

Explanation of terms

A **waiting period** is the time period before a member can claim for healthcare services. Waiting periods such as a three-month general waiting period and a 12-month condition specific waiting period may apply.

A **late-joiner penalty** is a percentage increase in a member's contribution and calculated as a percentage of the risk contribution. The late-joiner penalty is calculated using the member's age and the amount of creditable cover that the member has at the date of application.

Late-joiner penalties

Discovery Health Medical Scheme may apply late-joiner penalties

The Medical Schemes Act allows us to apply late-joiner penalties to an applicant or a dependant of an applicant who fits the definition of a late-joiner. Late-joiner penalties came into effect on 1 April 2001. Before that, the government gave everyone time to join medical schemes with no late-joiner penalties. This was called an "amnesty period". The amnesty period ended on 31 March 2001.

Who we consider a late-joiner applicant

A late joiner is an applicant, or the dependant of an applicant, who at the date of application:

- is 35 years or older, and
- was not a member of or a dependant on a registered South African medical scheme (foreign schemes and insurance policies are not recognised) on or before 1 April 2001, or
- has allowed a break in cover of more than three months since 1 April 2001.

How Discovery Health Medical Scheme works out a late-joiner penalty

A late-joiner penalty will only apply to you if you are 35 years or older. To work out how much your late-joiner penalty will be, we will count how many years you have not been a member of a registered South African medical scheme since you turned 35, excluding any period of cover as a dependant under the age of 21.

Please remember, for this calculation, the medical scheme or schemes you belonged to must be registered at the Council for Medical Schemes. You can visit www.medicalschemes.com to see if your medical scheme is or was registered.

The percentage in this table will be added to the contribution you pay for your risk benefits (used to pay, for example, hospital stays and chronic medicine). The extra percentage will not be added to the contribution for your Medical Savings Account.

Number of years not a member of a registered medical scheme after age 35	Late-joiner penalty
1 to 4 years	5%
5 to 14 years	25%
15 to 24 years	50%
25 years and more	75%

Who this late-joiner penalty can apply to

Individual members

In all cases where members have not belonged to a registered South African medical scheme or allowed a break in cover of more than three months, and who are older than 35 years (read the section about how Discovery Health Medical Scheme works out the late-joiner penalty).

Status D schemes

In all cases where members have not belonged to a registered South African medical scheme or allowed a break in cover of more than three months, and who are older than 35 years (read the section about how Discovery Health Medical Scheme works out the late-joiner penalty).

Group schemes

Spouses and adult dependants who are older than 35 years and who join Discovery Health Medical Scheme after the main member, or who were not dependants on a previous medical scheme.

Main members joining Discovery Health Medical Scheme more than three months after the main member's employment start date (read the section about how Discovery Health Medical Scheme works out the late-joiner penalty).

Main members who do not join within the agreed group concession period.

The late-joiner penalty will **always** apply to:

- Members and dependants on status D schemes
- New dependants added to existing Discovery Health Medical Scheme memberships
- Existing members and dependants of Discovery Health Medical Scheme transferring between Discovery Health Medical Scheme memberships.

In certain cases we will not apply the late-joiner penalty

There are cases where we apply revised criteria for late-joiner penalties. This has been effective since 1 June 2009.

Expatriates returning to South Africa

The late-joiner penalty will not be applied if clients joining Discovery Health Medical Scheme:

- Are expatriates returning to South Africa within five years of leaving, and
- Were previously members of the Discovery Health Medical Scheme, and
- Left South Africa within three months of their last day of membership, and
- Join Discovery Health Medical Scheme within three months of being back in South Africa.

We will need a copy of their passports and proof that they travelled abroad.

Please note: If a member had a late-joiner penalty on their Discovery Health Medical Scheme membership before leaving to go abroad, the same penalty will apply when they join Discovery Health Medical Scheme again.

Members can remain on Discovery Health Medical Scheme while working abroad

If your clients are working abroad for an extended period (maximum five years), they can move to the lowest income band on the KeyCare Access Plan. As soon as they return to South Africa, they can upgrade to any plan, but only if they do so within three months of returning to South Africa. We will need a copy of their passports and proof that they worked overseas.

Members under the age of 46

The late-joiner penalty will not be applied if:

- Members joining Discovery Health Medical Scheme are under the age of 46, and
- No members listed on the application have pre-existing conditions, and
- The late-joiner penalty percentage is equal to 5% or 25%.

How the criteria is applied:

- The age criterion is applied per member
- The pre-existing condition criterion is applied per family

The concession can be granted to any individual under the age of 46 with no pre-existing conditions where the late-joiner penalty is equal to 5% or 25% even if there is another applicant on the policy who is aged 46 and older.

Important note: The late-joiner penalty concession will not be granted for the entire application if any member on the application has a pre-existing condition.