

Aetna HealthFund®

A Consumer Directed Health Plan Study



Aetna HealthFund®

Health Reimbursement Account (HRA)

- 172 Customers
 - TRS 600K members as of 9/04
 - Aetna employee enrollment as of 1/04 – 77.5%
- 18 full replacement plans
- 105 Fully Insured
- Enrollment from <2% to 88.75%
- Over 161,000 members
- Employer interest in CDHP even stronger in 2004



Aetna's Health Savings Account (HSA) Model

- Effective 6/1/04
- Integrated High Deductible Health Plan (HDHP) and HSA both administered by Aetna
- Includes real time integration for pharmacy claims and deductible
- Increasing employer interest in HSA model



Study Design for Aetna HealthFund

- Aetna HealthFund Enrollment
 - Medical results from 19 customers including one full replacement.
 - Focused study on pharmacy results from one customer with integrated Rx.
 - 13,800 members continuously enrolled in an Aetna plan
 - Aetna members from 1/1/2002
 - Aetna HealthFund members beginning 1/1/2003
- 9 months of claim and utilization data
- Comparison populations
 - Randomly selected similar population, not enrolled in Aetna HealthFund
 - Continuously enrolled population from PPO



Aetna HealthFund Results

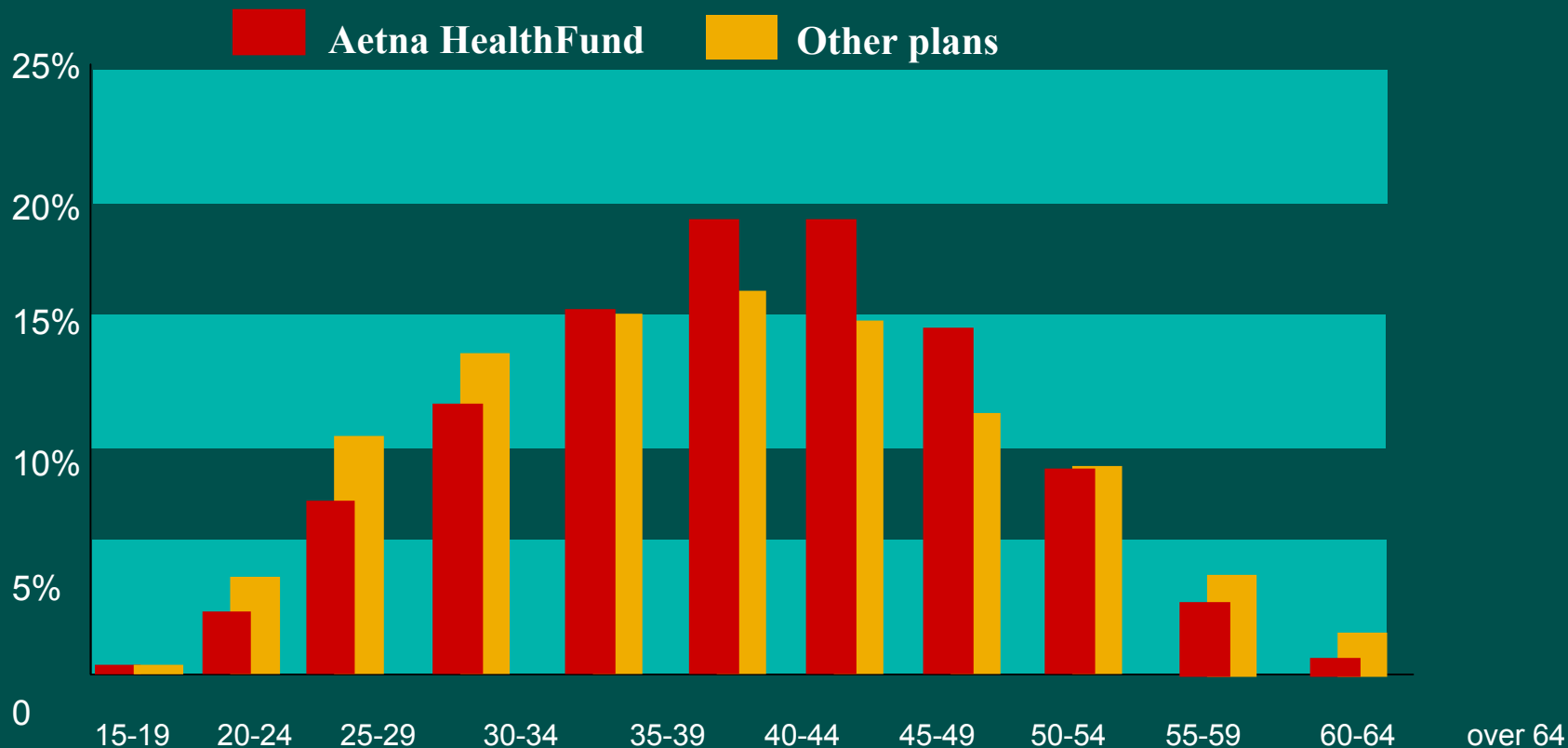
Key Findings

- Lower medical cost increase for first-year AHF members
- Increased use of preventive services
- Reduction in ER and outpatient cases
- Reduction in pharmacy scripts and increased generic usage
- Increased use of online tools and information as well as satisfied members
- Implementation and communication strategy key to success



Populations selecting Aetna HealthFund

Demographics



	<u>AHF</u>	<u>Other</u>
Employee Average age:	41.9	41.8
Percentage Male:	65%	54%
Member to EE ratio:	2.5	2.6



Use of online tools and information

Aetna HealthFund enrollees:

- Log onto Navigator 11% more often
- Use DocFind 13% more often
- Use HealthWise almost twice as often
- Use IntelliHealth 48% more often
- Use Price-a-Drug and performed Formulary searches almost twice as often



Member Satisfaction Survey Results

- Nine out of ten members said AHF met their expectations
- Higher satisfaction among those with 6 months or more experience as they had more opportunity to use the plan
- Nine out of ten members likely to renew their AHF coverage



The Results: Lower Medical Cost Increase

Eligible Charges

	Jan-Sep 02 PMPM	Jan-Sep 03 PMPM	% Change
2003 AHF Enrollees	\$112	\$114	+1.5%
Similar Population	\$149	\$172	+15.7%
PPO	\$163	\$187	+14.4%

- **Eligible Charges** are based on Billed Charges after Aetna's negotiated discounts; any ineligible charges are excluded.
- **Similar population** was randomly selected from the book of business, matched to the AHF population based on demographics, health status, geography and product. Represents 13,800 members.
- **PPO** is based on Aetna's PPO business, including only employees under 65 and who have been continuously enrolled since 1/1/02. Represents 1.375M members.



Impact on Pharmacy Costs:

Increased Generic Utilization

Results from one customer with Integrated Pharmacy

Generic Utilization

	Jan-Sep 02 % of Scripts	Jan-Sep 03 % of Scripts	% Change
2003 AHF Enrollees	34%	44%	+29%
All Enrollees	40%	45%	+12%



Fund Utilization:

Over half of employees rolls over some health fund dollars

Funds Paid in Full Year 2003

Plan Type	Average Fund Amount	% Fund Dollars Used	% EEs Rolling Over Dollars
All	\$940	69%	51%
Full Replacement	\$680	84%	32%

All includes full replacement.

