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Discovery to hike top, low-end medical aid plans by 7.9% in 2026

But a reprieve for members, as all increases will be deferred till April.

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DISCOVERY R198.38 0.70%
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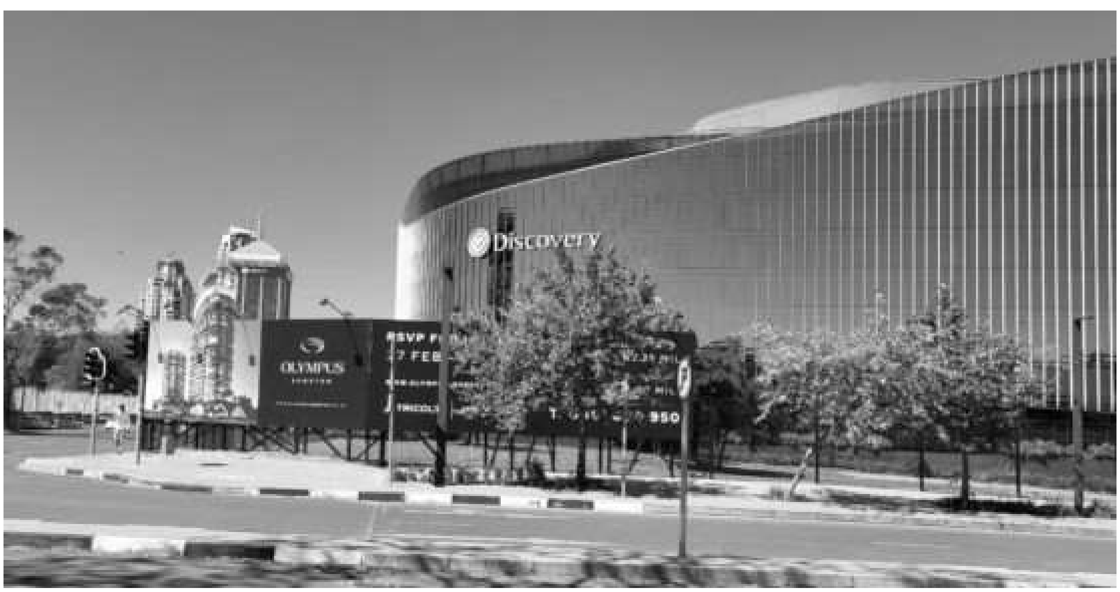

The Council for Medical Schemes must still approve the proposed contributions and recommends a cap of 3.3% 'plus reasonable utilisation estimates'. Image: Suren Naidoo, Moneyweb

Discovery Health Medical Scheme (DHMS) will increase the monthly contributions of its high-end Executive and Comprehensive plans, the Coastal variations of its Saver and Core plans (for the four coastal provinces), and its KeyCare entry-level plans by 7.9% next year.

Contributions to KeyCare plans are linked to members' income. The scheme says that the weighted average increase for 2026 is 7.2% and that two-thirds of members will see an increase of 6.9% for contributions. Some plans will increase by as little as 5.1%. Its new Active Smart plan, designed for young professionals, will see a zero increase, with contributions remaining at R1 350.

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This plan has grown to cover 22 000 lives after it launched this year, which the scheme describes as the "fastest-growing new plan" in its history.

> **More than 80% of new members of the Active Smart plan are under 40, which has helped limit the growth of the average age of scheme members to just five months older than last year.**

Typically, this change would've been closer to 12 months.

The Council for Medical Schemes, which still has to approve DHMS's contribution and benefit changes for 2026, recommended that increases be capped at 3.3% "plus reasonable utilisation estimates."

Dr Ron Whelan, CEO of Discovery Health, which administrates DHMS, says: "Contribution increases remain accurately priced in line with medical inflation, ensuring affordability and long-term stability. This approach reflects Discovery Health Medical Scheme's commitment to using every lever available to enhance member value."

It argues the weighted average contribution increase of 7.2% for 2026 "reflects the expected rise in both the cost of healthcare products and services as well as their utilisation. While the cost of healthcare services is expected to rise in line with CPI, the utilisation of healthcare services is expected to drive an additional 3% to 4% increase in claims paid by the scheme."

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The deferral of contribution increases to 1 April 2026 has been made possible by the scheme's higher-than-required solvency position. By law, this needs to be 25%, but DHMS's solvency has been well above 30% since 2019.

Its projected solvency as at 30 June was 31.7%, and it says this "strength is driven by [a] better-than-expected claims experience and returns on scheme investments." It has deferred contribution increases three times to date (in 2021, 2022 and 2023), all during the Covid-19 period when utilisation levels were well below the norm.

Whelan says, "This strategic use of excess solvency enables the scheme to offer members meaningful financial relief without compromising its long-term sustainability."

> **DHMS will launch two new plans on 1 January 2026: the Classic Smart Saver and Essential Smart Saver, targeted at young families.**

These will be variations of the existing popular Classic Smart and Essential Smart plans, but will add medical savings accounts.

Whelan says that over 92% of young families claim for GP consultations and medicine each year, but that "broader day-to-day needs are unique in terms of specialised care. This insight shaped the Smart Saver Series: guaranteed risk-funded benefits for universal needs, and flexible, innovative benefits for the more unique ones."

Its new Personal Health Pathways platform, which incentivises and rewards customers for completing certain health and exercise actions, has seen somewhat limited uptake this year. Only

390 000 scheme members have activated Personal Health Pathways, which equates to just under one in five eligible members.

However, engagement among these members has helped drive a "nearly four-fold increase in completion rates and a five-fold increase in total health actions completed from 2024 to 2025."

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For completing the next best actions, members can earn Discovery Miles and contributions to their Personal Health Fund. This is an additional fund, aside from one's plan benefits and/or medical savings accounts (and Vitality), which can be used for eligible day-to-day medical expenses, including GP visits, specialist consultations, physiotherapy, and medicine.

By September, members had earned over R200 million in additional healthcare benefits through this platform.

Engaged members who have activated this by the end of 2025, enable physical activity and sleep tracking on their phone or wearable, and complete a health check will earn an "opening balance" of R1 000 in their Personal Health Fund. The maximum amount that can be accumulated in the fund will be increased from R2 000 to R3 000 next year (and from R10 000 to R12 000 per family.)

The scheme will also introduce health challenges in 2026, which it says are "curated sets of actions designed to reinforce healthy behaviours and build lasting habits." Whelan says: "These enhancements are designed to help members achieve targeted breakthroughs in their health and build longer-term habits."

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