



Media Statement

Multi-million dollar contract attests to ability of SA healthcare funding industry

Tuesday, 6 September 2005 – South African healthcare group Eternity Holdings today announced that its healthcare information subsidiary Cumulus has signed a \$25 million deal with Australia's largest health fund, Medibank Private, for the implementation of a new healthcare information management system (HIMS).

According to Bruce Levy, Medibank Private Group Manager, Health Services, Cumulus, which is being implemented over an eighteen-month period, will form the pinnacle of a systems renewal programme valued at \$65 million. He added that once the Cumulus system, has been fully integrated with existing Oracle and SAP business systems it will result in an excess of \$20 million in net annual savings for Medibank Private.

"Medibank Private, which pays out more than \$2 billion in benefits each year on behalf of three million medical scheme members, undertook an extensive search to find a healthcare information management system that would substantially automate the processing and calculating of member benefits while improving the flexibility of its information technology environment to offer new innovative products and meet regulatory requirements more efficiently," said Levy.

According to Cornel Viljoen, Managing Director of Cumulus, while completing the rigorous Medibank Private tender process along with 72 other

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organisations from across the globe, Cumulus found itself in the company of prestigious multi-billion dollar organisations such as the US\$40 billion Ross Perot Organisation.

Viljoen added that Cumulus proved an attractive option for Medibank Private as it was a tried and tested system that had shown incredible results in South Africa for schemes such as CAMAF (The Chartered Accountants Medical Aid Fund). "Cumulus is incredibly 'customer centric' and is focused around imbedded workflow for claims processing, CRM reporting, provider contract management and contribution collection. Of equal importance is the fact that our South African healthcare system is not that different from that of Australia," explains Viljoen.

Commenting on the newly signed deal, Grant Newton, CEO of Eternity Holdings said that South African healthcare companies were particularly well positioned to operate globally: "The Cumulus / Medibank deal clearly demonstrates that South African healthcare technology can compete with the finest in the world. Medibank Private is one of the world's largest and best run medical funds and we are proud to have been selected for the contract over a number of global vendors."

"Right now the need for a highly versatile healthcare product range and sophisticated healthcare information technology is at its greatest in countries such as Australia and the United States. As in South Africa, healthcare costs have increased annually and are now approximately three to four times higher than inflation. Despite soaring costs, the medical schemes product range on offer in Australia has remained fairly limited, generally not catering for the varying needs of individual clients."

Newton firmly believes that South African healthcare companies have much to offer Australia when it comes to information technology, the structure of

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our healthcare products and even the way that we settle claims. "In South Africa, long-term success in the international healthcare arena requires agility, an innovative approach and expert skill. These are the qualities that the average South African healthcare company has been founded on."

"Information technology and expert systems are invaluable in providing schemes with the necessary information so that they would be able to make informed decisions," says Newton. "Unless a way is found to translate reliable data into useful information, healthcare funds will not be in the position to know what they are managing," cautions Newton.

Newton said that Cumulus was a fully integrated system which allowed for on-line realtime processing, an imperative in today's modern healthcare funding environment. He added that Cumulus was designed with the South African environment in mind and is therefore fully adaptable so that it can cope with any changes and new developments within the South African healthcare funding environment.

Levy said that Eternity's Cumulus system will substantially automate the processing and calculating of Medibank member benefits as well as improve the flexibility of the fund's IT environment to offer new innovative products. It will also help Medibank to meet all regulatory requirements and drive greater cost of delivery efficiency.

According to Levy, "the implementation of HIMS will quite literally change the way Medibank Private does business with its members and providers across the country. The iMed solution will dramatically improve our ability to service members, it will lower business costs, and advance trading through all e-commerce channels. When integrated with our SAP and Oracle systems, it will deliver efficiencies for ourselves as well as the health service

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providers with whom we contract.”

“The HIMS project is the transaction engine for all business interaction with members, including processing and calculation of premiums, assessment of claims, calculation of benefits, policy and product details, and provider contract information.

Levy concluded that Eternity Holdings and Cumulus offered a superior solution in terms of functional capability and the ability to meet Medibank Private’s requirements at present and well into the future.

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