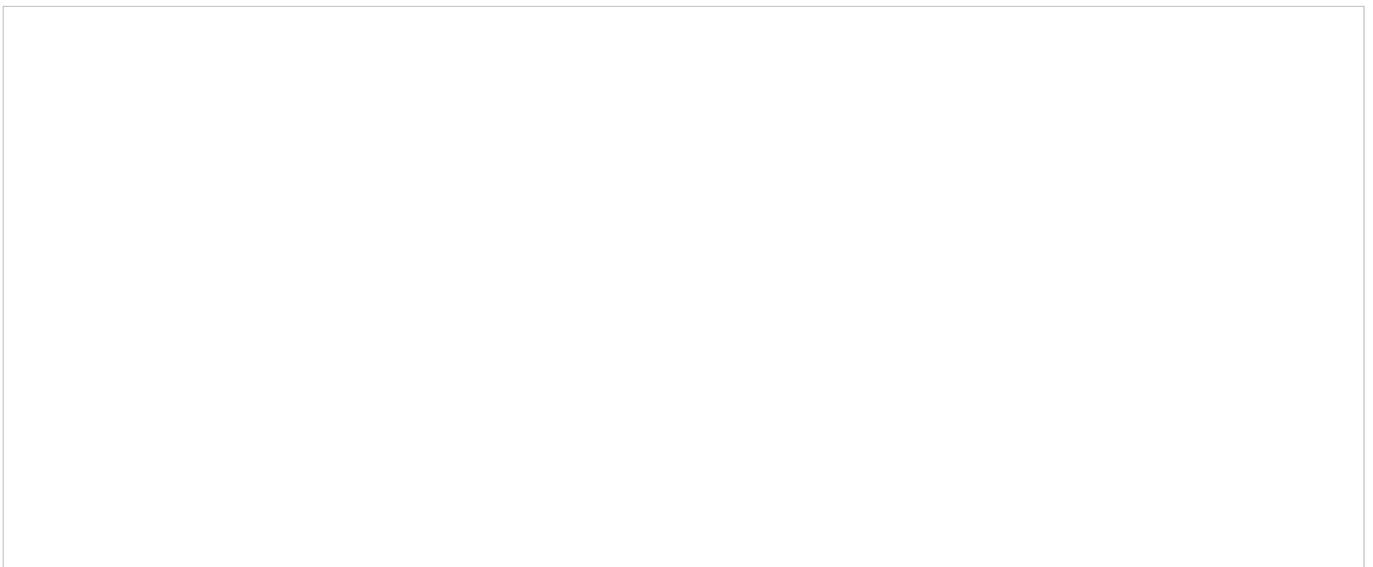


What we do

Medcover entered the market for employer funded healthcare services in Poland in 1995, and subsequently took this same business model to Romania. The prepaid payment model provides steady and predictable revenues and high customer loyalty. At the end of 2017, Healthcare Services provided care to close to 1,024,00 members. There are various ways to become one of our members. The majority of our customers are companies buying group prepaid benefit plans for their employees. We sell group insurances and individual insurances as well. We also welcome patients on a fee-for-service basis and provide selected services under the contract with national health funds.

Most employers in the countries where Medcover operates chose to provide their employees with ambulatory healthcare, both primary care and some specialist care, because these are the services which the employees are most likely to need. However, many individuals and some employers wish to ensure access to a broader range of specialist ambulatory services, and to hospital care as well. It is the demand for these services that led Medcover to expand into hospital care and to broaden the range of specialist care provided.



Wilanów Hospital in Warsaw, Poland

Medcover is the largest private medical company in Poland to have its own, multi-profile hospital, located in Warsaw's district of Wilanów. The hospital operates seven inpatient departments.

In Central and Eastern Europe, all countries have implemented healthcare reforms since the fall of the communist bloc in 1989. The reforms differ among the countries, depending very much on the specific conditions at the start of reforms and each government's economic circumstances and approach to health policy during the transition to market economies.

- Payments for healthcare and diagnostic services are either made through a public system where the government or municipality subsidises healthcare costs for eligible citizens (public pay), or by private individuals or companies (private pay), or through a combination of the two. Private pay has grown largely due to the budget restrictions.

The private payment models can be sub-divided depending on the relationship between the amount to be paid and the services to be provided:

Fee-for-Service ("FFS")

In an FFS model the patient or other payer pays an amount for each specific service provided, normally at the same time or shortly after the service is provided. This is a common payment model in many markets.

- Funded Pay

In a Funded model the individual, company or other payer pays an amount in advance in return for the right to receive healthcare services within a given scope of services. There is no direct link between the amount paid

and the actual services provided.

Healthcare Services offers all of the above private payment models with a large weighting on funded payment.

The overall private pay share of revenues in 2017 was 96 percent.

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