

## Average contribution increase

Momentum Medical Scheme’s weighted average contribution increase for 2025 is 9.4%, with some benefit enhancements, effective from 1 January 2025. It is important to note that increases vary per option, and according to the providers chosen.

Members can tailor their increases by taking advantage of features such as provider choice. This will not only have a positive impact on the contributions payable but can also provide a better match for their healthcare needs. The following breakdown explains our average increase in more detail:

- |           |   |             |
|-----------|---|-------------|
| <b>1.</b> | <b>Consumer Price Inflation (CPI)</b>   | <b>5.3%</b> |
|           | CPI represents the starting point for determining contribution increases year-on-year. This reflects the 2025 expectation of CPI. |             |

Over the last few years, medical inflation has been estimated as CPI plus 3%. This considers demographic factors, including adverse selection and burden of disease, as well as supply side factors, which include advancements in medical technology and tariff increases negotiated with providers. All of which are integral when calculating the medical scheme increases for the following year.

- |           |  |             |
|-----------|--|-------------|
| <b>2.</b> | <b>Impact of medical inflation, including new medical technology</b>   | <b>0.7%</b> |
|           | The impact of the above expected provider negotiation increases this component by 0.2%, whereas the allowance for new technologies increases this component by 0.5%. As a result, the above mentioned supply-side factors added a 0.7% strain on the Scheme’s increase for 2025. |             |

- |           |  |             |
|-----------|--|-------------|
| <b>3.</b> | <b>Demographic profile change and burden of diseases changes</b>   | <b>2.6%</b> |
|           | Even if all else remains unchanged, a medical scheme’s membership would age with one year every year. With increased age comes increased disease burden, hence, to counteract the effect of an ageing membership, medical schemes are reliant on growing their membership annually with younger members. |             |

- |           |                                  |             |
|-----------|----------------------------------|-------------|
| <b>4.</b> | <b>Benefit changes and other</b> | <b>0.6%</b> |
|-----------|----------------------------------|-------------|

Benefit enhancements and other adjustments resulted in an additional 0.6% in claims costs.

- |           |   |             |
|-----------|---|-------------|
| <b>5.</b> | <b>Reserve building</b>   | <b>0.2%</b> |
|           | Momentum Medical Scheme has experienced a solvency level above the legislated 25% requirement in 2024. This has occurred due to lower claims experience in prior years as well as good investment performance in the past. Reserves are there as a buffer to protect the Scheme’s members against once-off unexpected events. A portion of the reserves are used to ensure the maximum affordability for Scheme members with a delayed contribution increase when needed, while still ensuring the levels are comfortably above the legislated requirement and with a sufficient buffer for future unexpected experience. |             |

<b>The total 2025 average effective increase</b>		<b>9.4%</b>
--	--	-------------