

# Dis-Chem enters health-insurance market with launch of Dis-Chem Health

Dis-Chem Pharmacies has launched Dis-Chem Health, a health-insurance offering designed to entrench the group's growing position as an integrated provider of primary healthcare.



Source: [Pexels](#)

This follows last year's acquisition of 25% of Kaelo Holdings' equity which houses a complementary portfolio of health assets, including occupational health clinics, the AskNelson psychological wellbeing platform, and the administration of benefit-rich gap and primary health insurance products.

"Primary healthcare is fundamental to a healthcare system that improves health outcomes to as broad a base of the population as possible. With primary healthcare gaining widespread recognition as being the "front door" of the healthcare system, pharmacies are positioned as a fundamental entry point of the primary healthcare ecosystem," says Rui Morais, CFO at Dis-Chem.

Dis-Chem has identified a need to provide universal access to affordable and quality private primary healthcare in an environment where more people are prepared to pay for healthcare, which aligns with its intention and commitment to play a leading role to extend universal access to a wider and under-served segment of the population.

"This initiative combines Dis-Chem's consumer-facing brand strength, store network and loyalty base assets with Kaelo's

best-in-class health-insurance assets, giving the capability to maximise policy acquisition and retention while making a meaningful difference in the lives of a large segment of our population who have historically not had access to traditional private medical coverage,” says Morais.

“Kaelo has extensive experience and capability in providing affordable, easily accessible care that enables high quality health outcomes for policyholders. Our partnership with Dis-Chem is deeply meaningful in that it aligns a unique set of assets that rapidly increases access to care for a market that is currently under-served,” says John Jutzen, CEO of Kaelo.



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From a Group perspective, this new offering beneficially positions Dis-Chem in the provision of care in a rapidly evolving primary healthcare landscape and enables vertical integration in the healthcare value chain to share in the resulting benefits from economies of scale and diversified revenue streams.

Demand for affordable medical cover continues to grow in an environment impacted by continued financial pressure on consumers; this against a backdrop of fewer people being able to afford traditional medical-aid cover, and the strained quality of, and access to, public-health services. 72% of South Africans access the public-health network, 15.2% have access to medical aid and 11.8% pay for out-of-pocket private healthcare. Only 2% of South Africans are covered by medical insurance.

“The stagnation in medical-aid membership has been driven by an increasingly constrained consumer, bearing under rising, private medical costs that have consistently been well above inflation rates over the past two decades. This has resulted in more people downgrading to less expensive medical-aid plans or cancelling their medical cover all together. There is growing demand for medical-insurance policies that offer a rich set of day-to-day healthcare benefits,” says Morais.

The company says its 430 in-store clinics across its network of more than 250 stores across the country are well-positioned as a bridge between the public and private healthcare sectors from both a cost and accessibility perspective. These clinics have experienced an increased demand for primary healthcare services, indicative of the role of the pharmacy in this space.

Dis-Chem Health's premiums start at R431 per month for the Core plan and increase to R591 per month for the Plus plan with additional cover options available for accident and medical emergency illness cover.

Medical insurance offers members non-life insurance to cover the cost of day-to-day healthcare needs and certain accident and medical emergency illness events. While it is not a medical scheme, does not offer the same benefits as a medical scheme and is not a substitute for a medical scheme, medical insurance is a good option for those who cannot afford medical-aid membership.

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