

Adrian Gore, Discovery Chief Executive, shares Discovery's view on South Africa's COVID-19 vaccination programme

There is considerable anxiety about South Africa's COVID-19 vaccination programme. I am reaching out to you to explain Discovery's position on it, and our deep commitment to helping to make it successful for all South Africans. Right now, nothing is more important.

This is a crucial, complex process with many unknowns, and we fully understand the resultant anxiety. The environment is fluid - for example, the rapidly changing information about the efficacy of vaccines such as Oxford-AstraZeneca's vaccine against the 501Y.V2 variant currently prevalent in SA. People are also unsure about which vaccines will be available in South Africa, when they will be available, and who will have access to them.

Simply put, we need to support our country in executing an effective vaccination campaign while ensuring that every adult Scheme member under our administration, can be vaccinated quickly and efficiently.

Upfront, I need to stress the importance of helping to make the national rollout a success, given the scale of the pandemic and its tragic impact. There have been over 2.3 million deaths globally, and approximately 120,000 excess natural deaths in South Africa during the period of the pandemic – most of which are almost certainly attributable to COVID-19.

We have also experienced the tragic COVID-related deaths of almost 5,000 Discovery Health administered scheme members, and of 12 of our own staff. We are acutely aware of our responsibility in this pandemic and the crucial role we need to play in ending it. I assure you that we have not and will not shirk our responsibility.

In this context, we are often asked why we don't just procure the vaccines ourselves for medical scheme members, and rapidly vaccinate them. There are two important constraints that make this narrow approach problematic.

First, there is a global shortage of vaccines, and the pharmaceutical companies manufacturing the vaccines will currently sell only to national governments, and not to any other entities. Second, there are specific risk factors that make some people more susceptible than others to severe illness and death should they contract COVID-19. This means that to be both fair and effective, the vaccination programme must be planned and implemented at a country level, according to a schedule that prioritises high-risk individuals first, and matches appropriate vaccines to at-risk groups according to clinical and scientific guidelines.

Not following this process would mean low-risk people get vaccinated before the clinically vulnerable, resulting in unnecessary illness and death. This cannot and should not happen. Ensuring appropriate clinical prioritisation across the nation is therefore critical. We need social solidarity; but in return, we need to make sure that this coordinated approach is implemented as quickly and as effectively as possible.

In this regard, I want to assure you of Discovery's deep involvement in these processes. We have been working closely with the National Department of Health (NDoH), Business for South Africa, Business Leadership SA and other stakeholders, on many aspects of the national vaccination programme. Our team has been involved in supporting the population analytics, research-supported procurement processes, distribution planning and system development that has been taking place.

There will no doubt be learnings as we implement the vaccination programme to frontline healthcare workers – a containable and well-defined group, and these lessons will be applied as the programme is scaled up.

Of course uncertainty still exists with regard to whether a centralised model of distribution will be pursued - whereby our government leads on procurement and coordinates distribution - or whether there will be more active involvement of the private sector in some, or all, of these elements of the programme.

Either way, we have made sure that medical scheme members under our administration will be covered and protected. We have been engaging directly with several of the key vaccine manufacturers since Q3 2020 and remain in active contact with them. Should their position of selling only to governments change in the near future, we will rapidly engage with the NDoH to agree on a role for Discovery and other private sector players to become directly involved in procurement and distribution.

Schemes administered by Discovery Health have budgeted for sufficient funding to fully cover vaccines (whichever vaccines are procured) for all of their members. We stand ready to fund their vaccination, and are also confident that the private healthcare sector's robust medicine supply chain is ideally positioned for a rapid and efficient rollout of vaccines to members of all Discovery Health client schemes.

In addition, while there has been talk that medical schemes have already agreed to finance vaccines for non-members through a cross-subsidisation agreement – this is simply not true. Schemes are awaiting clarity from government on exactly how vaccines will be funded, and what the legislated Single Exit Price will be. Any arrangement will be subject to the supporting legislation, to oversight by the Council for Medical Schemes and to consideration and approval by each Scheme's Board of Trustees.

While the detail of the rollout is yet to be confirmed, we are optimistic that the priority groups identified for early vaccination will receive their vaccines during the first half of 2021.

We are actively supporting this project with our resources and expertise and are working tirelessly to contribute towards the best outcome for the country, while ensuring that you and your family always have access to the best possible care.

I recognise that this note does not answer all of the questions that you may currently have in mind. We undertake to write to you regularly, to keep you fully updated as the details of our country's COVID-19 vaccination project become clearer.

Sincerely,
Adrian Gore
Discovery Chief Executive