Dear Member

**AMALGAMATION OF EDCON MEDICAL AID WITH DISCOVERY HEALTH MEDICAL SCHEME**

Following the member road show held in March this year and after many months of planning by the Board of Trustees the amalgamation of Edcon Medical Aid (EMA) and Discovery Health Medical Scheme (Discovery Health) is now a reality!

Both the Competition Commission and the Registrar of Medical Schemes have given approval for the transaction and the Registrar’s office has confirmed the transfer date of 1 January 2012. This means that your membership of EMA will cease at midnight on 31 December 2011 and you will be automatically enrolled as a member of Discovery Health from 1 January 2012.

The next step is for you, the member to select your Discovery Option for 2012. This communiqué is designed to assist you in making an informed choice and to answer some important questions related to the implementation process.

**Role of Alexander Forbes Health**

The Discovery Health Medical Scheme requires each participating employer to appoint a broker consultant. A tender process was conducted by Edcon to identify a suitable broker and Alexander Forbes Health was appointed. Our role is to assist the employer with the implementation process and to guide and support members in understanding the Discovery product and in choosing the most appropriate benefit option for their personal needs.

**What are members required to do now?**

Members need to decide which Discovery Option to join as from 1 January 2012.

Included with this communiqué is an Option Matrix which describes the benefits and contributions of the 19 benefit options offered by Discovery Health. Members can choose to belong to any one of these options.

Please note that the contributions indicated on the Option Matrix are Total Contributions which include the Company subsidy for those members who receive a subsidy from Edcon.

Although the Discovery Options are not identical to the current EMA Options, “Best-Fit” options which most closely match the EMA Options have been identified. Members who do not select a Discovery Option by the cut-off date will be defaulted to a “Best-Fit” Discovery Option as explained in the table below.

<table>
<thead>
<tr>
<th>Current EMA Option</th>
<th>“Best-Fit” Discovery Option</th>
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<tbody>
<tr>
<td>Essential Saver</td>
<td>will automatically default to Discovery Essential Saver</td>
</tr>
<tr>
<td>Essential Comprehensive</td>
<td>will automatically default to Discovery Essential Comprehensive</td>
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Cut-off date for Option Selection

You have to decide by no later than **Friday 11 November 2011** whether you accept the automatic default Discovery Option as indicated above or whether you would like to choose another Discovery Option that better suits your personal needs.

- **If you accept the default Discovery Option, you do NOT have to return the Option Selection Form**
- **If you choose a different Discovery Option you must complete and return the Option Selection Form by 11 November 2011** to the following address:

  Edcon Medical Aid Department  
P O Box 100  
Crown Mines  
2025

Assistance with Choosing a Discovery Option

To assist you in selecting the right Discovery Option for your personal needs you can access the following self-help tools:

1. **Contact the Alexander Forbes Health Member Support Unit (MSU)**

   Highly trained consultants in the MSU will assist you to understand the Discovery Options and will guide you to choose the right option.

   - **Phone** Alexander Forbes Health on 011 269 2690 during office hours (7:30 - 17:00)
   - **SMS the words ‘medical aid’** and your contact number to 31768 (normal sms cell phone rates apply) and a consultant will phone you back within 24 hours
   - **Email:** hcclientservices@aforbes.co.za with your enquiry

2. **Access the Edcon Intranet Site**

   Alexander Forbes Health has customized a website for Edcon which is hosted on the Edcon intranet site. All the information you need to help you understand the Discovery product and to make an informed choice of which Option is best suited to your needs is available on this site. A Contribution Calculator will also assist you to calculate your contribution based on the Option you choose.

   You can also access the website externally on the following address:

   **Log onto:** [http://www.afhealth.co.za/edcon](http://www.afhealth.co.za/edcon)

3. **Attend an Information and Help Desk Session**

   Information sessions will be held at venues around the country to explain to members how the Discovery product works and what is covered/funded on the various Options. Help desk sessions will also be held at the same venues to assist those members who need personal advice on which option is best suited to their needs.

   The dates, times and venues for the Information Sessions will be advised by Corporate Mail to you or your Store/Division. You can also contact the Alexander Forbes Health MSU or access the Edcon intranet site to confirm the details.
Questions and Answers

1. **What support can I expect if I have an EMA claim query after 1 January 2012?**
   
   - The EMA Call Centre (0860 101 258) at Discovery will remain open until 30 April 2012 to assist members with claims queries for services rendered up to and including 31 December 2011.

2. **Will my membership number change with the transfer to Discovery Health?**
   
   Yes, you will receive a new Discovery Health membership number which is valid from 1 January 2012. Please inform your doctor and all other healthcare professionals e.g. dentist, of your new membership number as soon as you receive it.

3. **Where do I submit my claims after 1 January 2012?**
   
   - Claims with a service date up to and including 31 December 2011 must be submitted to EMA in the usual way. You have four months from the date of service to submit a claim for payment. This means that EMA claims received up to 30 April 2012 will be processed.
   
   - Claims with a service date from 1 January 2012 onwards must be submitted to Discovery Health and must reflect your new Discovery Health membership number.

4. **When will I get my new Discovery Health membership card?**
   
   You will receive your new card and membership number in your New Member Starter Pack. Discovery will send your Member Starter Pack to your business unit for distribution before 15 December 2011. The starter pack will include a detailed brochure on the Discovery Health Option you have chosen. It will also provide you with information on how to contact the Discovery Call Centre and where to send your claims.

   You will be required to sign a Letter of Acceptance, confirming your acceptance of your Discovery Health membership on receipt of your Member Starter Pack. This is a legal requirement for the scheme. If Discovery Health does not receive your Letter of Acceptance, your membership will be terminated by 31 March 2012.

5. **Will gap cover still be available on Discovery Health?**
   
   Yes, the gap cover currently offered to EMA members on a voluntary basis will continue to be offered to Discovery Health members. Depending on what Discovery option you choose, you can decide whether or not to keep your gap cover. The Classic options offered by Discovery Health reimburse in-hospital claims at a higher tariff compared to the Essential options so if you choose a Classic option you may not need to keep your gap cover.

6. **Will my new Discovery Health contribution be deducted from my monthly salary or monthly pension in the same way?**
   
   Yes, the contribution deduction process will remain exactly the same.

7. **If my medical scheme contribution is paid by debit order will I need to sign a new form?**
   
   No, your previous debit order details will be transferred over to Discovery Health.
8. What contributions are charged by Discovery Health for adult dependants?

Discovery Health will charge all adult dependants the same contribution as a principal member if they do not meet the eligibility requirements to be charged an adult dependent rate. This rate is lower than a principal member rate. Adult dependants who qualify for the lower adult dependent rate are spouses, partners, full-time students up to the age of 25 and the disabled.

9. How do I calculate my new Discovery Health contribution?

A Contribution Calculator has been developed for Edcon which will calculate the total contribution (and the member portion for those members eligible for subsidy) for any Discovery Option chosen by the member.

Members can access the Contribution Calculator via the Edcon intranet site as detailed above. For those members who do not have intranet access they can contact the Alexander Forbes Health MSU or attend a help desk session at one of the scheduled information sessions.

10. What employer subsidy will I receive as a member of Discovery Health?

The employer subsidy has been restructured to accommodate the 19 options offered by Discovery Health.

To confirm your subsidy please contact Margot Sandison, Edcon Medical Aid Department, on the number 011 495 6225.

11. How do I select a Discovery Option?

To choose a Discovery Option best suited to your needs you need to follow three easy steps:

Step One: Read the Option Matrix enclosed with this communiqué
Step Two: Attend an Information Session and/or Help Desk Session or contact the Alexander Forbes Health MSU or access the Edcon intranet site. If you cannot attend an Information Session, the presentation will be available on the Edcon intranet site
Step Three: Complete the enclosed Option Selection Form and return it to:

Edcon Medical Aid Department
P O Box 100
Crown Mines
2025

no later than Friday 11 November 2011.

Important: You do not have to complete the Option Selection Form if you choose the default “Best-Fit” Discovery Option.

12. What do I do if I’m happy with the Discovery “Best-Fit” option?

All members have been automatically defaulted to the “Best-Fit” Discovery Option based on their current EMA option. If you are happy with this default option you do not need to return the Option Selection Form as you will be automatically registered on this option from 1 January 2012. We would appreciate that you do not complete your option form if you are happy to stay on the default “Best-Fit” option.
13. **What happens if the chronic condition I am currently registered for on EMA is not covered under Discovery’s chronic benefit?**

As explained to members in the roadshow presentations hosted early this year, there are 13 medical conditions identified by EMA as chronic conditions (Essential Comprehensive option only) which are NOT recognised by any of the Discovery Options.

These conditions are: Anaphylaxis (Bee Sting); Attention Deficit Disorder; Benign Prostatic Hypertrophy; Gastro-Oesophageal Reflux Disease (GORD); Hypopituitarism; Narcolepsy; Osteopaenia; Polymyositis; Premature Ovarian Failure; Sjogren’s Syndrome and Tourette’s Syndrome.

If a member is currently registered for one/more of these conditions, the cost of treatment on Discovery Health will only be paid from the acute medicine benefit. Members affected by this change will be contacted directly by Discovery Health before 1 January 2012.

14. **Will my Vitality benefits continue when I move across to Discovery Health?**

Yes, your current Vitality benefits will be transferred to Discovery Health as from 1 January 2012. Your Vitality status level and the Vitality points you’ve accumulated will remain exactly the same.

**Closing Remarks**

Alexander Forbes Health is committed to making sure that the transfer of members from EMA to Discovery Health is a success. We aim to equip all members with the knowledge to choose the right option for their needs. We encourage members to attend the information sessions where possible or to contact our MSU for assistance. Our consultants are standing by to take your call!