

The logo for LA Health, featuring the letters 'LA' in a stylized blue font followed by the word 'Health' in a blue sans-serif font.

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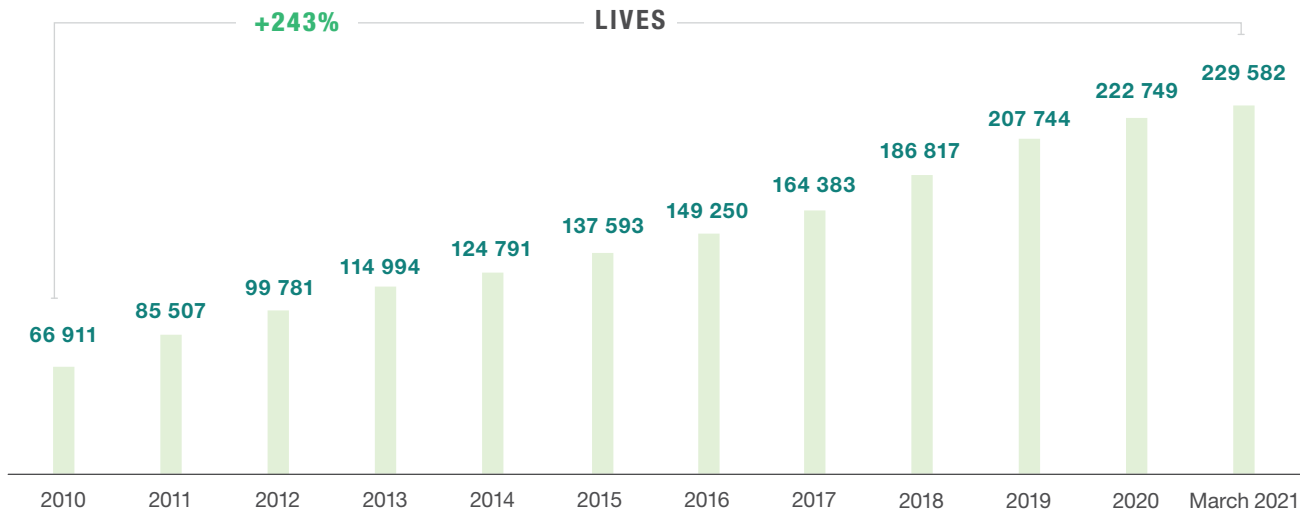


Claims Tracker

FOR THE PERIOD APRIL 2020 – MARCH 2021

Number of beneficiaries

LA Health provides healthcare cover to more than 229 000 beneficiaries. This is made up of approximately 91 000 members, and represents 42% of Local Government employees that have medical scheme cover.



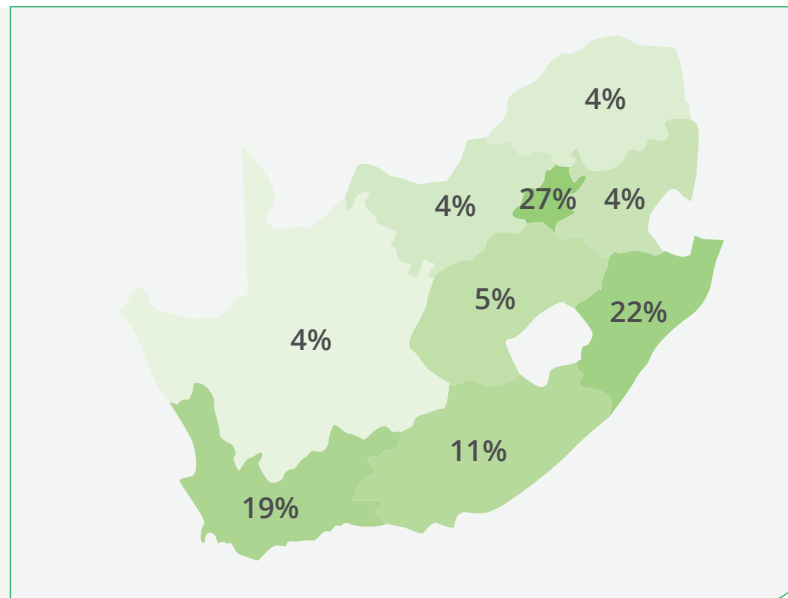
Geographic overview

The majority of beneficiaries reside in metropolitan areas such as Cape Town, Durban, Johannesburg and Pretoria.

highest number of beneficiaries



lowest number of beneficiaries



Age distribution of beneficiaries

The average age of LA Health beneficiaries is in line with that of the general population.

LA HEALTH



SA POPULATION



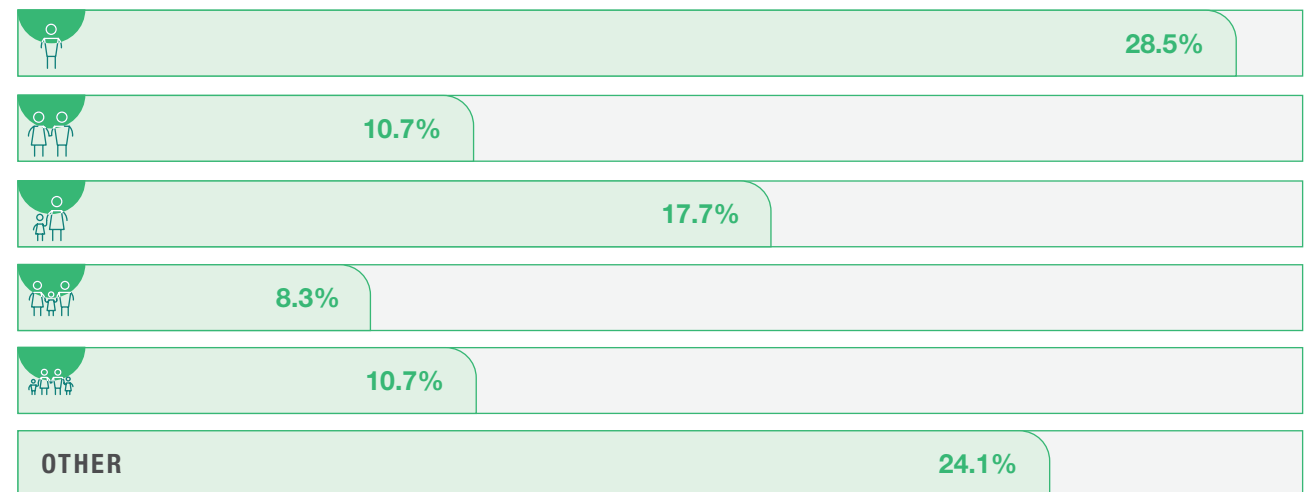
AVERAGE AGE

29.2

27.1

Family structure distribution

28.5% of the beneficiaries on LA Health are individual beneficiaries. Some of these beneficiaries are single, others have chosen not to add their family to their membership.



Throughout this document, 'beneficiaries' refers to principal members and dependants. All figures are as at 31 March 2021, with the exception of the number of beneficiaries and total market share, where the figures are for the calendar year and as at March 2021. 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.

TOTAL LA HEALTH CLAIMS PAID OVER LAST 12 MONTHS: R3.8 BILLION

Hospital claims (pg 6)

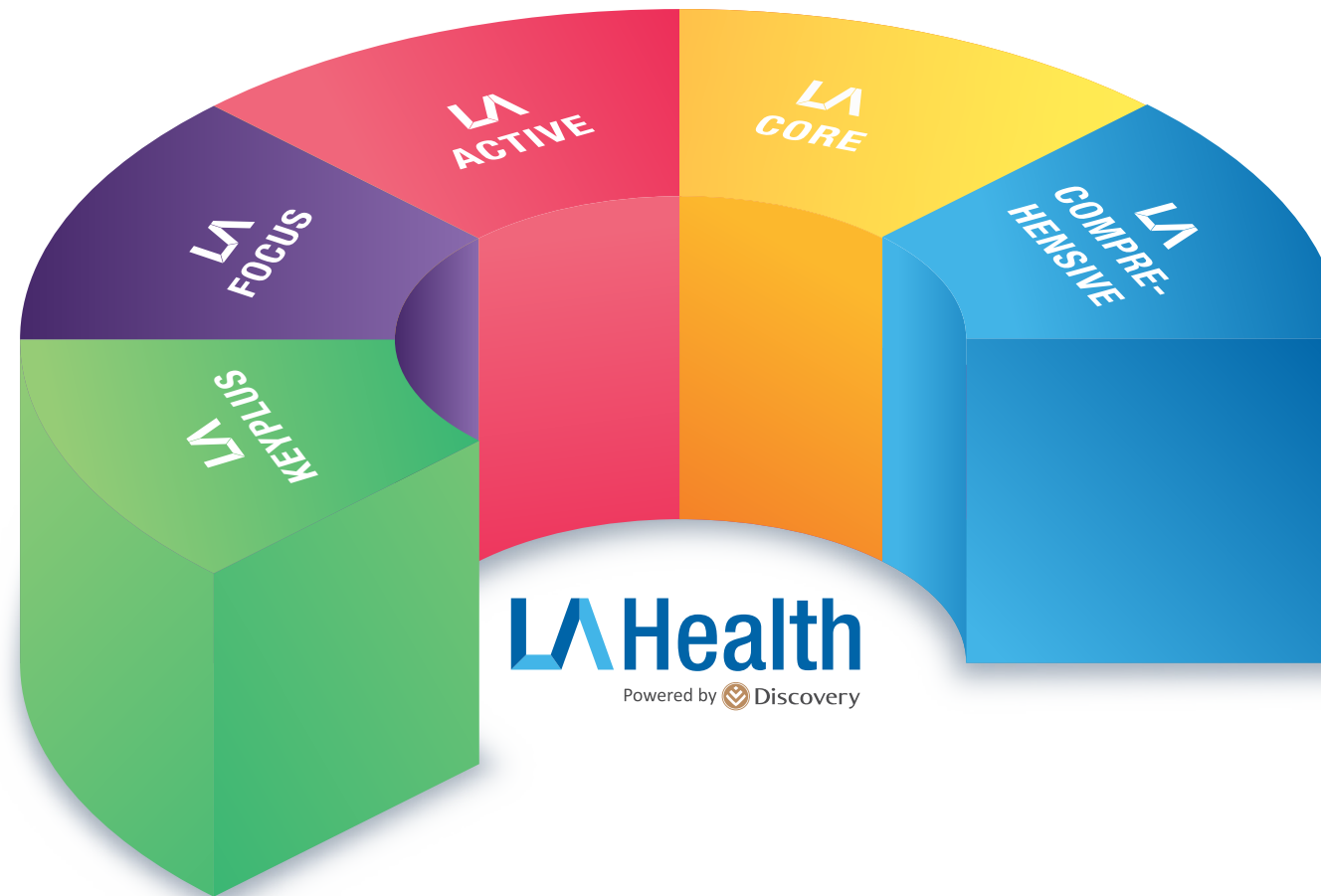
R1.7 BN	paid for hospital claims
43%	of total claims paid
30 705	hospital admissions
R53 748	average cost per admission
156 449	days spent in hospital
5.1	days spent in hospital per admission

Chronic claims (pg 11)

R212 M	paid for claims relating to chronic conditions
6%	of total claims paid
45 050	beneficiaries with chronic conditions
R392	average cost per beneficiary per month
390 819	prescriptions dispensed

Oncology claims (pg 14)

R156 M	paid for oncology treatment
4%	of total claims paid
1 482	beneficiaries currently claiming for oncology treatment
R8 777	average cost per beneficiary per month



Screening and prevention (pg 18)

3 091	beneficiaries performing Health Checks
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Day-to-day claims

R1.6 BN	paid for day-to-day claims
501 633	GP visits
127 057	specialist visits
167 360	allied visits (e.g. biokineticist, physiotherapist, chiropractor)
2.3 M	prescriptions dispensed

Maternity claims (pg 17)

R138 M	paid for births
3 441	number of deliveries
R40 093	average cost per delivery

Note: All figures for the period April 2020 to March 2021.

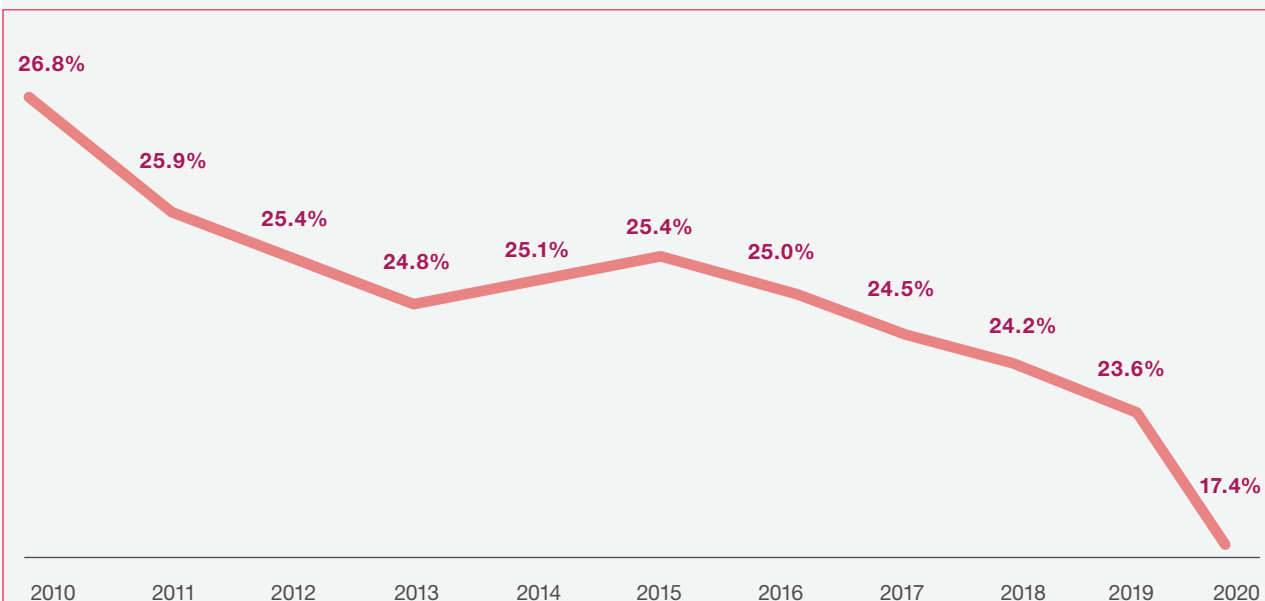


Hospital claims overview

R1.7 BN	paid for hospital claims	22 800	beneficiaries admitted to hospital
30 705	hospital admissions	156 449	days spent in hospital
R53 748	average cost per admission	5.1	days spent in hospital per admission
R440 M	paid for the 500 sickest families		

Hospital admission rate

The admission rate for the Scheme has decreased in recent years, partly explained by the declining average age of the Scheme with young and healthy lives joining. There has been a significant reduction in the admission rate in 2020 as result of the majority of elective admissions being postponed due to COVID-19.



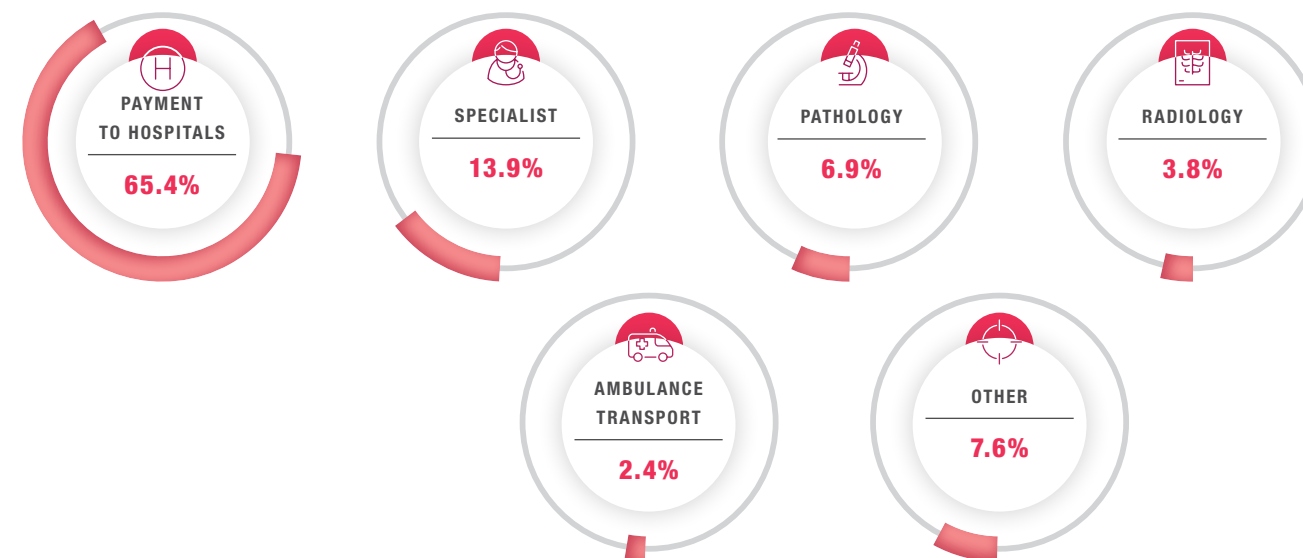
The above graph highlights the admission rate, which is calculated as the total number of admissions for the year, divided by the average number of lives on the Scheme during the year.

Note: All figures for the period April 2020 to March 2021.

Note: Costs relating to oncology or maternity-related admissions are included in the oncology and maternity sections only, and excluded from general hospital claims.

Hospital claims by type of provider

On average for every R100 paid by LA Health for a claim relating to a hospital admission, R65.40 is paid to the hospital and R13.90 to specialists.



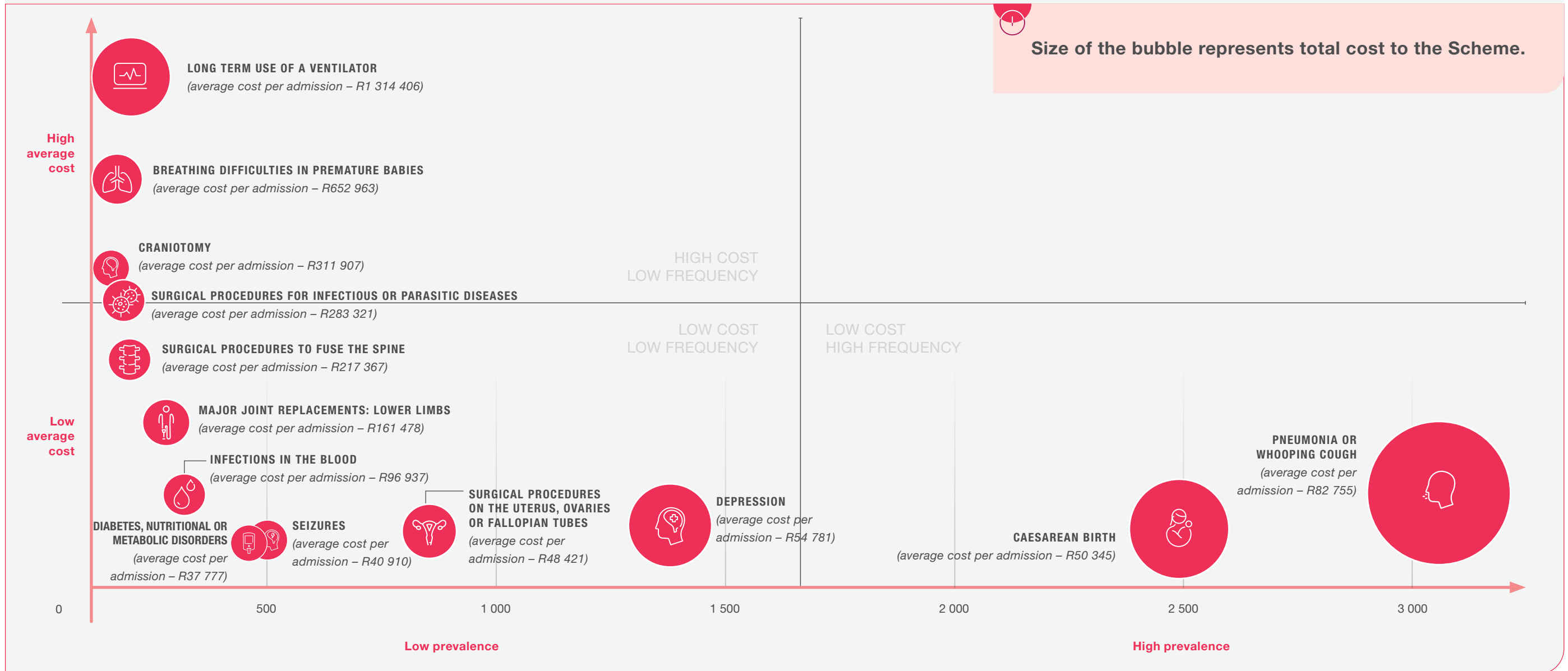
Hospital claims by size

Over the period, 87 beneficiaries experienced hospital claims greater than R1 million and 1 014 beneficiaries experienced hospital claims greater than R250 000.

CLAIMS	NUMBER OF CLAIMS
3 000 000+	4
2 000 000 – 3 000 000	17
1 000 000 – 2 000 000	66
500 000 – 1 000 000	244
250 000 – 500 000	683
100 000 – 250 000	2 548

Admissions contributing most to total hospital claims costs

Beneficiaries can be admitted to hospital for a number of reasons. The graph below illustrates that some admissions are less frequent, but very costly, while others may cost relatively less, but can occur much more frequently.



Note: All figures for the period April 2020 to March 2021.

Top 10 hospital claims

The below illustrates the highest individual beneficiary claims for hospital admissions and highlights that major medical treatments can be required at any age.

R4.8 m	Age 0 LA Focus 176 days Extensive burns with skin graft	
R4.5 m	Age 54 LA Active 165 days COVID-19 related treatment	
R3.6 m	Age 66 LA Active 55 days COVID-19 related treatment	
R3.1 m	Age 61 LA Active 115 days COVID-19 related treatment	
R2.9 m	Age 46 LA Active 85 days COVID-19 related treatment	
R2.9 m	Age 0 LA Active 81 days Neonate	
R2.9 m	Age 2 LA Focus 98 days COVID-19 related treatment	
R2.8 m	Age 36 LA Active 52 days COVID-19 related treatment	
R2.7 m	Age 52 LA Active 80 days COVID-19 related treatment	
R2.5 m	Age 41 LA Focus 76 days COVID-19 related treatment	



The largest hospital claim would require **568 years** of contributions by the beneficiary to cover that single claim.

Note: All figures for the period April 2020 to March 2021, with the exception of the number of LA Health beneficiaries with a chronic condition, where the figures are for the calendar year and as at March 2021.

Note: Costs relating to oncology or maternity-related admissions are included in the oncology and maternity sections only, and excluded from general hospital claims.



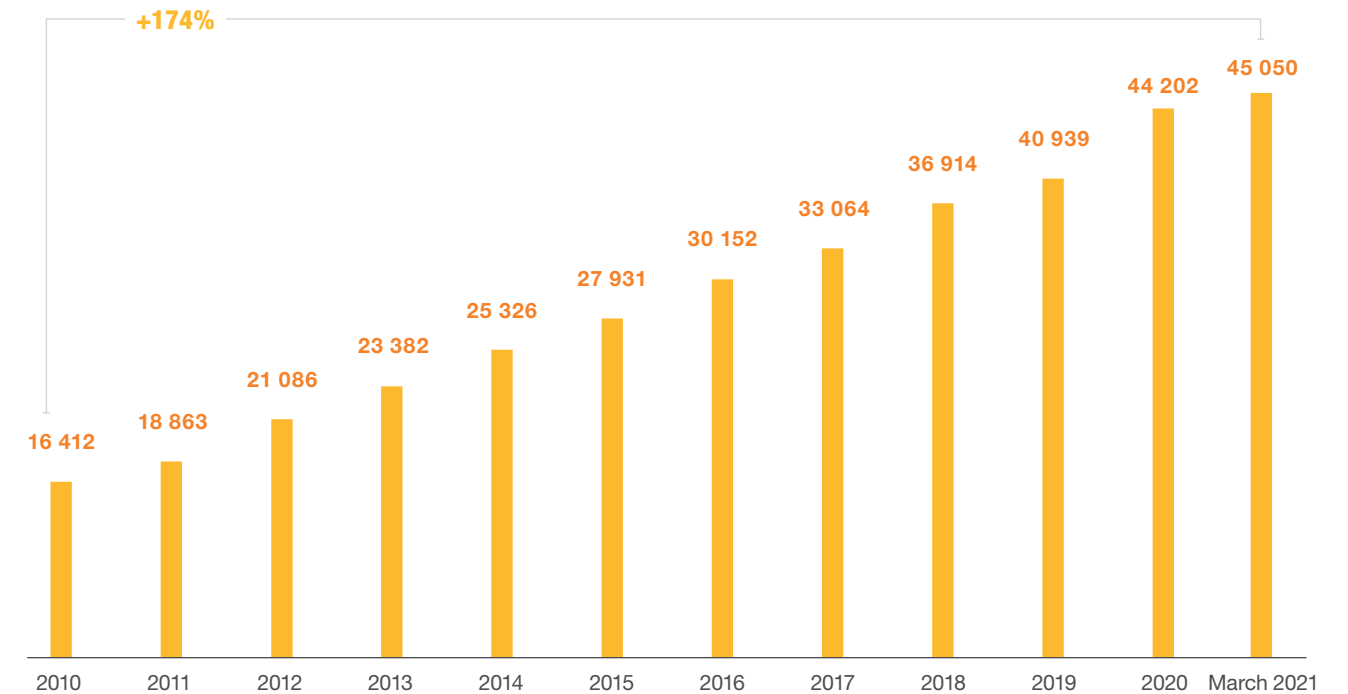
Chronic claims overview

R212 M	paid for chronic claims	45 050	beneficiaries with a chronic condition
390 819	scripts dispensed	R392	average cost per beneficiary per month

Number of LA Health beneficiaries with a chronic condition

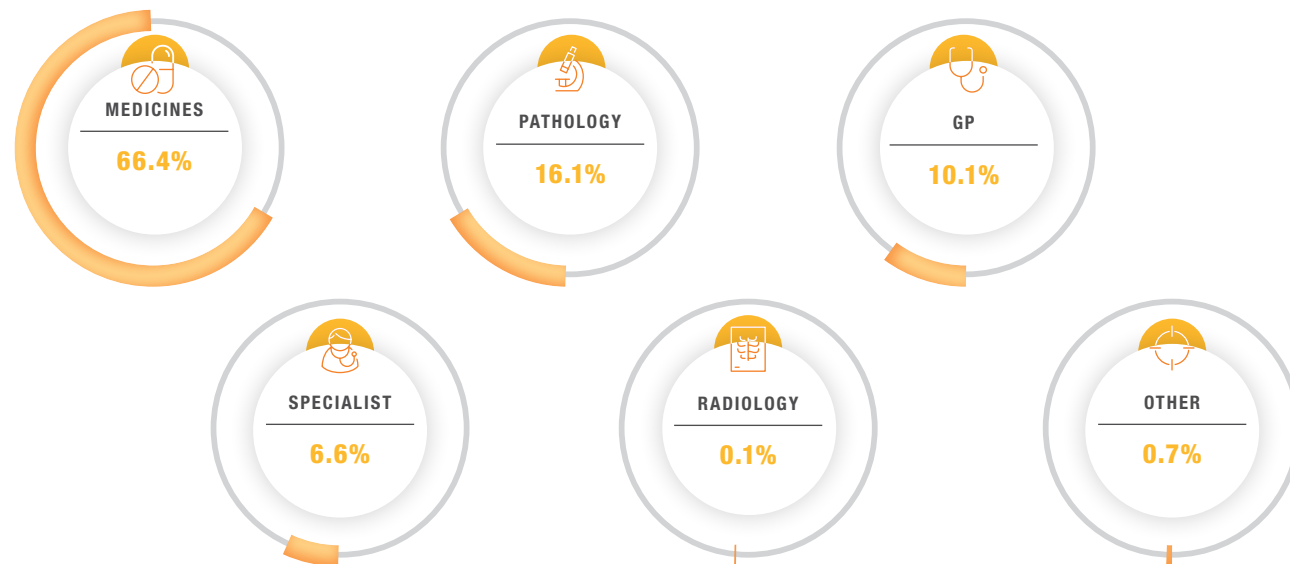
South Africa, like many countries in the world, continues to suffer from an increasing prevalence of non-communicable diseases, also known as diseases of lifestyle.

THE ABSOLUTE NUMBER OF BENEFICIARIES WITH A CHRONIC CONDITION, SUCH AS DIABETES OR HIGH BLOOD PRESSURE CONTINUES TO INCREASE, HOWEVER THE CHRONIC PREVALENCE PER 100 000 BENEFICIARIES HAS DECREASED BY 20% FROM 24 500 IN 2010 TO 19 600 IN 2021.



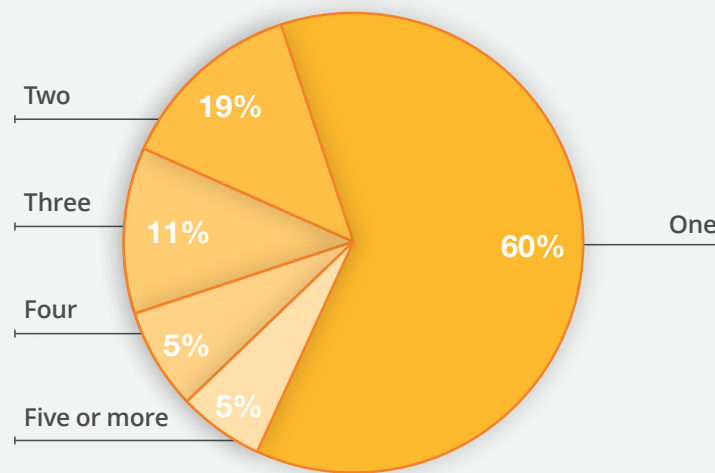
Chronic claims by type of provider

On average for every R100 paid by LA Health for the treatment of a chronic condition, R66.40 is spent on medicines.



Beneficiaries with multiple chronic conditions

Of the beneficiaries with a registered chronic condition, 40% have multiple chronic conditions. The most common combination of chronic conditions is hypercholesterolemia, essential hypertension and diabetes type 2, which is the case for 1 629 beneficiaries.



Note: Hospital-related costs for beneficiaries with a chronic condition are not included in these figures, but are included in the hospital benefit.
Note: All figures for the period April 2020 to March 2021.

Top 10 chronic conditions

	BENEFICIARIES	% INCREASE OVER PAST 12 MONTHS	AVERAGE COST PER CHRONIC BENEFICIARY PER MONTH
ESSENTIAL HYPERTENSION	23 477	6.9%	R438
HUMAN IMMUNODEFICIENCY VIRUS (HIV) INFECTION	13 639	6.6%	R502
HYPERCHOLESTEROLAEMIA	11 928	7.2%	R594
DIABETES MELLITUS TYPE 2	8 823	9.6%	R657
ASTHMA	6 875	7.0%	R309
ISCHAEMIC HEART DISEASE	2 830	2.6%	R748
HYPOTHYROIDISM	2 363	1.4%	R485
CONGESTIVE CARDIAC FAILURE	1 478	3.5%	R847
BIPOLAR MOOD DISORDER	1 371	9.6%	R522
GLAUCOMA	1 362	7.3%	R720

The most common chronic condition for the period is essential hypertension with 23 477 beneficiaries enrolled.

Diabetes mellitus type 2 and bipolar mood disorder have seen the greatest increase in enrolled beneficiaries, of 9.6%, from the previous period.

The most costly chronic condition, based on average cost per chronic beneficiary, is congestive cardiac failure with an average cost of R847 per chronic beneficiary per month, excluding hospital claims.

The above does not include hospital claims related to the chronic condition.



Oncology claims overview

R156 M

paid for oncology treatment

2 156

beneficiaries registered for the oncology benefit

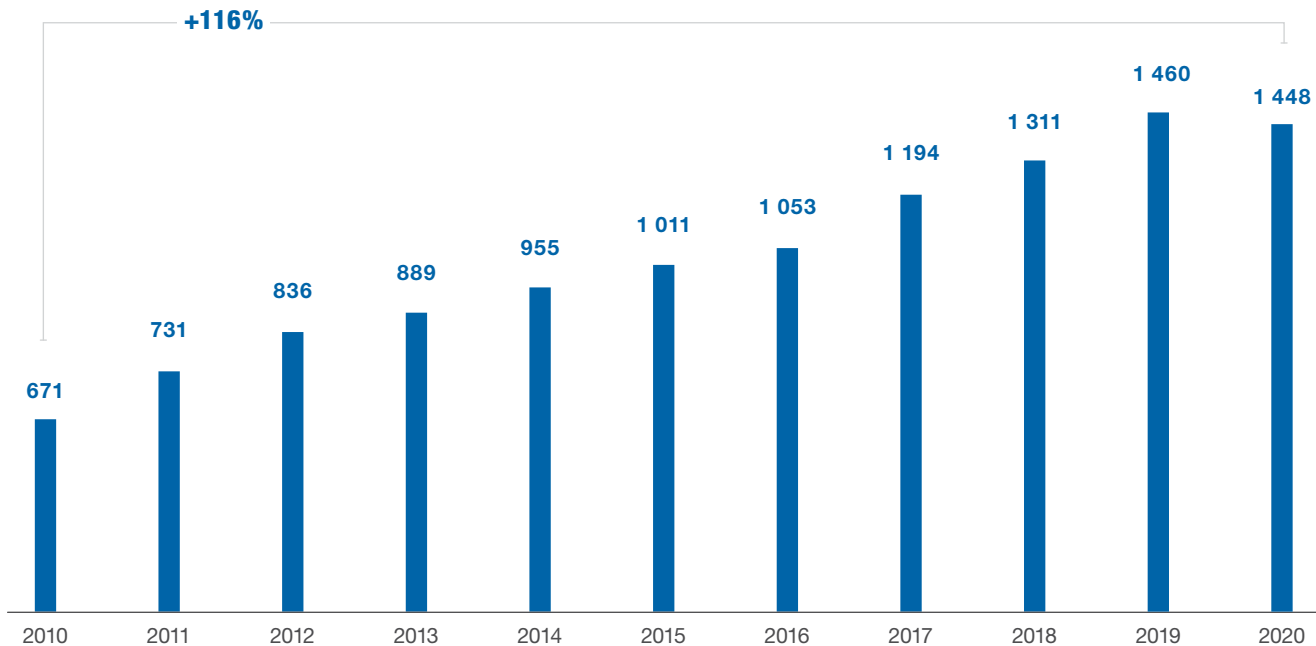
1 482

beneficiaries actively claiming for oncology treatment in past 12 months

Number of LA Health beneficiaries actively claiming for oncology

The absolute number of beneficiaries receiving treatment for cancer has increased by 116% since 2010.

HOWEVER, THE ONCOLOGY PREVALENCE PER 100 000 BENEFICIARIES HAS DECREASED BY 35% FROM 1 000 IN 2010 TO 650 IN 2020.



Note: All figures for the period April 2020 to March 2021.

Top 10 types of cancer

	BENEFICIARIES	% INCREASE OVER PAST 12 MONTHS	AVERAGE COST PER BENEFICIARY PER MONTH
BREAST	484	1.9%	R10 316
PROSTATE	428	-0.5%	R 8 628
COLORECTAL	112	-5.9%	R21 766
LUNG	52	8.3%	R30 077
HAEMATOLOGY	50	28.2%	R33 324
URINARY	46	-4.2%	R12 995
MALIGNANT MELANOMA	40	17.6%	R17 812
CERVICAL AND UTERINE	36	2.9%	R38 743
MULTIPLE MYELOMA	35	9.4%	R24 433
LYMPHOMA	23	-8.0%	R19 455

Breast cancer is the most common cancer for the period, with 484 beneficiaries claiming for breast cancer.

Haematological cancer has seen the greatest increase in claimants, of 28.2%, from the previous period.

Cervical and uterine cancer was the most expensive to treat over the period, with a cost of R38 743 per beneficiary per month.

The above includes all cancer related claims paid by the Scheme.

Top 10 cancer claims

The below illustrates the Top 10 highest individual beneficiary claims for cancer treatment and highlights that beneficiaries of various ages can require oncology treatment.

R2.2 m	Age 44 LA Active Lymphoma	
R1.9 m	Age 72 LA Comprehensive Oral Cavity	
R1.6 m	Age 53 LA Active Oesophagus	
R1.6 m	Age 54 LA Focus Cervical and uterine	
R1.4 m	Age 14 LA Active Bone	
R1.3 m	Age 28 LA Active Leukaemia	
R1.2 m	Age 35 LA Active Lymphoma	
R1.0 m	Age 55 LA Active Hodgkin's lymphoma	
R0.9 m	Age 63 LA Active Colorectal	
R0.9 m	Age 39 LA Active Leukaemia	

The infographic above includes all cancer related claims paid by the Scheme.

Note: All figures for the period April 2020 to March 2021.

Maternity claims overview

3 441 | deliveries

R 138 M | paid for births

The majority of births are caesarean births, which typically result in longer stays in hospital.

CAESAREAN BIRTHS

2 509 (73%)

R115 M

3.7 DAYS

deliveries
paid for births
in hospital, on average

NATURAL BIRTHS

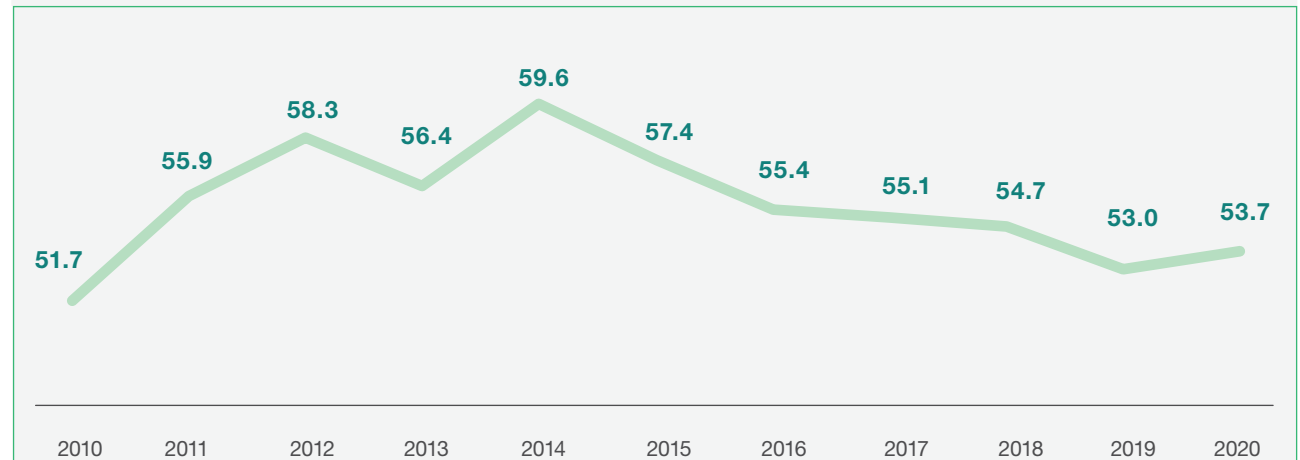
932 (27%)

R23 M

2.3 DAYS

Birth rate

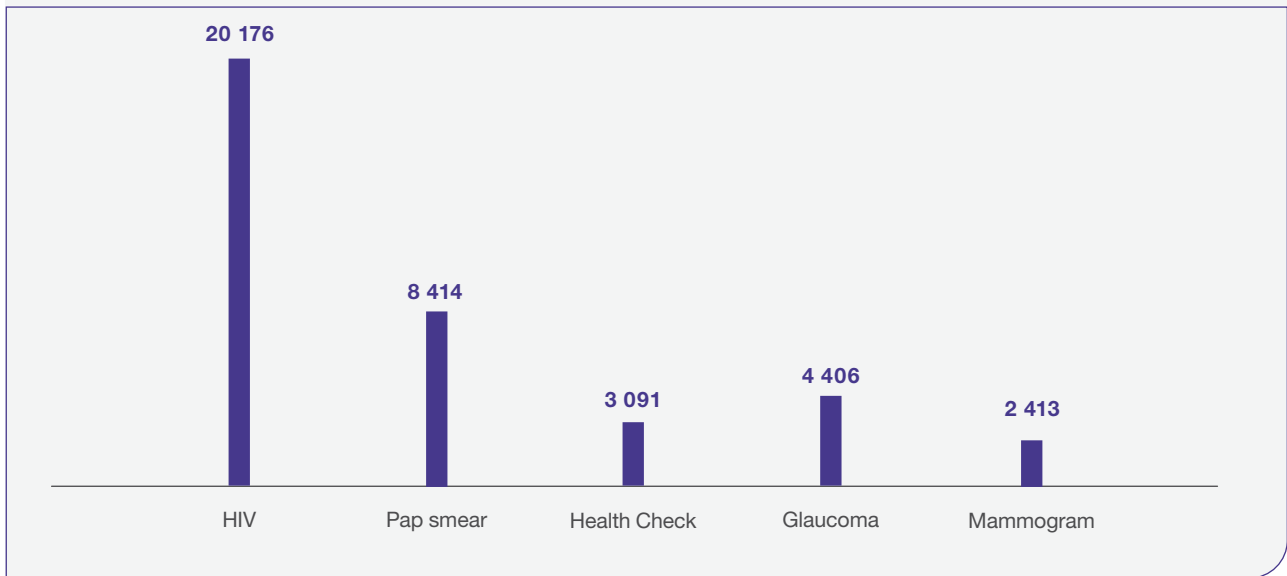
The birth rate among LA Health beneficiaries has remained relatively constant in recent years. This is in contrast to declining birth rates in South Africa in general.



The above graph highlights births per 1 000 female lives on the Scheme between ages 18 and 55.

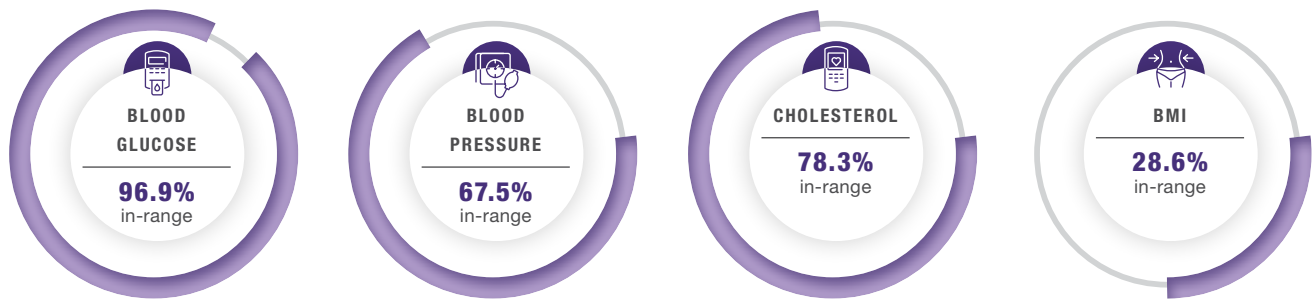
Number of beneficiaries performing screening tests

Effective population-based screening is critical for the early detection of, and intervention in, lifestyle-related conditions.



Health Check results

Health Check screens blood glucose or HbA1c, blood pressure, cholesterol and BMI. Discovery's data demonstrates a direct correlation between screening outcomes and mortality and morbidity experience.



Many beneficiaries who have done the Health Check have high cholesterol levels, high blood pressure and are classified as overweight or obese.

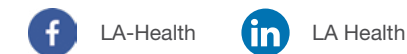
Note: All figures for the period April 2020 to March 2021.



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