

CIGNA Choice Fund[®] Experience Study

Summary of Key Findings – October 2010

CIGNA recently completed the fifth in a series of multi-year studies to track the experience of customers in its Choice Fund consumer-driven health plans (CDHPs).

Using actual claim data from real customers and clients, we compared the behaviors and costs of CIGNA Choice Fund customers with those of individuals in traditional plans like a PPO or HMO.

This year's CIGNA Choice Fund Experience Study once again demonstrates that, when compared to customers in traditional plans, customers in our CDHPs:

- spend less on overall medical services,
- receive equal or better quality care,
- take a more active role to improve their health, and
- are more satisfied with their health care service experience.



Sustainable Lower Trend – Without Cost Shifting

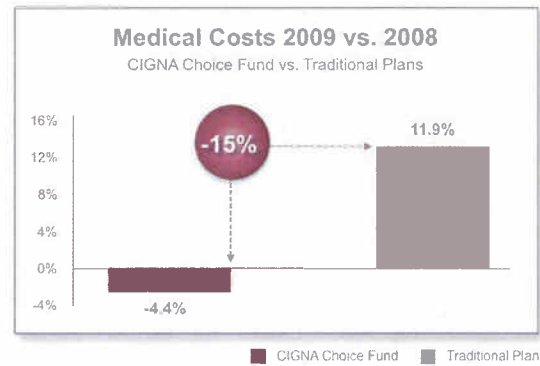
When compared to customers in traditional plans, overall medical cost trend for customers in CIGNA Choice Fund plans was **significantly lower** in the first year – and can be sustained over time:

First Year Medical Cost Trend

There were significant cost savings in all health status categories, across all categories of service, and for both Health Reimbursement Account and Health Savings Account plans.

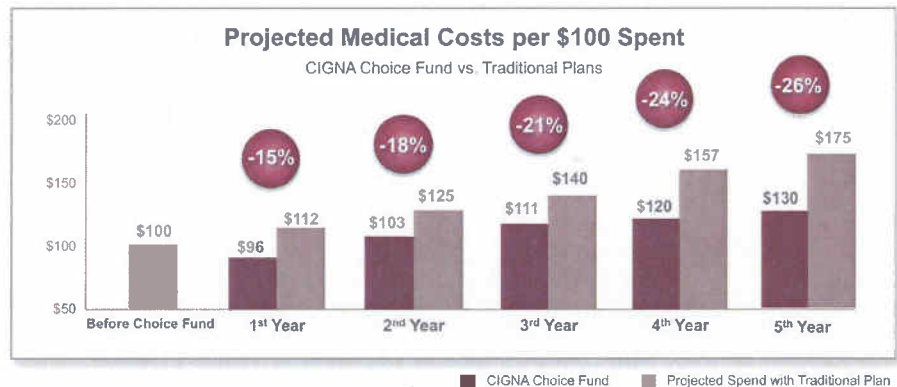
The results are consistent with previous studies at -14%, -13%, -12% and -16%.

This reduction in medical cost trend was delivered **without shifting cost** to customers.

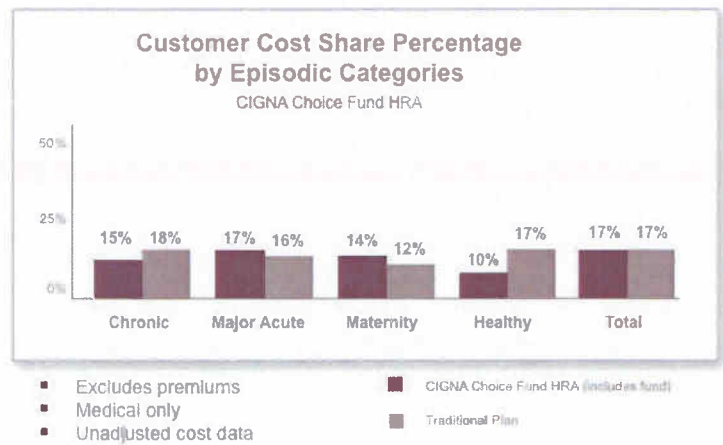


A client in a traditional plan spending \$10 million today could save nearly \$15 million over the next five years by switching to full replacement CIGNA Choice Fund.

Lower medical cost trend for CIGNA Choice Fund continues in subsequent years.



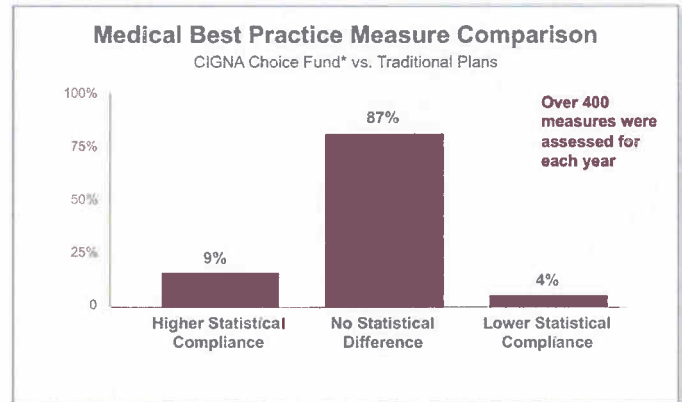
Analysis of customers' out-of-pocket health expenses showed those in CIGNA Choice Fund paid nearly the same percentage as customers in traditional plans – regardless of their health status.



No Sacrifice in Quality of Care

When compared to customers in traditional plans, CIGNA Choice Fund customers continued to receive recommended care at the same or higher levels as those enrolled in a traditional plan.

- **8% - 10%** higher use of preventive care services
- **Equal or higher** use of evidence-based best practices
- **9%** more get recommended evidence-based care treatment in year one. That number jumps to 14% in their renewal year



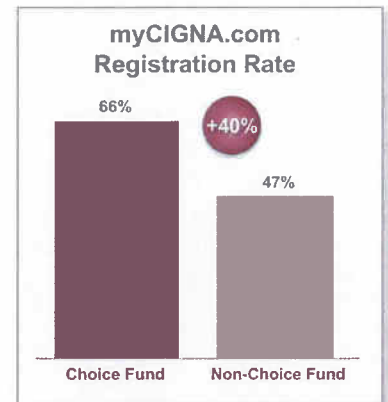
*New Choice Fund customers in 2009 95% confidence level

More Take Action to Improve Health, Lower Cost

When compared to customers in a traditional plan, CIGNA Choice Fund customers more actively participate in programs and services to improve their health and their health spending habits.

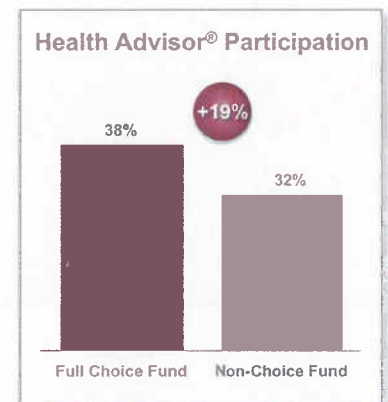
More Register and Use Online Health Information

- **66%** registered to use our award-winning online information and tools to make health care decisions compared to just **47%** in a traditional plan
- **40%** more likely to use online cost and quality information/tools when making health care decisions



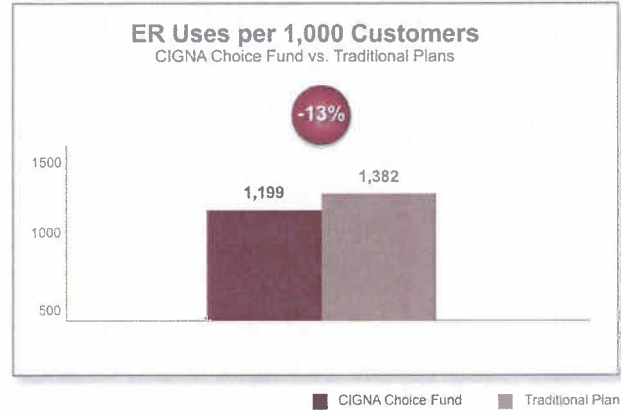
More are Actively Engaged in Health Improvement Programs

- **5 times** more likely to complete a health assessment
- **19%** more likely to work with a health advocate to improve their health and wellness



More Choose Lower-Cost Care Options

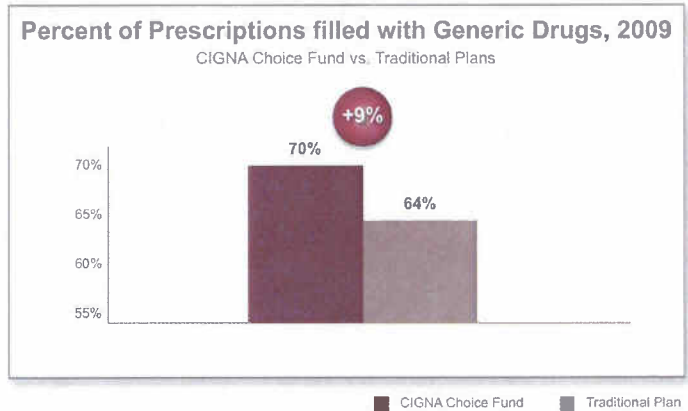
- **13%** decrease in use of Emergency Room services resulting from people choosing more appropriate options



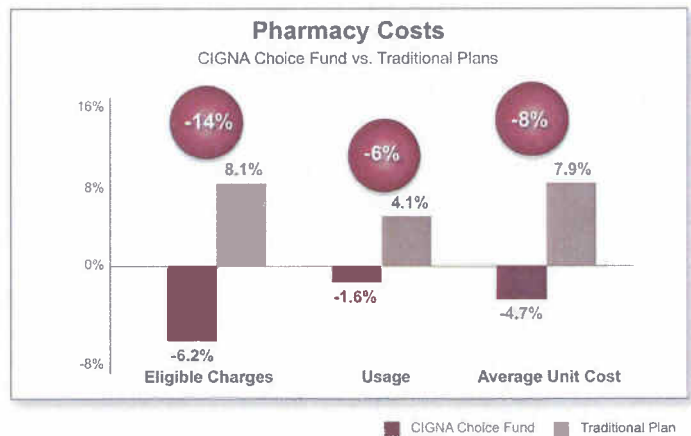
Customers in CIGNA Choice Fund with CIGNA Pharmacy Management® reduced their pharmacy costs.

When compared to customers in traditional plans, customers in CIGNA Choice Fund with CIGNA Pharmacy Management reduced their pharmacy costs

- **9%** more switched from brand-name medications to generic equivalents



- **14%** lower overall pharmacy cost trend in the first year driven by lower (6%) overall usage and lower (8%) unit cost per drug

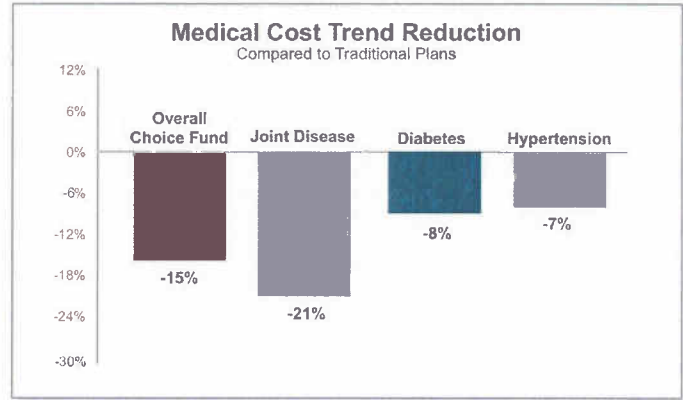


Customers were able to reduce their overall medical spending by how they used health care services.

Better Control of Chronic Health Issues

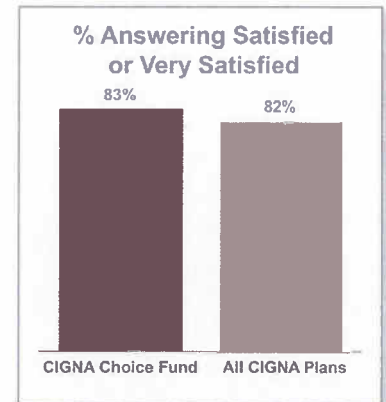
Customers with chronic health issues – like diabetes – not only took better care of their health, but were able to reduce their overall medical spending by making smarter decisions about how they used health care services.

- **21%** more likely to participate in a disease management program
- Continued to maintain similar treatment regimens



Higher Customer Satisfaction

Study results dispelled the myth that customers in CDHPs were less satisfied with service than those in a traditional plan. In fact, we found customers in CIGNA Choice Fund were **slightly more satisfied** than customers in a traditional plan.



Overall, CIGNA's CDHPs save money – without shifting cost. By focusing on shifting behaviors to improve active participation in health and health spending habits, CIGNA Choice Fund is able to substantially **reduce medical cost trend** while maintaining high quality care and high customer service satisfaction – **year after year.**

The CIGNA Choice Fund Experience Study is a multi-year comparative analysis of utilization, claim and cost trend data for two groups of customers: those in traditional PPO/HMO plans (the control group) and those in CIGNA Choice Fund CDHPs.

A total of 897,000 individual customers from 493 client groups were tracked.

- **318,000** customers were continuously enrolled in a CIGNA Choice Fund plan in 2008 and 2009.
 - 47,000 customers were in their first year with a CIGNA Choice Fund medical plan
 - 271,000 customers were in a renewal year with CIGNA Choice Fund
- **579,000** traditional HMO and PPO customers from the same employer groups served as the control group.
- Compares trend of **11,000** continuously enrolled CIGNA Choice Fund customers with a CIGNA Pharmacy Management plan who were in their first year of having a combined medical and pharmacy deductible to **368,000** continuously enrolled customers in a traditional plan with CIGNA Pharmacy Management and no combined medical and pharmacy deductible.
- The study examined the total cost of claims for both employers and individuals to isolate behavior changes associated with enrollment in CDHPs. Observed differences were not the result of changes in coverage or increases in consumer cost-sharing.
- Results were standardized. This process adjusts for differences in health status mix (the number of low, moderate and high-risk individuals) between CIGNA Choice Fund and traditional plan groups. Values are adjusted to reflect the overall health status mix of the entire study group. This allows for valid, consistent comparisons between groups.
 - Standardized data better estimates the potential impact of the CIGNA Choice Fund plan when offered as the only coverage option (full replacement)
 - The study excluded catastrophic claims in excess of \$50,000 from all populations to reduce random variations within smaller sets of data
- Health Advisor, CIGNA Disease Management and Health Assessment results were from an internal CIGNA reporting database, where CIGNA Choice Fund was the only plan offering versus clients offering only traditional plans.
- myCIGNA.com results were from internal portal reporting.
- Customer satisfaction results represent full-year 2009 call survey results of total book of business versus CIGNA Choice Fund-only calls.

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