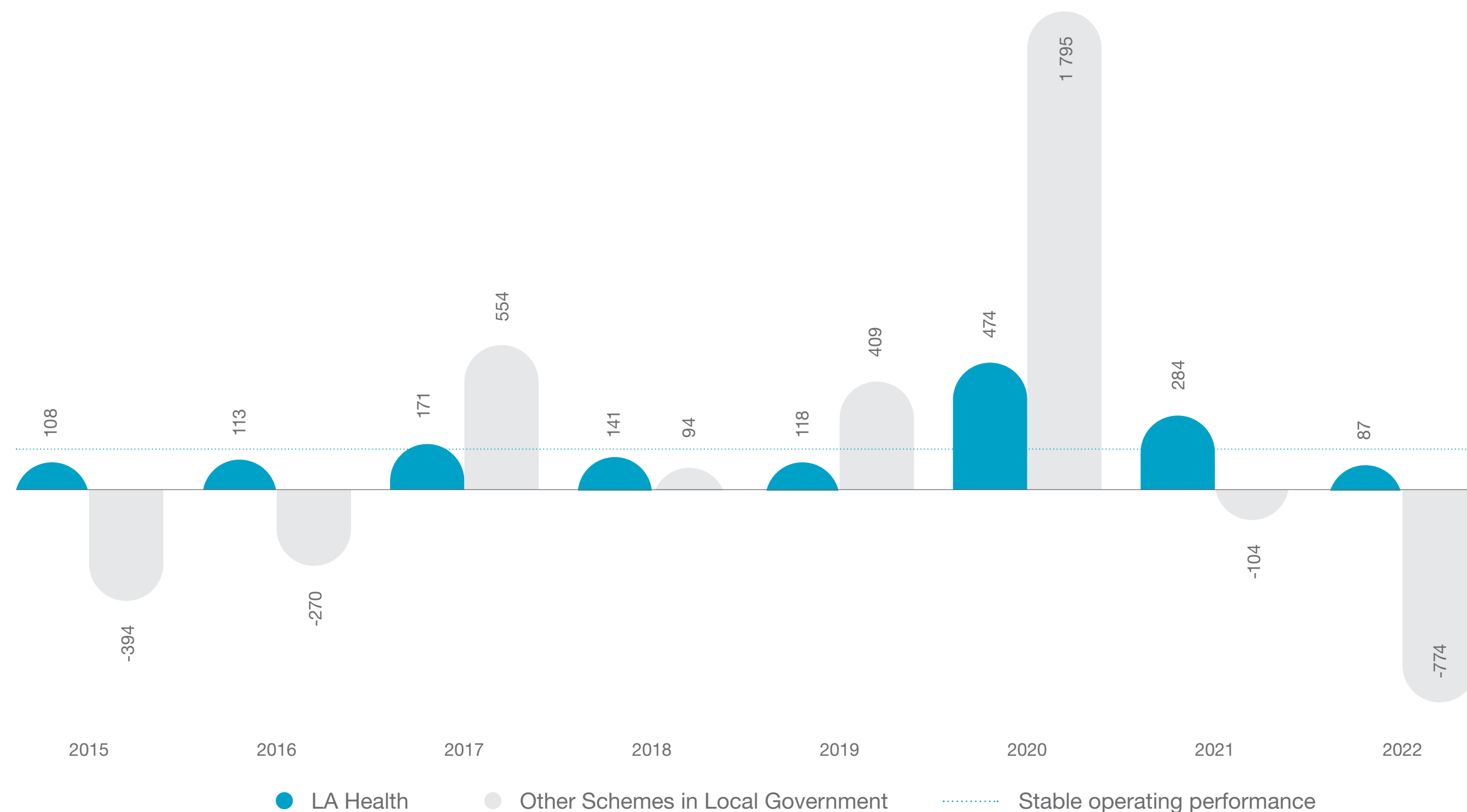
LA Health was the only scheme in the local government sector to record an operational surplus, of R87 million in 2022, with all other schemes returning net healthcare deficits.

LA Health is in a strong financial position with R304 billion in reserves at the close of 2022 and a solvency ratio of 53.9%, well above the regulatory requirement of 25%.

Long-term operational performance

NET HEALTHCARE RESULT, 2015-2022 (R'M)

In contrast to industry competitors, LA Health continues to achieve a consistent and stable operational performance



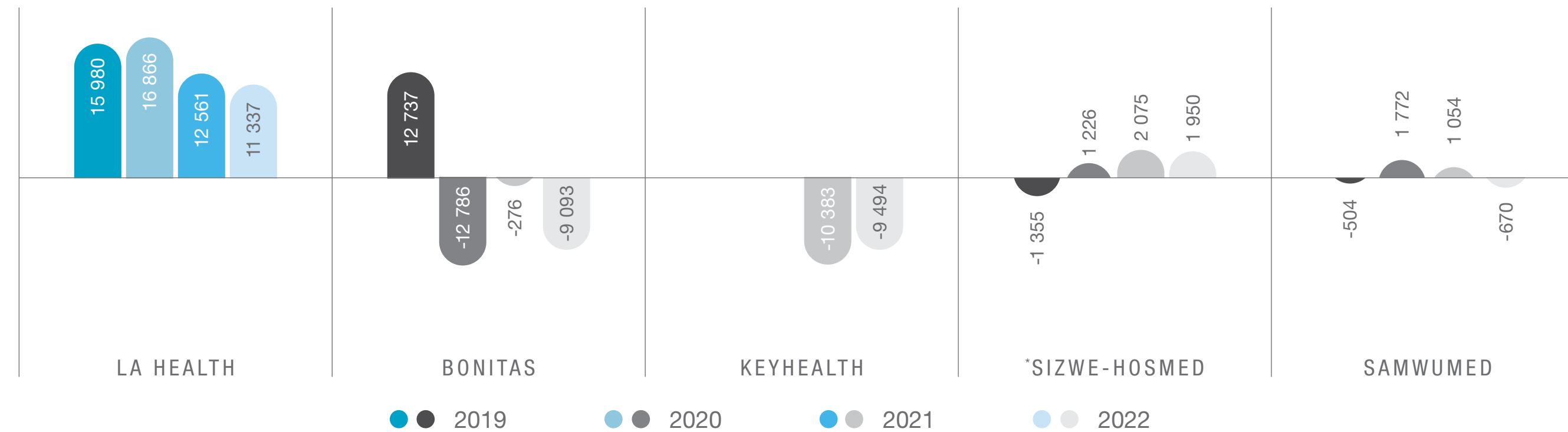
Growth and operating result

TRENDS (2019 – 2022)

LA Health's consistently strong growth and operating performance through the volatility of the past four years, has allowed the Scheme to maintain affordability relative to other accredited local government schemes.

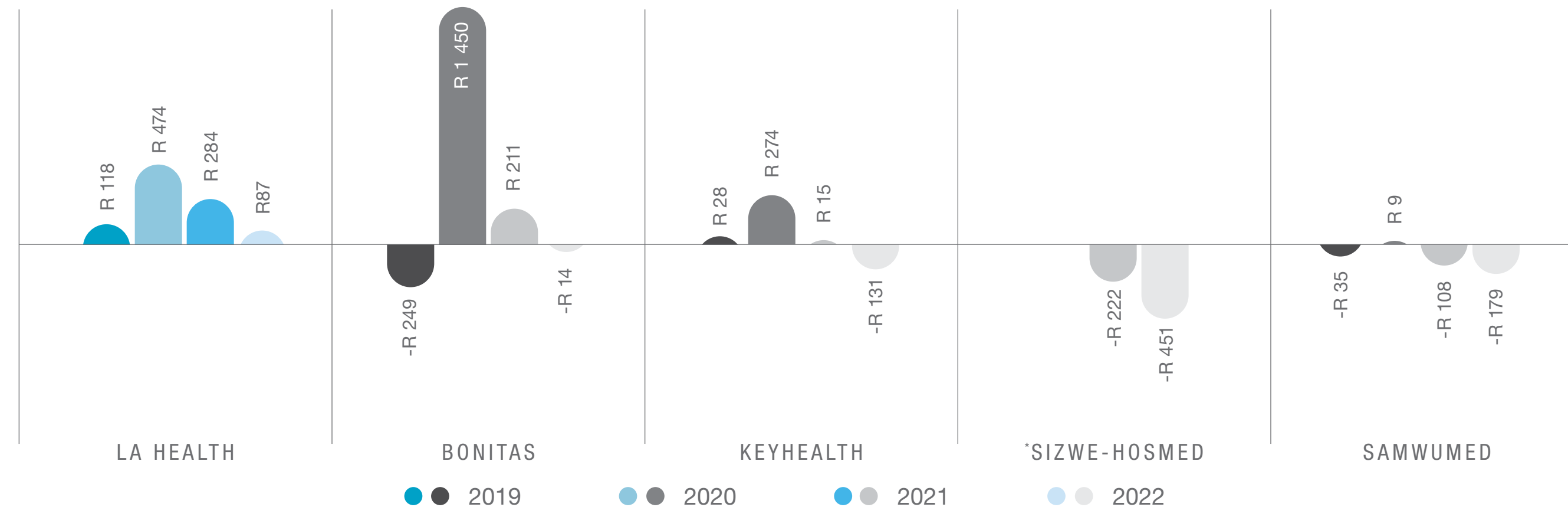
Beneficiary Growth

LA Health has continued to display strong beneficiary growth in comparison to its competitors, adding a significant number of lives to the Scheme each year.



Net healthcare result (R'm)

LA Health continues to record positive net healthcare results in contrast to its competitors who have all experienced net healthcare losses in 2022.



*Hosmed amalgamated with Sizwe in 2021 creating Sizwe Hosmed Medical Scheme

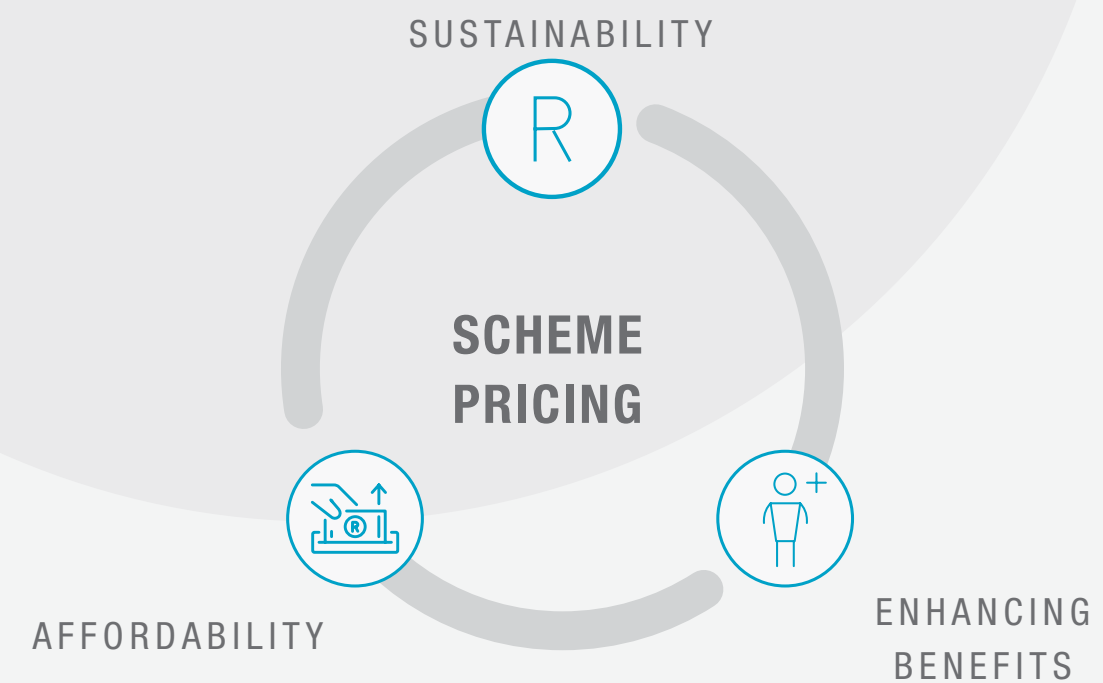


Accurately priced

Balancing member claims and contributions is crucial for the long-term financial sustainability of the Scheme. It also supports the enhancement of benefits and affordability for members.

In 2022 LA Health was the only local government accredited scheme without a price gap, indicating the Scheme's successful pricing strategy through carefully balancing member claims and contributions. In contrast, competitor schemes face the need to correct a varied range of price gaps.

Medical scheme pricing dynamics

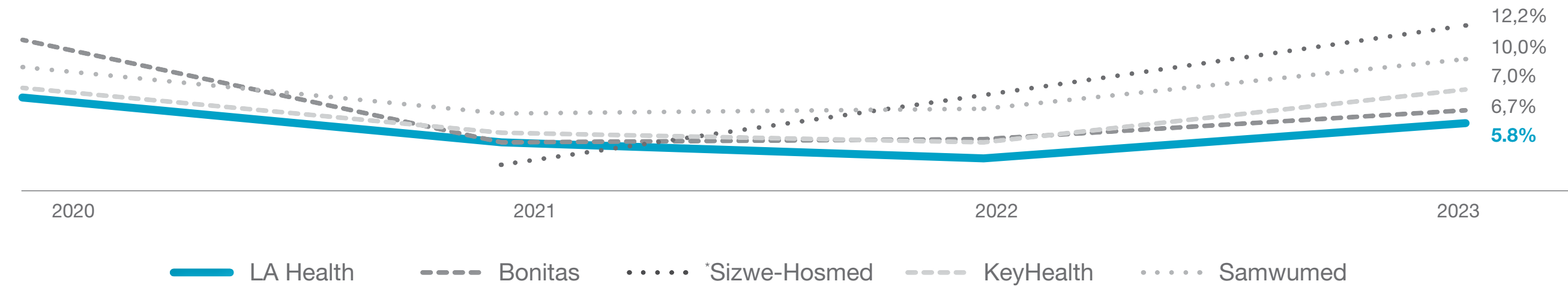


Medical schemes must balance **affordability, sustainability and benefits.**

As a non-profit entity, medical schemes price contributions to match expected claims for the forthcoming year and to meet regulated solvency requirements.

Contribution increases

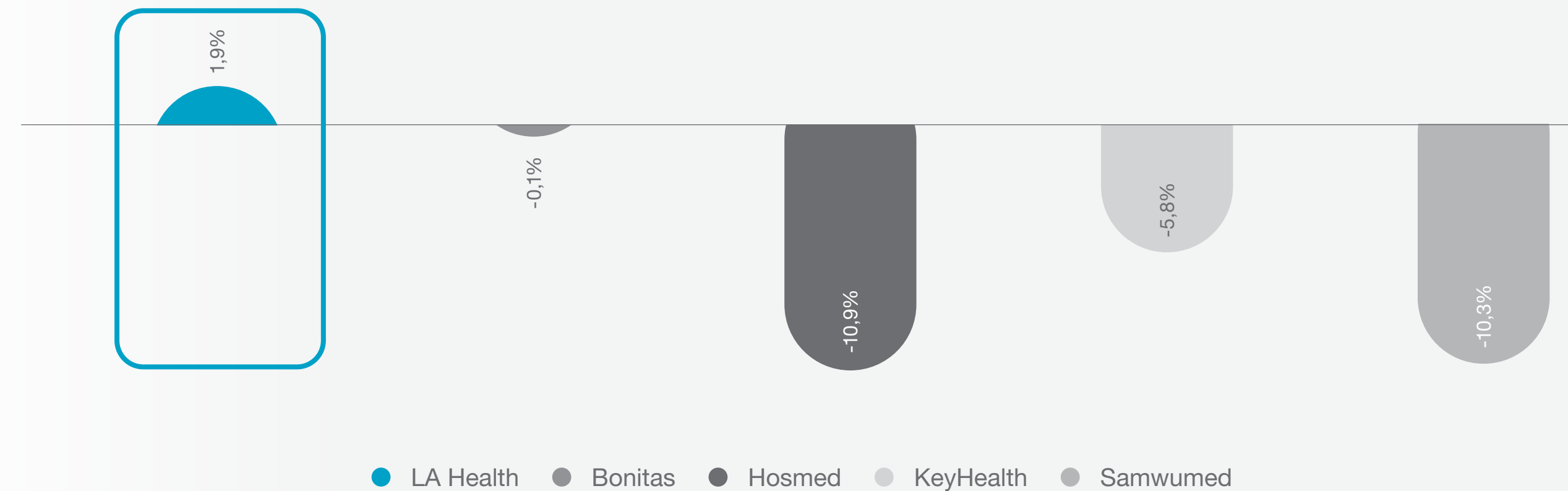
LA Health contribution increases have been consistently lower than other schemes in the local government sector.



Price gap by accredited local government scheme

(NET HEALTHCARE RESULT AS A PERCENTAGE OF RISK CONTRIBUTIONS)

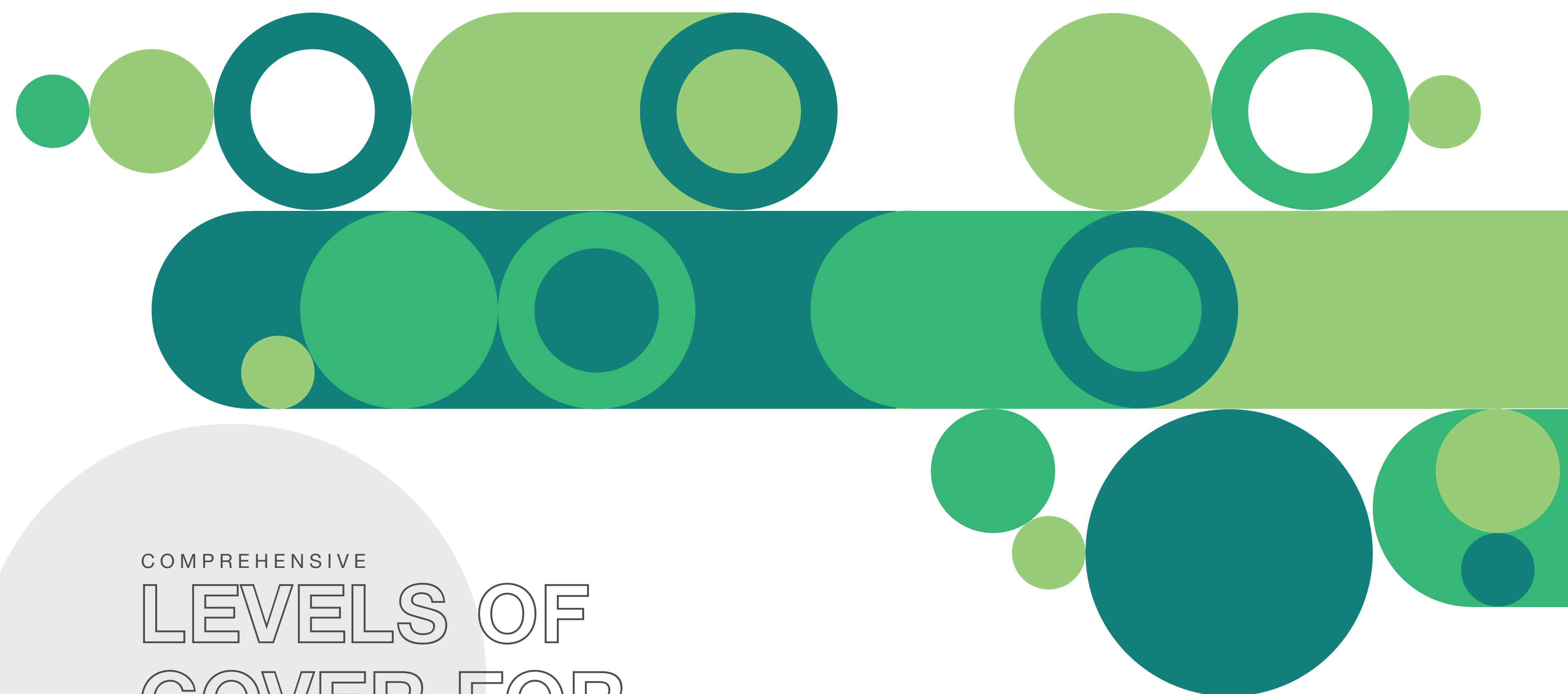
Despite consistently lower contribution increases, LA Health remains well priced while competitor schemes will face price corrections to avoid future operational deficits.



*Hosmed amalgamated with Sizwe in 2021 creating Sizwe Hosmed Medical Scheme



LEVELS OF COVER



COMPREHENSIVE
**LEVELS OF
COVER FOR
OUR MEMBERS**

LA HEALTH
MEDICAL
SCHEME'S
PERFORMANCE

COMPREHENSIVE
LEVELS OF
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MEMBERS

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PROPOSITION



COMPREHENSIVE

levels of cover for our members

The LA Health claims experience shows a return to pre-pandemic utilisation and increased claims across the Scheme's major categories of healthcare. The number of hospital admissions continue to increase, however members are spending fewer days in hospital per admission in comparison to last year's records. Encouragingly, the Scheme has already seen a 45% increase in the number of beneficiaries performing screening tests, when compared to the same period last year, showing an unprecedented increase in engagement and an opportunity for the Scheme to further promote the importance of prevention, early detection and treatment of illness. LA Health is well positioned to continue providing members with comprehensive, value for money healthcare benefits and the best quality healthcare, while promoting a healthy lifestyle.



Total LA Health claims paid over last 12 months R5.1 billion



HOSPITAL CLAIMS

R2.6 bn paid for hospital claims
50% of total claims paid
48 102 hospital admissions
R53 249 average cost per admission
222 714 days spent in hospital
4.6 days spent in hospital per admission



CHRONIC CLAIMS

R240 m paid for claims relating to chronic conditions
5% of total claims paid
51 213 beneficiaries with chronic conditions
R390 average cost per beneficiary per month
418 994 prescriptions dispensed



ONCOLOGY CLAIMS

R209 m paid for oncology treatment
4% of total claims paid
1 746 beneficiaries currently claiming for oncology treatment
R9 953 average cost per beneficiary per month



SCREENING AND PREVENTION

34 208 beneficiaries performed health screenings



DAY-TO-DAY CLAIMS

R1.9 bn paid for day-to-day claims
652 609 GP visits
141 294 specialist visits
219 918 allied visits (e.g. biokineticist, physiotherapist, chiropractor)
2.7 m prescriptions dispensed



MATERNITY CLAIMS

R168 m paid for births
3 437 number of deliveries
R48 998 average cost per delivery

Note: All figures for the period April 2022 to March 2023.

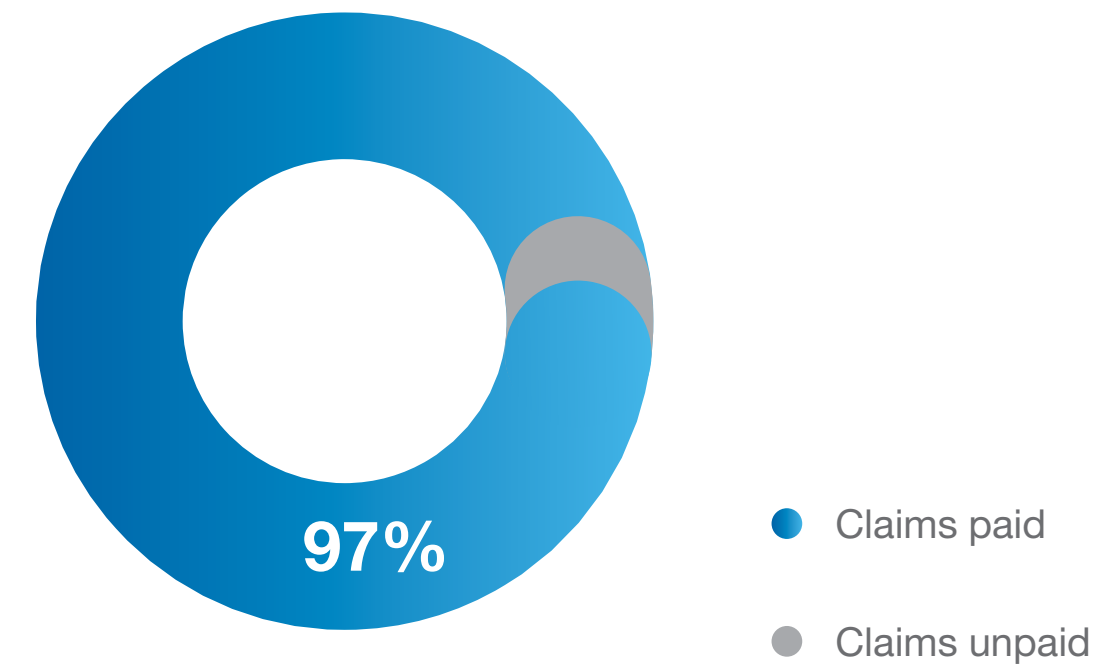


COMPREHENSIVE COVER

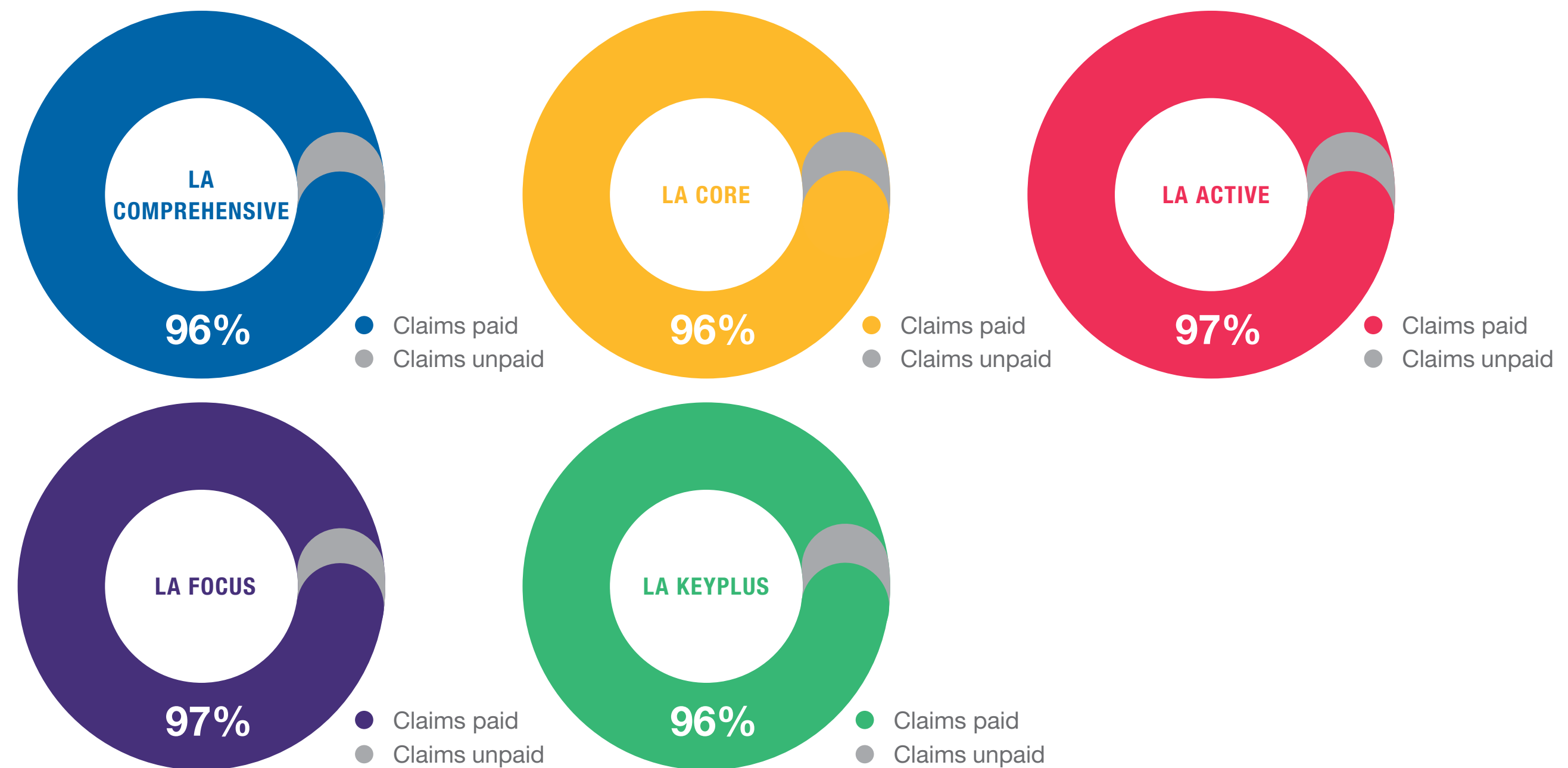
for hospital admissions

LA Health members and their families benefit from consistently high levels of cover. On average, LA Health covered 97% of hospital claims in 2022, meaning that members only had to pay R3 for every R100 spent in hospital.

Overall in-hospital claims payment cover ratio



Benefit Option in-hospital claims payment cover ratio



COVER FOR MEMBERS WITH

complex and emergency healthcare needs

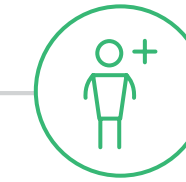
As seen from the top 10 highest claims paid by LA Health in 2022, beneficiaries of various ages, levels of health and income can be faced with an unexpected and costly healthcare event. Based on the Scheme's average risk contribution in 2022, the highest claim would require 144 years worth of contributions to fund.

LA Health ensures that its members and their families have access to the highest quality healthcare when they need it most. The Scheme's strong financial position and commitment to providing value for money healthcare benefits and the best quality healthcare, ensures that LA Health members will have access to comprehensive cover for complex and emergency healthcare needs into the future.



144 YEARS

worth of contributions to fund the top claim



72

beneficiaries claimed over R1 million



250

beneficiaries claimed over R500 000

10 highest beneficiary claims paid in 12 months = **R 36.5 MILLION**



R5.4 M

Age 59 | LA Active | 156 days | Care for long term use of a ventilator



R5.0 M

Age 40 | LA Active | 83 days | Extensive burns with skin graft



R4.9 M

Age 34 | LA Active | 109 days | Surgical procedures for multiple major injuries



R3.2 M

Age 10 | LA Active | 101 days | Extensive burns with skin graft



R3.1 M

Age 58 | LA Comprehensive | 304 days | Skin grafts, removal of dead, damaged or diseased tissue for skin ulcer



R3.1 M

Age 0 | LA Active | 66 days | Surgical procedures for infectious and/or parasitic diseases



R3.1 M

Age 63 | LA Active | 165 days | HIV disease requiring nutritional and/or ventilator support



R3.1 M

Age 0 | LA Active | 172 days | Breathing difficulties in premature babies



R2.9 M

Age 3 | LA Active | 68 days | Liver transplant



R2.7 M

Age 46 | LA Active | 99 days | Care for long term use of a ventilator



BENEFIT UPDATES



2024
**BENEFIT
UPDATES**



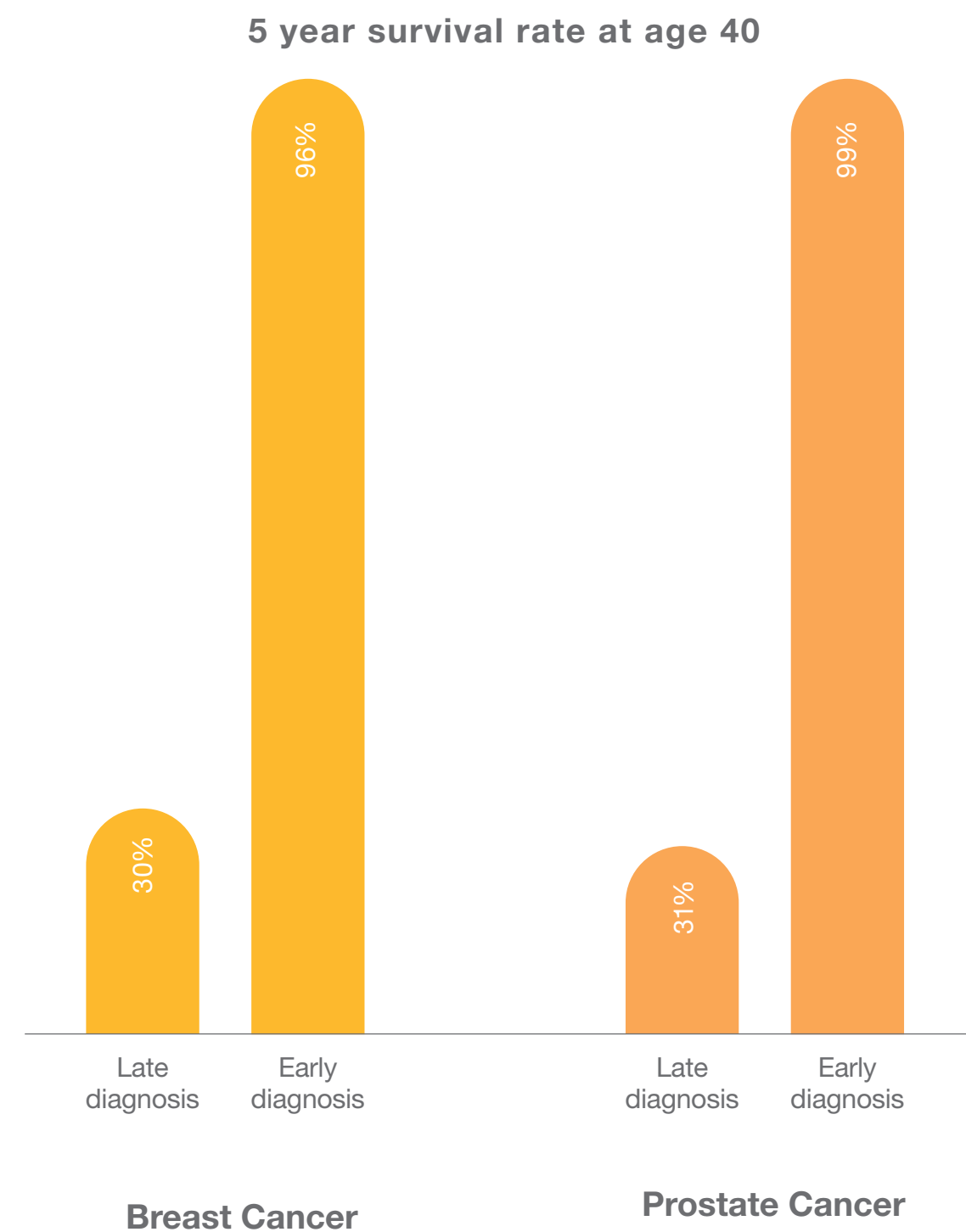
WELLTH FUND

The importance of preventative care

Regular screening for the early detection and management of conditions such as cancer and lifestyle disease can have a significant impact on a person's life expectancy (lifespan) and their years spent in good health (healthspan).

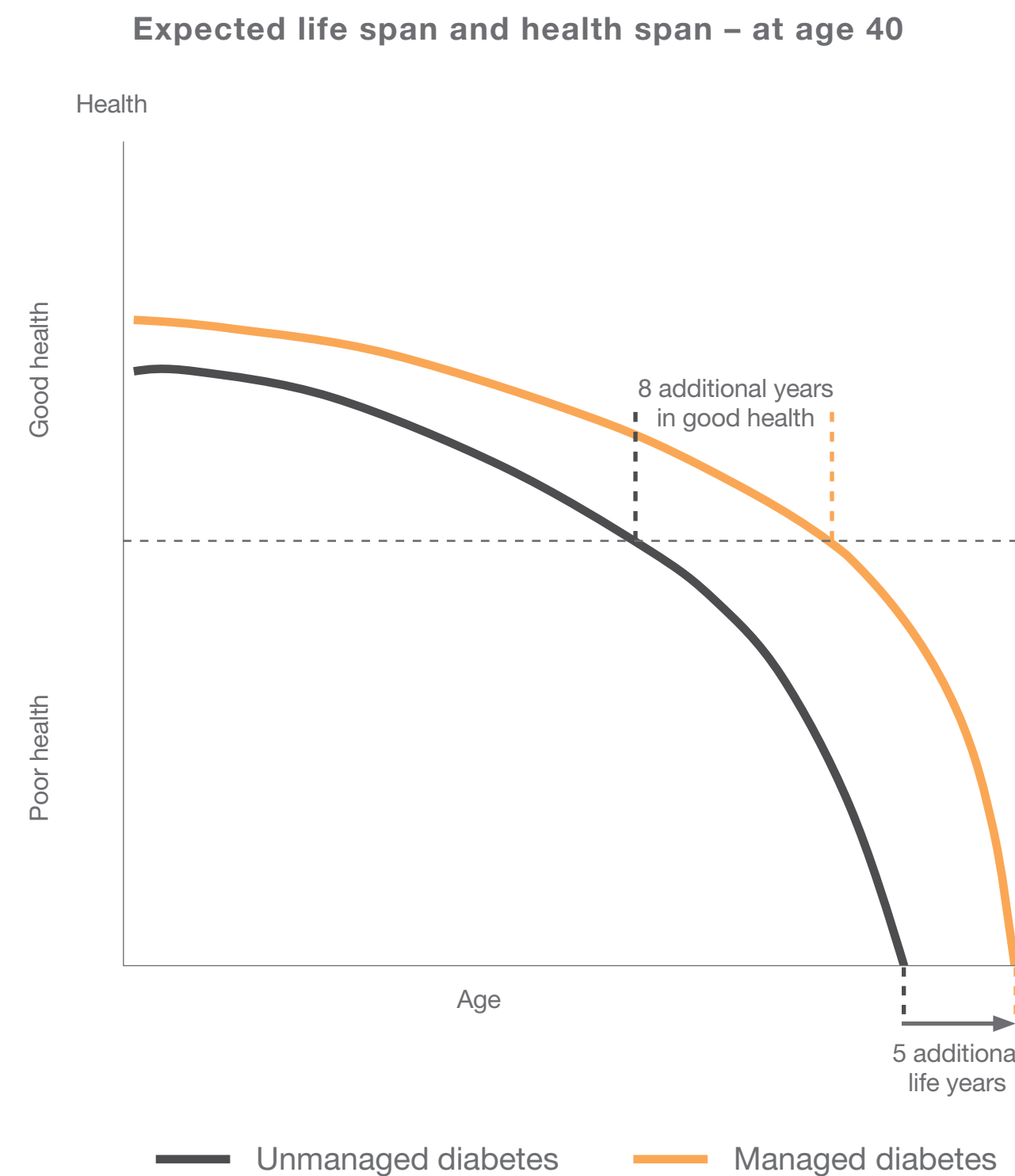
CANCER

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.



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.



LONG-TERM HEALTH OF beneficiaries and the Scheme in 2024

Regular screening ensures that beneficiaries have a better understanding of their personal health status. Preventative screening assessments are funded by the Scheme, when completed through the wellness network, providing beneficiaries with the opportunity to identify and manage underlying medical conditions or those at risk of developing into a lifestyle disease.

The early detection of health risks is beneficial for both the affected individual as well as the long-term sustainability of the Scheme.

During 2024, LA Health will utilise some of its excess solvency reserves available for preventive screening and healthcare services, to simultaneously invest in the long-term sustainability of the Scheme and provide greater value for members and their families.

More LA Health members and their families are completing screening assessments

Encouragingly, LA Health has recorded a significant increase in the number of screening assessments completed by adult beneficiaries in the past twelve months. Over 37 000 beneficiaries have already completed their screening assessments in 2023, representing a 30% increase when compared to a full year of screening assessments in 2022.

11X

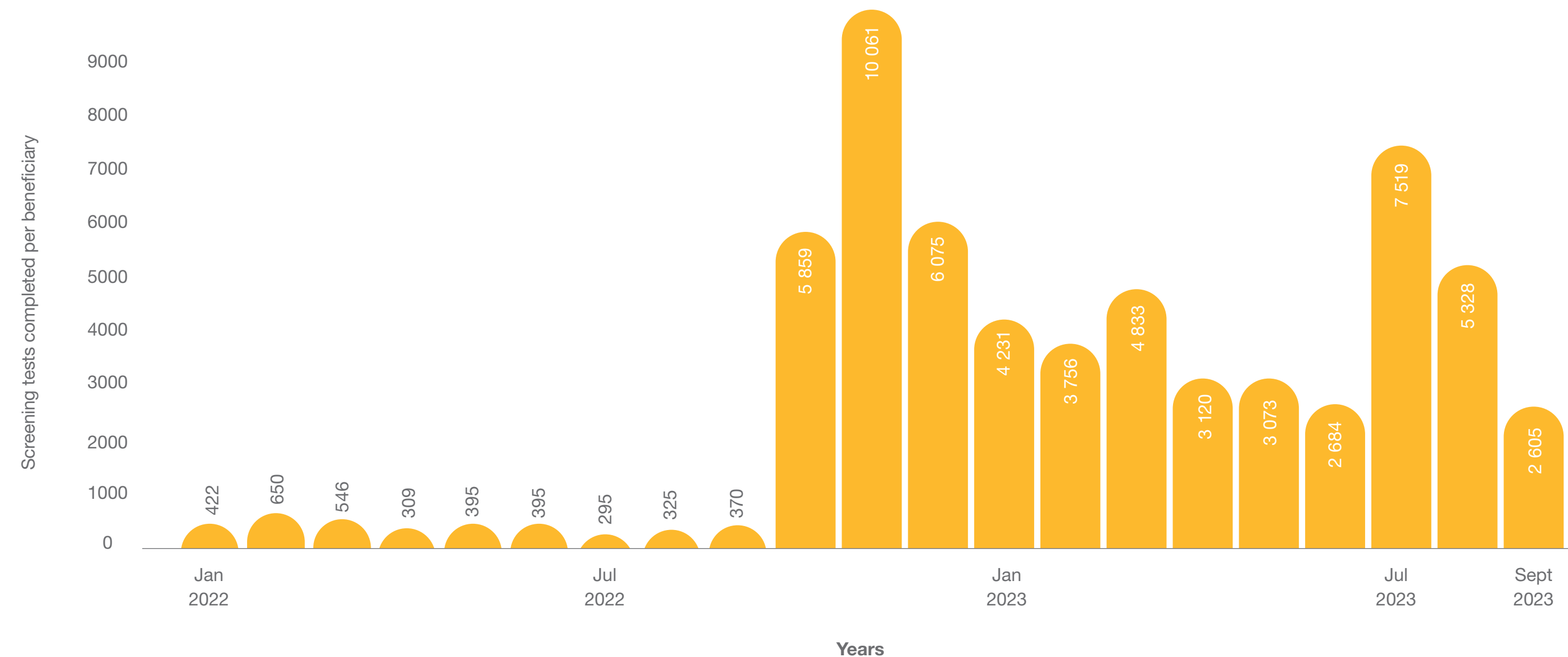
increase in the average monthly assessments completed

54%

of beneficiaries completing assessments did so in 2022 and 2023

37 149

Annual assessments completed by September 2023



Up to R10 000 per family to understand personal health needs

The WELLTH Fund will be introduced in 2024 and will be automatically unlocked once a member and their registered dependants have completed a screening assessment. This provides access of up to R10 000 in additional discretionary benefits – depending on the family make-up per membership. Each adult on the membership is allocated R2 500 and each child 2 years or older is allocated an amount of R1 250.

INTRODUCING THE **WELLTH**fund

Due to the current strength of the Scheme's financial position, LA Health will make a significant investment into the long-term health of its members and their families by introducing the WELLTH Fund in 2024.

The WELLTH Fund rewards LA Health members and their families for completing a screening assessment and helps them to better understand their own health status by providing up to R10 000 in additional risk funding for a wide range of discretionary health services.

By completing a pharmacy screening assessment and using the additional discretionary funds from the WELLTH Fund, LA Health beneficiaries will be empowered to manage and improve their health. This in turn benefits the long-term sustainability of the Scheme through the improved health of members and their families.

The benefit is offered in addition to the Screening Benefits for adults and children and will be available for 2 years (from 1 Jan 2024 to 31 December 2025) to existing members of the Scheme. The benefit is available in the year of joining and to the end of the next year for all members joining after 1 January 2024.

ONCE IN A LIFETIME ADDITIONAL VALUE
OFFERED TO EXISTING AND NEW MEMBERS:



Improved knowledge of personal health status

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

Beneficiaries have access to six broad categories of healthcare services, empowering them to better understand their personal health status. These six categories include general health, physical health, mental health, women's health, men's health and children's health. Approved medical monitoring devices are also covered by the WELLTH Fund.

LA Health members will have discretion to select services from these categories which 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 and cholesterol.

PHYSICAL HEALTH

- Diet, nutrition and weight management at a dietitian
- Physical movement and mobility check at a biokineticist or physiotherapist
- Foot health at a podiatrist

MEN'S HEALTH

- Consultations related to prostate screening
- Osteoporosis bone density

MENTAL HEALTH

- Mental Health assessment

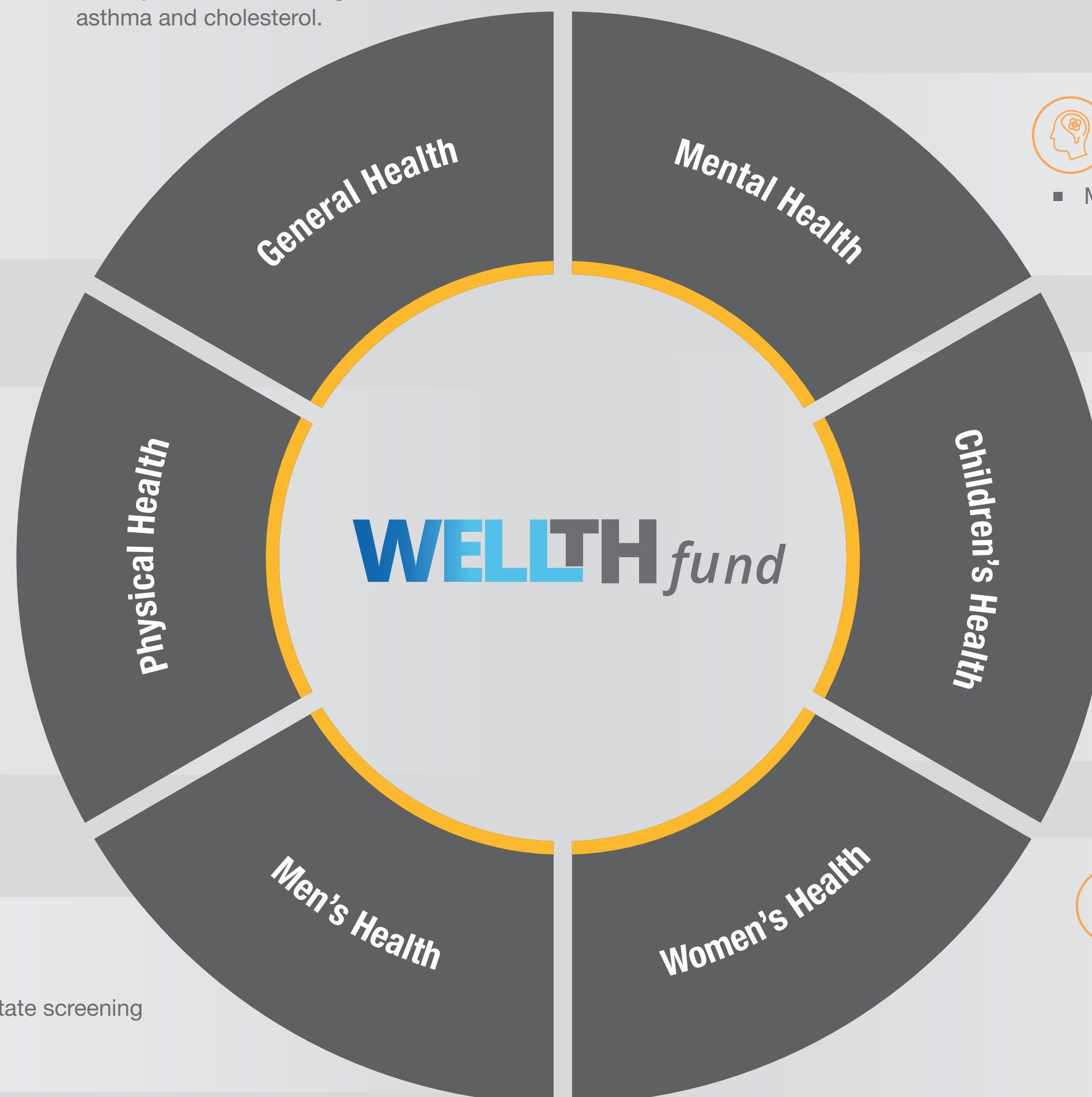
CHILDREN'S HEALTH

- 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



WELLTH Fund technical details



ELIGIBILITY

- The WELLTH Fund will be available to all LA Health beneficiaries, including new beneficiaries joining in 2024.
- It is a once-off benefit, which will be available from 1 January 2024 and will expire on 31 December 2025 for existing members of the Scheme, as a once-in-a-lifetime benefit that will not be renewed.
- New members joining the Scheme after 1 January 2024 will have access to the benefit in the year of joining the Scheme and to the end of the year thereafter.



ACCESSING THE WELLTH FUND

- All beneficiaries aged 2 years and older are required to complete a screening assessment to activate the WELLTH Fund.
- The screening assessment is funded from the existing Screening and Prevention Benefit.
- The WELLTH Fund will be activated automatically as soon as all beneficiaries (aged 2 years and older) on a membership have completed a screening assessment.
- Once it is activated, any person on the membership can make use of any portion of the WELLTH Fund.



LIMITS

- The WELLTH Fund covers a defined list of healthcare services. GP visits are limited to one GP consultation per person for the duration of the benefit.
- Benefit Option network rules apply, where relevant.
- Certain healthcare services are subject to clinical interval limits.



VALUE AVAILABLE TO BENEFICIARIES

- The value of the WELLTH Fund for each membership is based on family composition and age of the registered dependants. The benefit allocation is R2 500 per adult (aged 18 years and over) and R1 250 per child (age 2 and older), up to an overall limit of R10 000 per membership.
- The benefit allocation according to age is determined by how old the beneficiary will be at the date of expiry of the WELLTH Fund.



ADDITION AND WITHDRAWAL OF DEPENDENTS

- When a new dependent is added onto a membership where the WELLTH Fund has been activated:
 - They have immediate access to what remains of the benefit on that membership
 - The new beneficiary has the opportunity to unlock additional funds by completing a screening assessment (if the maximum value has not already been unlocked)
 - The benefit allocation expires at the WELLTH Fund's original expiry date
- Any beneficiary who withdraws from the Scheme loses access to the WELLTH Fund and any remaining benefits.



IMPACT ON OTHER RISK BENEFITS

- Healthcare services covered by existing risk benefits will continue to be covered from risk before the WELLTH Fund is used where applicable.
- The WELLTH Fund is risk-funded, and therefore any claim paid from the benefit does not impact a beneficiary's Medical Savings Account (MSA).
- Eligible claims will automatically first pay from the WELLTH Fund before they are paid from available day-to-day benefits, such as MSA.

Disease prevention

PROGRAMME

LA Health is introducing a Disease Prevention Programme to support beneficiaries who are at higher risk of developing cardiovascular disease and diabetes. Through the use of advanced predictive modelling, eligible beneficiaries are proactively identified for the programme which provides them with 12 months of comprehensive clinical care, coaching support and risk benefits to improve their health.

Early intervention is fundamental in preventing long-term illness

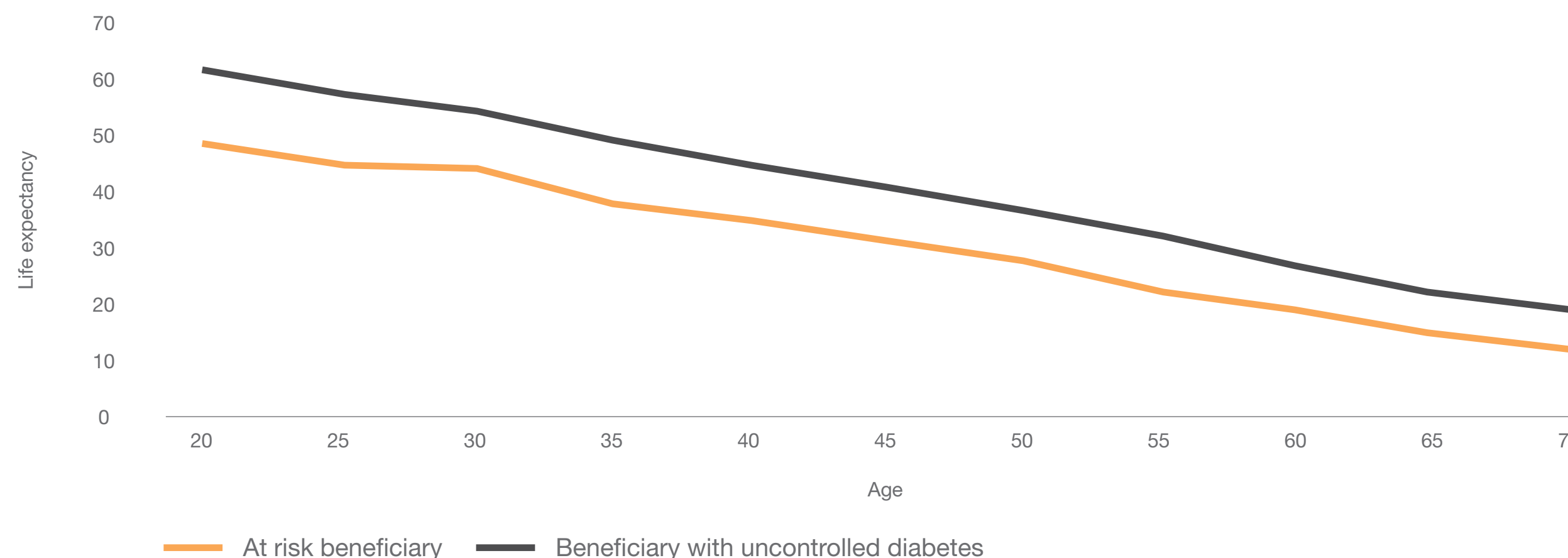
As two of the leading causes of death in South Africa, diabetes and cardiovascular disease pose a major threat to the health of South Africans. Diabetes is the leading underlying cause of death amongst South African women, and the disease has seen its prevalence triple since 2010*.

Beneficiaries living with cardiometabolic syndrome (which collectively includes high blood pressure, elevated blood sugar, abnormal cholesterol, elevated blood triglycerides and high Body Mass Index), have a significantly elevated risk of developing diabetes and cardiovascular disease.

Since these conditions can have a significant impact on life expectancy and years spent in good health, early intervention and support of beneficiaries who are at risk is of fundamental importance.

Ensuring optimal health through early identification and management

Identifying those living with cardiometabolic syndrome is critical to avoid the onset of diabetes. Living with diabetes can have a significant impact on life span and health span. 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 unmanaged diabetes.



Once identified, effective interventions are critical to reverse cardiometabolic syndrome and reduce the risk of diagnosis with diabetes.

*Stats SA - Mortality and causes of death in South Africa: Findings from death notification released March 2020

Disease prevention

PROGRAMME

LA Health will proactively identify beneficiaries who are at risk of being diagnosed with diabetes or cardiovascular disease, based on their individual health record.

Those identified will be prompted to consult with a GP to confirm their risk and enroll in the 12-month management programme, with risk benefits for clinical support and treatment. The programme is available to all adult beneficiaries on the Scheme across all benefit options.

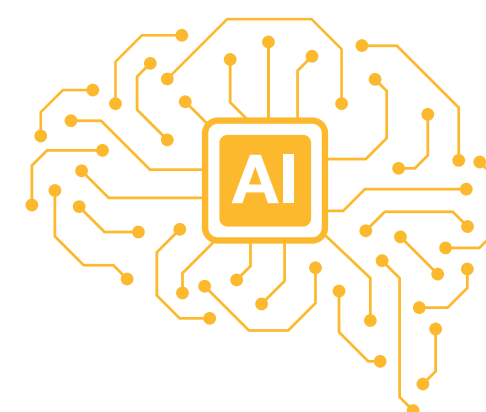
On completion of the programme, beneficiaries will either exit the programme, remain on medicine to keep their risk under control or register for the Chronic Illness Benefit.

Each of the components making up the Disease Prevention Programme are discussed in greater detail hereafter.

Risk identification

PREDICTIVE MODELLING TO IDENTIFY AT-RISK BENEFICIARIES BASED ON:

- Screening assessment results
- Family history
- Claims patterns
- Demographics



At-risk members **proactively identified** and contacted to enrol

12-month programme

GP ENROLS MEMBER IN 12-MONTH PROGRAMME WITH RISK BENEFITS

CLINICAL ASSESSMENT AND MONITORING



2 GP consults

LIFESTYLE MANAGEMENT



2 nutritional assessments



12 coaching sessions

CLINICAL MANAGEMENT



Prescribed medication

Ongoing management

PATHWAYS AFTER THE 12-MONTH PROGRAMME DEPEND ON THE HEALTH RISK OF THE MEMBER



In-range



Exit programme



Controlled health risk



Risk funded support



Diagnosed illness



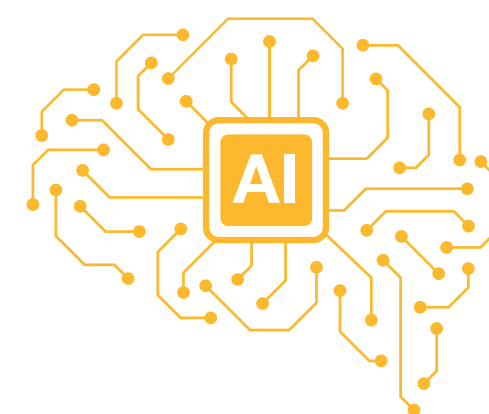
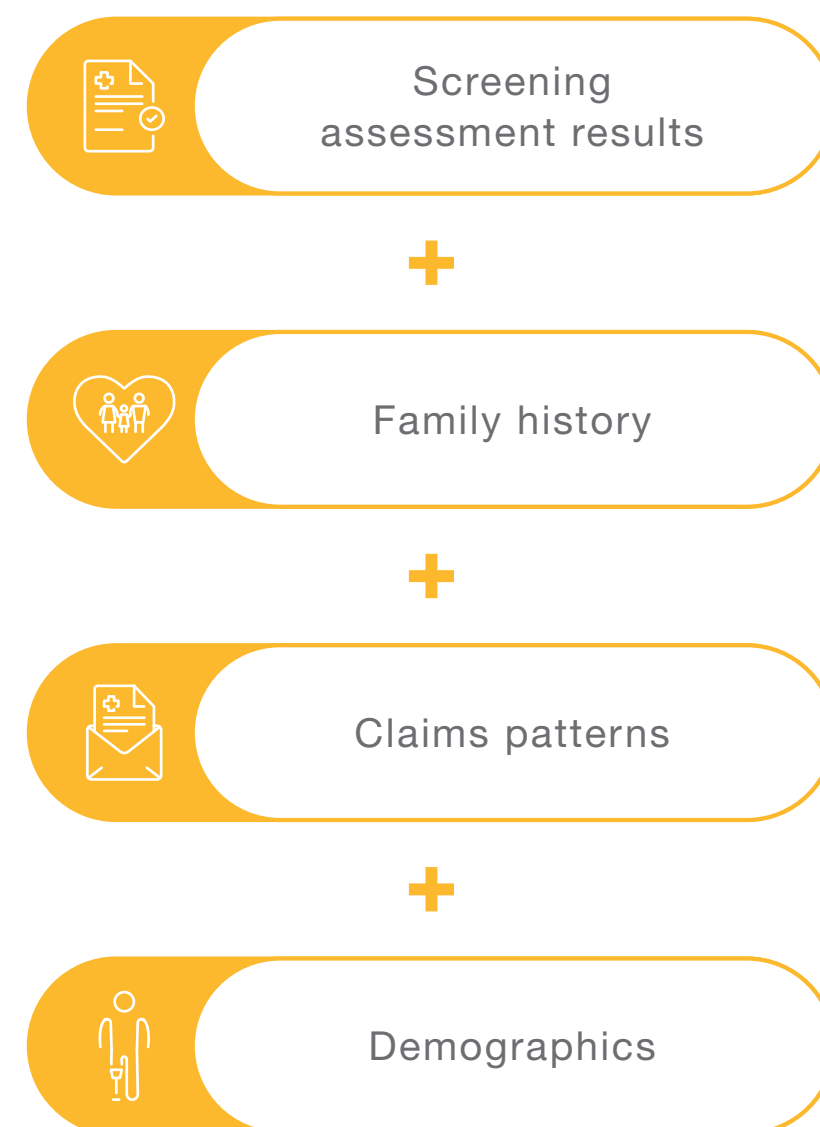
Chronic Illness Benefit



Risk identification

LA Health is using predictive modeling which includes inputs from screening assessment results, claims patterns, family history and individual demographics to identify beneficiaries at high risk of developing diabetes or cardiovascular disease.

Those identified are then proactively contacted to make them aware of the heightened risk and informed about the available risk-funded support programme. This call is made by a health coach who will guide the beneficiary on how to enrol in the programme.



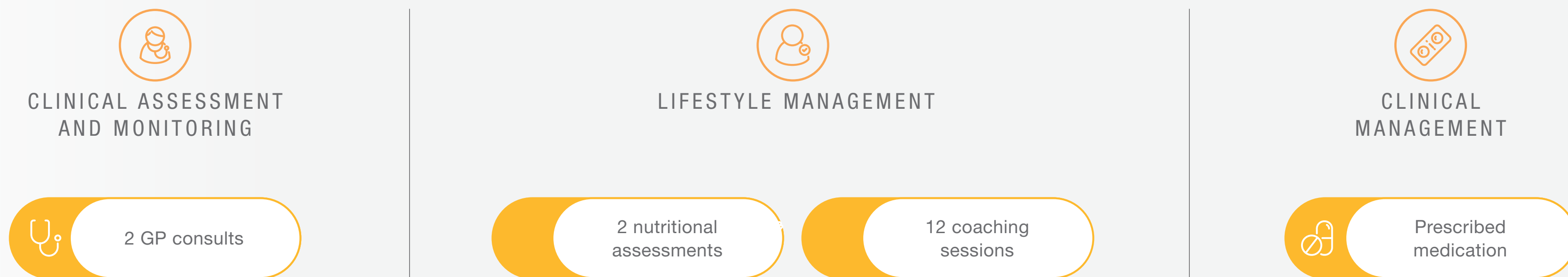
Predictive modelling through AI and machine learning to identify at-risk beneficiaries



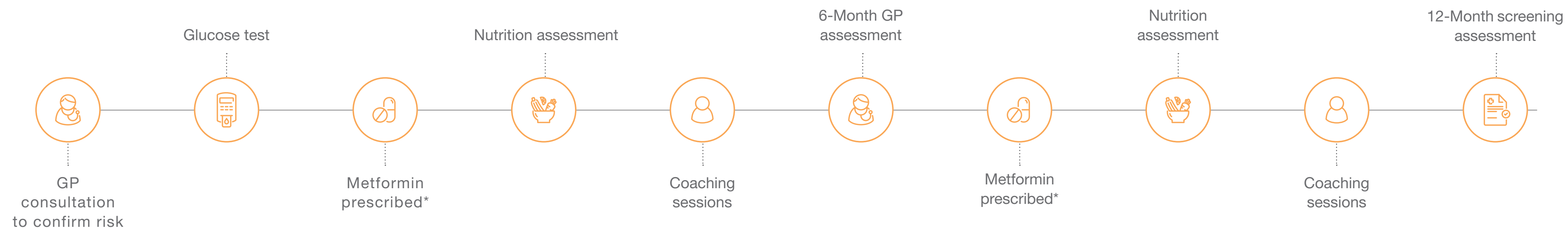
At-risk members proactively identified and contacted by a Health Coach

12-month programme

The first step is a referral to a Premier Plus GP where the level of risk is confirmed, after which the beneficiary is enrolled on the 12-month Disease Prevention Programme. This gives the beneficiary access to a range of risk-funded benefits for clinical assessments and monitoring as well as lifestyle and clinical management of cardiometabolic risk.



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



*Medicine only prescribed if required

Ongoing management

At the end of the 12-month programme a screening assessment is completed to reassess the risk.

Beneficiaries 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)/ Impaired Fasting Tolerance (IFT), receive ongoing access to prescribed medication.

Should the beneficiary be diagnosed with Diabetes, they are enrolled on the Chronic Disease 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



The growing prevalence of depression disproportionately affects South Africans

According to the World Health Organization (WHO), there are around 1 billion people globally living with a mental health condition, with a substantive increase in depression and anxiety disorders since the onset of the Covid-19 pandemic.

In South Africa the issue is even more alarming, with a reported 1 in every 5 people showing symptoms of probable depression. The pandemic years have also had a disproportionate affect on particular cohorts, with chronic sufferers, younger age groups and women all more adversely affected.

HIGH GLOBAL PREVALENCE
OF MENTAL HEALTH DISORDERS



1 IN EVERY 8

people in the world live with a mental health disorder

**1 IN 3
WOMEN**



will experience major depression in their lives

**1 IN 5
MEN**



THERE IS A HIGH PREVALENCE OF
DEPRESSION IN SOUTH AFRICA, WITH THE
MAJORITY UNTREATED



1 IN EVERY 5

people in South Africa have symptoms
of probable depression



ONLY 25%

of South Africans with mental health disorders
receive treatment

Digital
THERAPEUTICS

Existing mental health management and support

AVAILABLE TO LA HEALTH MEMBERS

MENTAL HEALTH CARE PROGRAMME

Eligible members referred by a GP, psychiatrist or psychologist to the Mental Health Care Programme have access to a basket of care, which includes GP or psychotherapy consults as well as medication.



GP consults and/or psychotherapy



Medication

Internet-based cognitive behavioral therapy (iCBT) EXPANDS ACCESS TO CLINICALLY VALIDATED MENTAL HEALTH THERAPY

ICBT FOR THE TREATMENT OF DEPRESSION

Globally, iCBT is revolutionising the approach to the treatment of mental health disorders, allowing proactive and effective treatment of conditions such as depression and anxiety.

iCBT is a type of **digital therapy** which provides online treatment for mental health conditions. This therapy helps people overcome negative thought patterns to break down specific problems and change the way they feel – providing regular and practical ways of improving their state of mind, such as interactive tools and virtual engagement with trained therapists.

Delivered through digital channels it allows beneficiaries to benefit from support in whichever environment they feel most safe and comfortable, through a scalable and cost-effective form of treatment.

ICBT has established itself as a viable treatment for depression and anxiety

A broad body of clinical studies have shown that iCBT is an effective treatment for the management of the most prevalent mental health disorders.

One such study took the form of pragmatic clinical trials conducted in the United Kingdom, which showed a significant improvement in the mental health of participants. Of those previously diagnosed with depression and anxiety, **56% of participants experienced a reliable recovery within only 3 months of treatment.**

DIGITAL THERAPEUTICS ARE ENHANCING HEALTHCARE

Digital therapeutics is a category of evidence-based interventions which use clinically validated software designed to prevent, manage or treat a broad range of diseases and disorders.

Digital therapeutics is being integrated into healthcare systems to complement more traditional treatments to provide high levels of personalisation, remote monitoring, real-time adjustment to programmes and instantaneous feedback and interaction for patients.

Source: <https://www.nature.com>

LA HEALTH
MEDICAL
SCHEME'S
PERFORMANCE

COMPREHENSIVE
LEVELS OF
COVER FOR OUR
MEMBERS

2024
BENEFIT
UPDATES
Wellth Fund
Disease Prevention
Programme
Digital Therapeutics
General Benefit
Updates

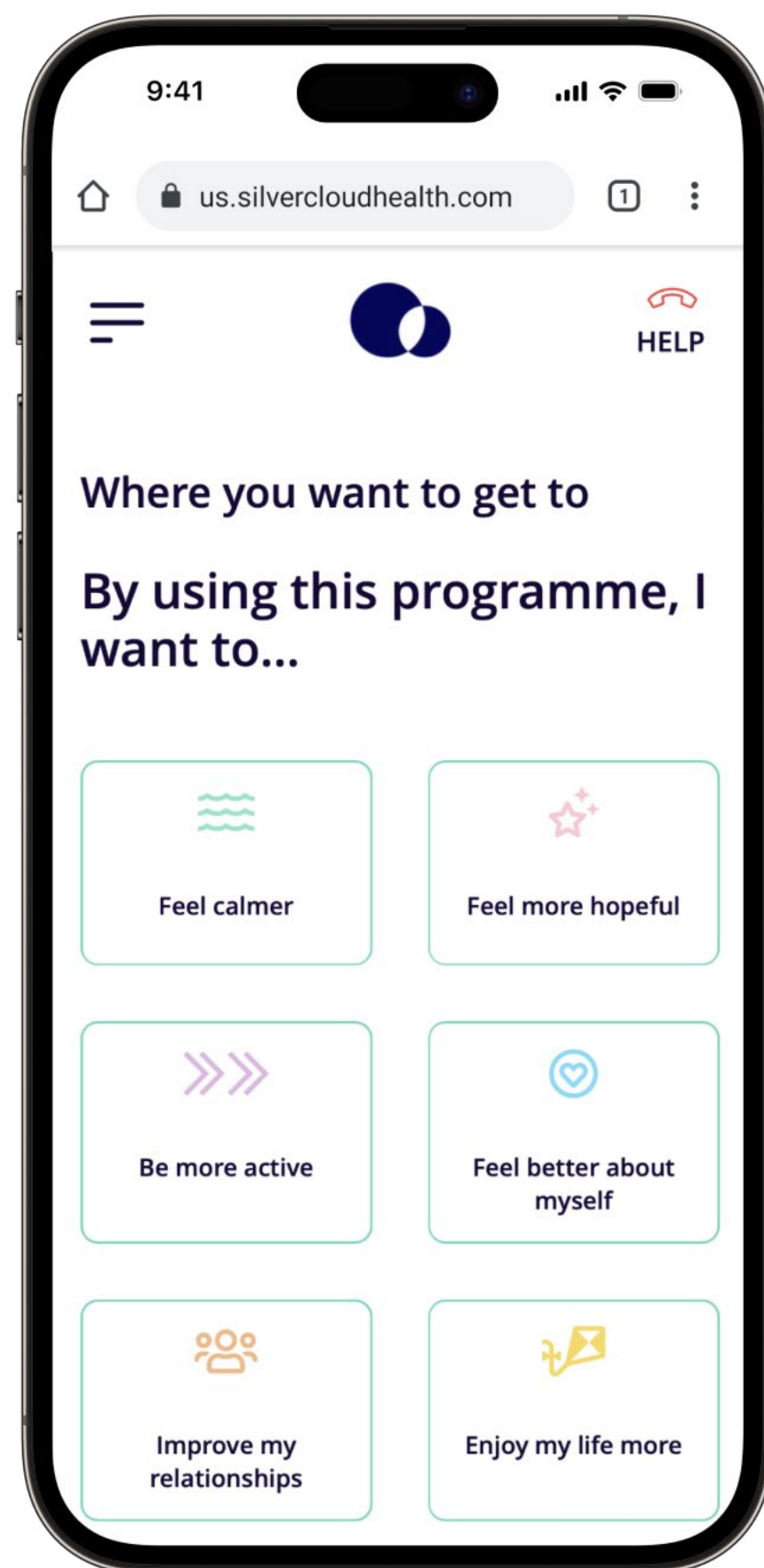
2024
CONTRIBUTION
INCREASES

LA HEALTH
MEDICAL
SCHEME VALUE
PROPOSITION



Introducing Digital Therapeutics for Mental Health for LA Health members

In 2024, LA Health Medical Scheme is partnering with Silvercloud to provide LA Health beneficiaries with access to a convenient, **always-on, evidence based mental health therapy** for the treatment of depression and anxiety, with risk funding where prescribed and clinically appropriate.



ON-DEMAND, CLINICALLY VALIDATED DIGITAL THERAPEUTICS FOR MENTAL HEALTH



24/7 access to engaging modules focused on combatting depression or depression with anxiety.



Personal supporters on hand to guide users through the modules and ensure engagement with the content.



A 24-hour self-harm and suicide support for those at highest mental health risk.



Wellbeing modules for **resilience, sleep and coping with stress.**



Enhancing the Mental Healthcare Programme

iCBT for mental health is a new, risk-funded benefit available to members through the Mental Health Care Programme.



Increasing access to mental health support for all LA Health beneficiaries

The platform is also available to all LA Health beneficiaries that are not on the Mental Health Care Programme, who are referred by a GP or Psychologist. This will be funded from available day-to-day benefits.

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Technical details



- Internet-based cognitive behavioural therapy (iCBT) is available to all LA Health beneficiaries enrolled on the Mental Health Care Programme, or who have been referred by a GP, Psychologist or Psychiatrist.
- LA Health has partnered with Silvercloud to introduce the Digital Therapeutics for mental health benefit.
- Eligible members will receive an access code that must be used to gain entry to the SilverCloud platform.
- The Silvercloud programme will be accessible 24/7
- Programme supporters will be available between 09h00 – 17h00
- Eligible beneficiaries must activate the Silvercloud programme within 30 days of approval



ELIGIBILITY

- LA Health beneficiaries enrolled on the Mental Health Care Programme will automatically be able to access iCBT as part of their basket of care.
- Any LA Health beneficiaries not enrolled on the Mental Health Care Programme but referred by a GP, Psychologist or Psychiatrist will be able to access iCBT, funded at their own cost.
- Beneficiaries must be over 18 years of age.
- All LA Health beneficiaries, including those not on the Mental Health Care Programme, will have access to specific wellbeing modules on the Silvercloud platform.



FUNDING

- The Scheme will fund Digital Therapeutics for Mental Health Care for all LA Health beneficiaries enrolled on the Mental Health Care Programme.
- LA Health beneficiaries who are not enrolled on the Mental Health Care Programme but have been referred by a GP, Psychologist or Psychiatrist will be able to fund access to iCBT through their available medical savings.

LA KeyPlus benefit changes and network optimisation

NOMINATION OF A PRIMARY CARE PROVIDER

Primary care doctors manage the day-to-day healthcare needs of members. A patient's primary care doctor establishes their health history, conducts screening and prevention tests, coordinates specialist referrals where necessary and makes recommendations to improve health and wellness.

There is overwhelming medical evidence supporting the understanding that patients experience improved health outcomes when their primary care is coordinated through a single primary care GP.

Following global best practices and in line with the Scheme's commitment to improving quality of care through better care coordination, all LA KeyPlus beneficiaries will be required to nominate a single primary care GP for 2024. In alignment with achieving improved health outcomes, ensuring efficient healthcare referral pathways and improved healthcare coordination, the following benefit changes will be implemented across the LA KeyPlus Series from 1 January 2024:

- **Primary GP nomination:** LA KeyPlus members will no longer have cover for secondary GP consultations, with all day-to-day healthcare needs being addressed and coordinated by one nominated primary GP
- **Out of network consultations:** Out-of-network GP consultations for LA KeyPlus members will be replaced with two annual consultations with a network nurse or healthcare provider at a network pharmacy clinic. Members will be referred for a virtual consultation with a GP or an in-person consultation where needed.
- **Changing a nominated GP:** LA KeyPlus members have the option to change their nominated GP three times per year, after which approval is needed.

LA KEYPLUS NETWORK UPDATES

- To maintain the highest quality of care and ensure efficient healthcare delivery and value for members, changes have been made to the KeyPlus Hospital network.

Limits, co-payments and thresholds

- An inflationary increase will be applied to most benefits.
- The Medical Savings Accounts have been increased in line with the respective risk contribution increases.
- The Above Threshold Benefit on LA Comprehensive increases by inflation.
- The Extended Day-to-day Benefit on LA Core and LA Active will be increased by inflation.
- The income bands on LA KeyPlus will be adjusted by 5.6%.

International second opinion service

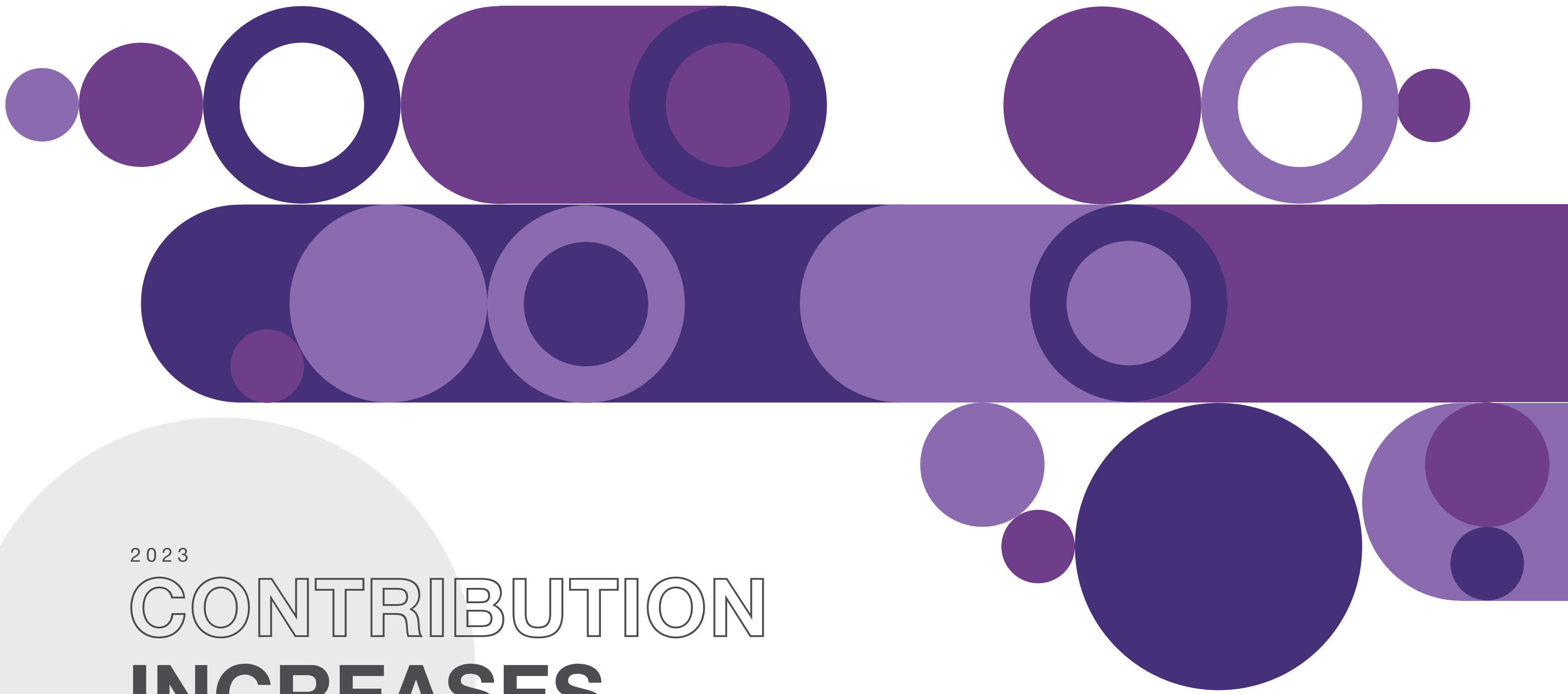
- In 2024, the Scheme will enhance the benefits available to LA Health beneficiaries for international second opinion services.
- The Scheme will now cover 75% of the second opinion consultations through the Cleveland Clinic.

Benefit Updates

2024

CONTRIBUTION
INCREASES

2023
**CONTRIBUTION
INCREASES**



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PROPOSITION



MEDICAL

inflation in 2024

Medical inflation is the year-on-year increase in the cost of healthcare claims to a medical scheme.

Contribution increases must match expected medical inflation to ensure long-term sustainability for the scheme.



TARIFF INFLATION

LA Health pays for healthcare services, such as doctor consultations, prescribed medicines and hospital ward fees, at a predetermined price, or tariff.

The tariffs for these services increase annually based on the forecasted Consumer Price Index (CPI) for the following year. Tariff increases are typically within 1% of CPI.



UTILISATION CHANGES

Healthcare utilisation is represented by the extent to which members access healthcare services. As new, high-cost technology and medication is introduced, more members wish to access this care, creating new healthcare costs.

In 2023 Healthcare utilisation has returned to pre-COVID-19 levels, after dropping to lower levels during the pandemic. The Scheme has taken this return in the use of healthcare services into consideration for the required contribution increases for 2024.



DEMOGRAPHIC RISK

The demographic profile of a medical scheme gradually changes over time. These changes can be due to existing members getting older or more members living with a chronic illness, offset by young, healthy members joining the Scheme. This changes the underlying health profile of the membership and leads to an increase in the demand for healthcare services relative to previous years.



CARE, WELLNESS AND OTHER INTERVENTIONS

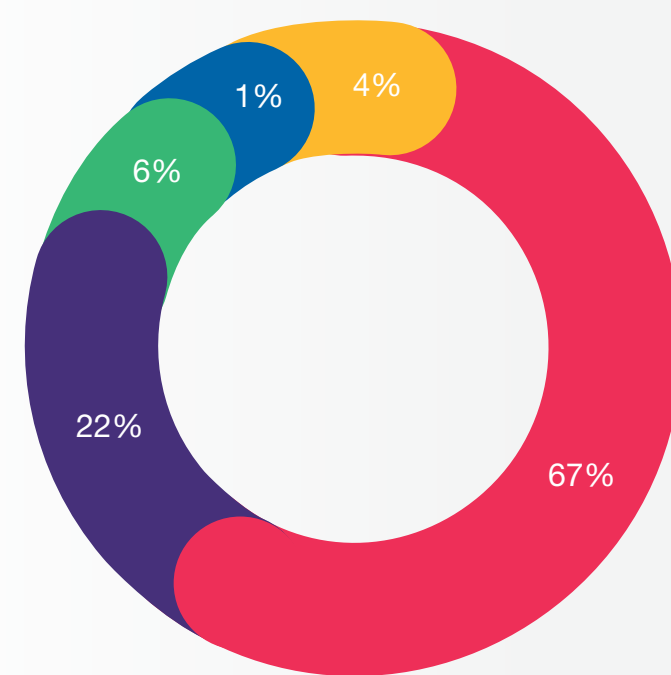
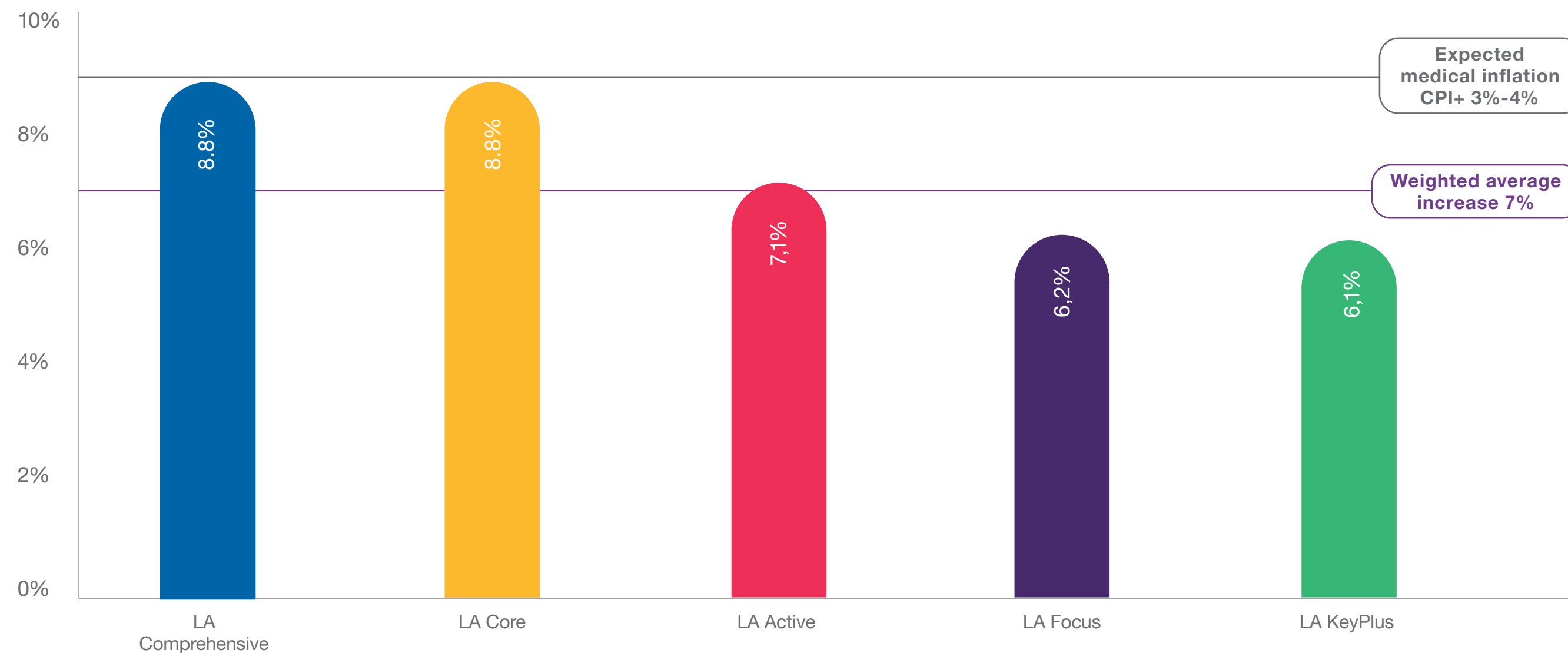
LA Health Medical Scheme has approved various managed care interventions to reduce medical scheme inflation, leading to lower contribution increases and greater benefits for LA Health members over time.

2024 LA HEALTH

contribution increases

Affordability and access to quality healthcare remain key considerations when members select a medical scheme. LA Health's strong financial performance and ability to attract young and healthy members has enabled the Scheme to consistently pass contribution rates well below medical inflation, and lower than competitor schemes in the local government sector. Over the last five years, LA Health is on average 23.5% more affordable than other schemes in the local government sector.

In 2024, LA Health benefit options will have contribution increases of between 6.1% and 8.8%



95% of LA Health members will experience an increase below expected medical inflation

LA Health membership per benefit option

- LA Comprehensive
- LA Active
- LA KeyPlus
- LA Core
- LA Focus



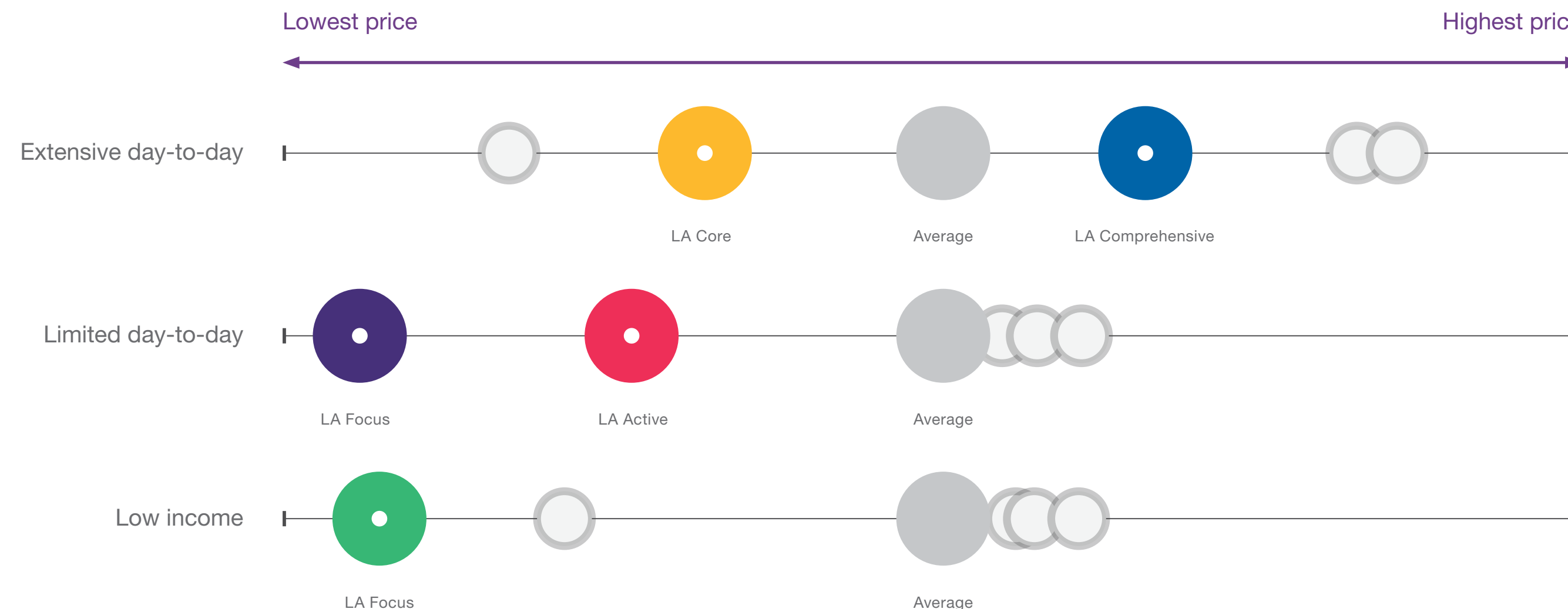
Continued affordability

OF LA HEALTH

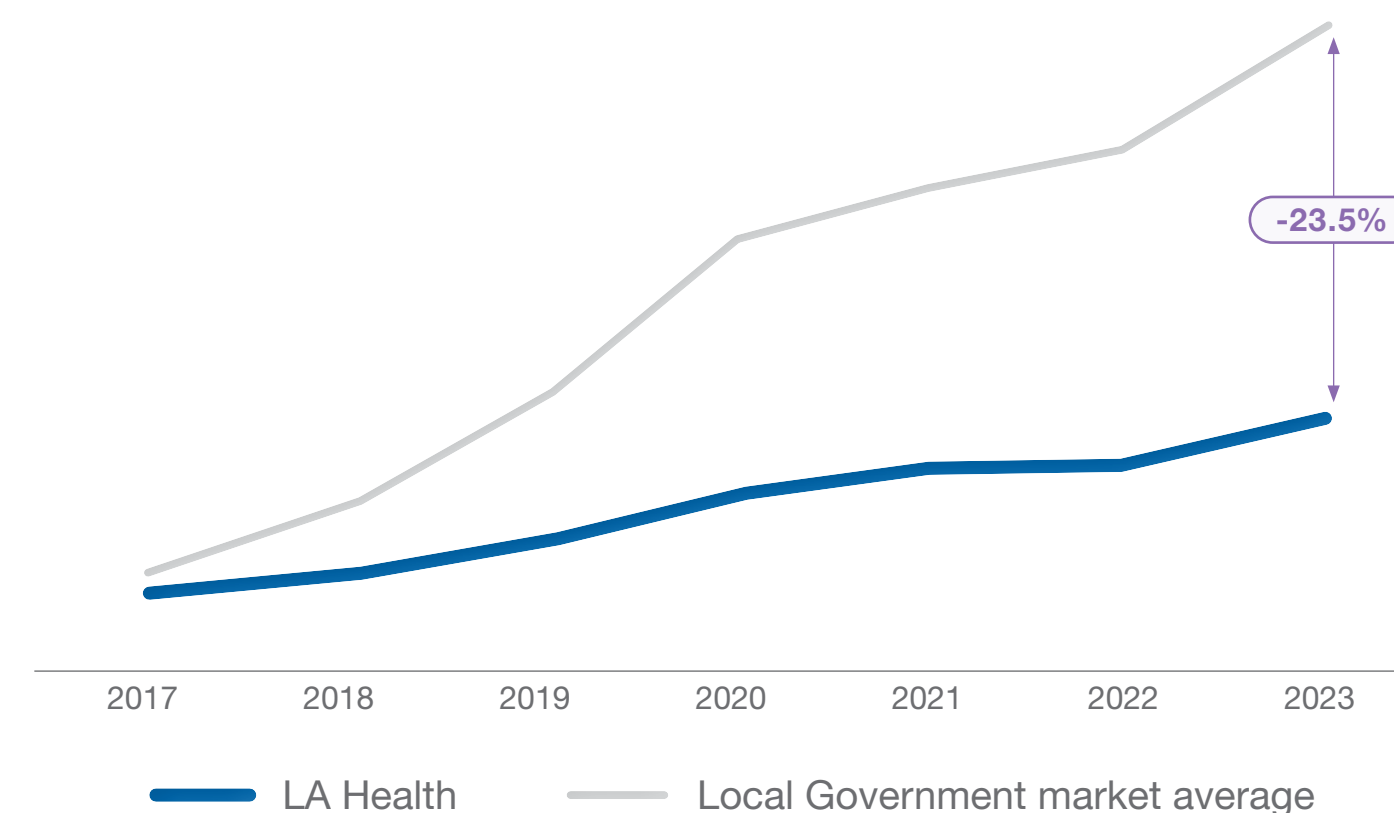
To assess LA Health's comparative affordability, we compared the average contributions for a family of three (principal member, adult and child) across all benefit options of the five accredited schemes in Local Government. This approach allows for plan category comparisons on a like-for-like basis. Based on levels of coverage, the LA Health contributions remain lower than average contributions in each segment, reinforcing the popularity and value offered by the LA Active, LA Focus and LA KeyPlus benefit options.

Comparative affordability by segment

LA Health has continued to maintain affordability for members and their families with contributions remaining below the local government sector average in 2022.



Relative contribution differential



LA Health continues to offer members exceptional value. Historic contribution increases on LA Health have been lower than the rest of the local government sector, resulting in contributions that are on average 23.5% more affordable than the Scheme's competitors.



We're in it for
your health

● CLIENT SERVICES 0860 103 933 ● FAX 011 539 7276 ● WWW.LAHEALTH.CO.ZA ● SERVICE@DISCOVERY.CO.ZA ● REPORT FRAUD ANONYMOUSLY 0800 004 500



LA Health Medical Scheme, registration number 1145, is administered by Discovery Health (Pty) Ltd, registration number 1997/013480/07. Discovery Health (Pty) Ltd is an authorised financial services provider.

