

Further to my note last month, I am reaching out to update you on the national vaccination programme, following the Cabinet address on 25 March, and to describe plans at Discovery to ensure that members of the medical schemes we administer are vaccinated at speed and scale. In essence:

1. The country is on the brink of securing sufficient vaccines to cover more than 37 million adults in South Africa, exceeding the population herd immunity target of 29 million people – the number of adults required to reach the herd immunity threshold.
2. The key issue is when the vaccines will arrive in the country, and the success of the combined efforts of both the public and private sector to fast-track vaccine administration in order to cover the high-risk population as soon as possible.
3. At Discovery, we are making an unprecedented financial and human capital investment in our own Mass Vaccination Programme. The aim is to vaccinate three million adult beneficiaries of Discovery-administered schemes quickly and efficiently, with the capacity to vaccinate 50 000 people per day, pending vaccine supply. This will enable all of Discovery's 550 000 high-risk members to be vaccinated within a few weeks. We will alert you when to register on our digital portal – you don't have to do anything for now.

It is important that you understand the detail and context, so you know what we are doing and what to expect. We are acutely aware of our responsibility in ensuring the rollout is successful for our members of administered schemes – and all South Africans.

The complexity countries like ours face is pronounced: as you know, there is a global shortage of vaccine supply, in the face of unprecedented demand. Pharmaceutical manufacturers globally are still not allowing private players to procure vaccines directly; and if they did, these vaccines would still need to be registered centrally via national regulatory structures. The bottom line is that in this supply-constrained environment, vaccine procurement must be led by the State, with strong collaboration from the private sector.

What is a successful rollout and what will it take?

We have undertaken a considerable amount of actuarial and epidemiological modelling, and the implications are clear: in an ideal scenario, we should aim to vaccinate all high-risk groups by the end of June, including people over the age of 60 years and people living with multiple co-morbidities.

The Cabinet plan aims to achieve this, including essential workers, by latest October 2021. We will push hard as a combined public and private sector distribution initiative to achieve this sooner; and given the skewness in allocation of doses towards the third and fourth quarter of the year, those at highest risk will be prioritised for vaccination by July. This would mean reaching the targeted population herd immunity threshold of 29 million

adults vaccinated in South Africa before the end of the year. This would help realise meaningful health and economic outcomes, and avoid many preventable COVID-related deaths.

Achieving these objectives requires procuring sufficient vaccines as a country to vaccinate more than the targeted 29 million adults in total (number of adults required to reach herd immunity threshold), aspiring to reach more than 37 million adults, broken down as per below:

- 1.5 million healthcare workers by the end of April
- 14 million adults from May to September – the elderly and those with co-morbidities, plus various groups of essential workers identified as central to sustaining the economy
- 22 million during October to February 2022 – the balance of the adult population

In order to achieve the desired outcomes, South Africa must vaccinate 250 000 to 300 000 people per day. We are working with Business for South Africa and the Department of Health to ensure that capacity is in place, with the private sector to be included in the vaccination rollout from May, as confirmed in the Cabinet plan. We are confident that this target is feasible and achievable.

Assuming adequate supply of vaccines, can we vaccinate our members of administered medical schemes at the rate required as part of the national rollout?

Discovery has taken the steps to be ready to vaccinate medical scheme members in high volumes when the supply of vaccines becomes available from the Department of Health.

We have segmented and stratified all members of administered schemes, identifying those at highest risk, who will be prioritised. Our segmentation approach is aligned to the national prioritisation framework, as guided by the Ministerial Advisory Committee. Simply, this means that we know exactly who should receive the vaccine first, and we will communicate quickly with our scheme members to confirm their place in the rollout, contingent on vaccine supply.

Following detailed research of best-practice mass-vaccination models around the world, we have made a significant investment in our own Mass Vaccination Programme. We are deploying in excess of 500 people and spending significant capital to achieve this, including on the establishment of more than 20 large-scale vaccination centres.

We plan to vaccinate three million adult beneficiaries of Discovery-administered schemes. All 550 000 individuals identified as high-risk members will be vaccinated within a few weeks of commencing the Mass Vaccination Programme, subject to vaccine supply. We will inform you if you fall within this category, so you do not need to do anything now until you receive communication from us.

We will be ready to launch the programme on 1 May, guided by the Cabinet's start date for private-sector vaccination, and if supply allows. Our programme will have capacity to efficiently achieve 40 000 to 50 000 vaccinations per day.

We are also developing a dedicated digital portal to assist with the vaccination programme end-to-end, ensuring a seamless member experience. It will work alongside and in support of the Department of Health's National Electronic Vaccine Distribution System (EVDS) and allow for booking, appointment management, identification on arrival, tracking and reminders for second doses, and follow-up. We will track any adverse effects, which are likely to be few and far between, and support members through the process.

How is the country progressing on the procurement of vaccines?

Despite the complexity and frustrating delays, the progress is good. It appears that the country has secured 31 million doses of vaccines in total, which is sufficient to vaccinate approximately 21 million people (some vaccines require double doses). This comprises 11 million doses of the J&J vaccine and 20 million doses of the Pfizer-BioNTech vaccine, which are both highly effective and suitable. In addition, there are a further possible 20 million doses of the J&J vaccine that are being negotiated. This would be sufficient to cover more than the 37 million adults in South Africa, exceeding the population herd immunity target of 29 million people.

However, the central issue is the fact that the bulk of the vaccines will only arrive in the country from June onward, given the global shortage of vaccines for the second quarter of the year. This hampers the ideal of vaccinating those at high risk by the end of June. The delivery schedules are not yet finalised, but we are supporting Government where we can by engaging with global manufacturers to free up stock that can be fast-tracked for the second quarter of the year. We are hopeful that more can be done.

What can you expect and what must you do?

We expect to see an acceleration in the vaccine rollout from late April. If we can secure more vaccines in the second quarter of the year, then getting through the high-risk groups by the end of June could be a reality. I will update you on the vaccine availability as soon as there are developments.

Closer to the go-live date, we will let you know how to register for a vaccine on our portal, when you become eligible for a vaccine. This will guide you step-by-step through the process. You do not have to do anything now.

While the above Mass Vaccination Programme is a massive operational undertaking, and not without execution risk, I hope it assures you that we are doing whatever we can to support an accelerated national rollout, and that we are investing heavily to protect our members once supply from the Department of Health becomes available.

Until then, I urge you to continue to wear a mask and avoid large gatherings over the upcoming religious holidays. We must avoid a third wave to keep ourselves and our loved ones safe.

Sincerely

Adrian