

# CIGNA CHOICE FUND®

8th Annual Experience Study  
2011–2012

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May 21, 2014



GO YOU.



## WE CONTINUE TO SEE YEAR OVER YEAR CDHP GROWTH

Clients see improvements in their employees' health and health care spending by shifting behaviors, not cost, with Cigna Choice Fund

**2008:  
900K**

**2013:  
2.6M**

**24%  
CAGR**

**Cigna®**

# CHOICE FUND STUDY METHODOLOGY



**3.6 million  
customers**

**2,200 groups**



**24 months  
(Jan. 2011 –  
Dec. 2012)**



**Results standardized  
to compare  
“apples to apples”**

- Adjusted to reflect claim level mix of entire study population
- Excludes catastrophic claims (over \$50k) and capitated services
- Excludes savings from cost-sharing
- Uses Episode Risk Group (ERG) data to measure health status

## WHAT WE LEARNED

When compared to customers in traditional plans, Cigna Choice Fund customers have:



**better  
experience**



**better  
health**



**better  
bottom line**

**Cigna**<sup>®</sup>

Cigna Choice Fund  
customers have a

# better experience

versus customers  
in Traditional plans

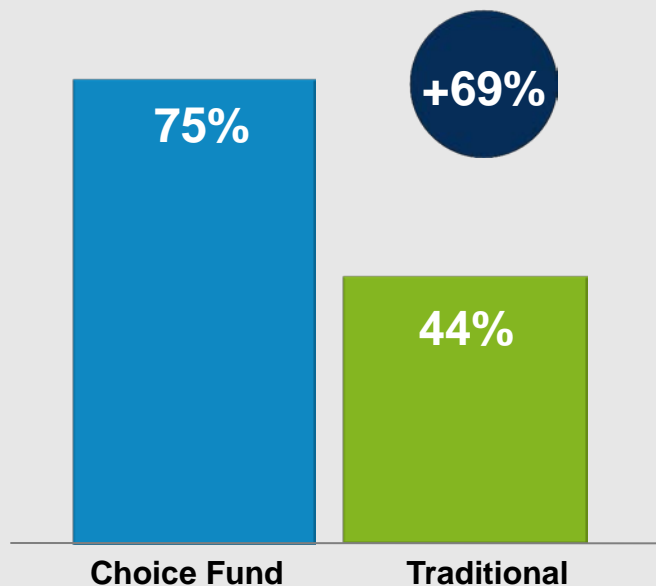


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# CHOICE FUND CUSTOMERS ARE MORE ENGAGED IN HEALTH SPENDING HABITS



## Registration Rate\*



**82% more**  
log-ins per registered user



**26% more**  
accessed the directory to search for a doctor or service per registered user



**33% more**  
cost views per registered user

Cigna Choice Fund vs. Traditional Plans, 2013

**InformationWeek 500**

myCigna.com  
Customer Service Innovation\*\*



\* Non-Choice Fund with a medical plan (i.e., excludes ancillary-only customers).

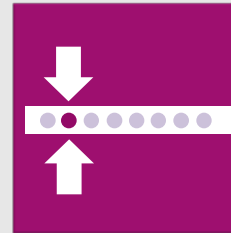
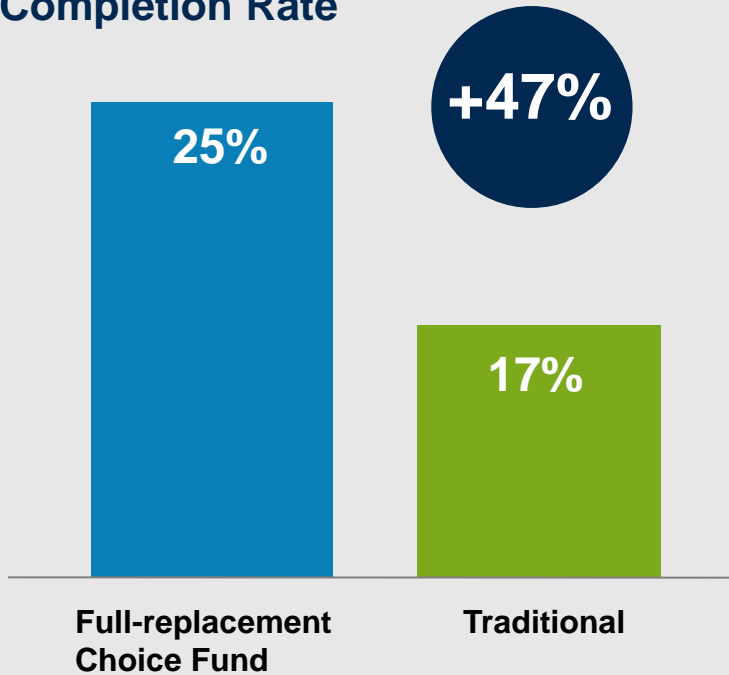
\*\*Source: <http://newsroom.cigna.com/NewsReleases/Cigna-Named-Top-IT-Innovator-by-InformationWeek-500.htm>

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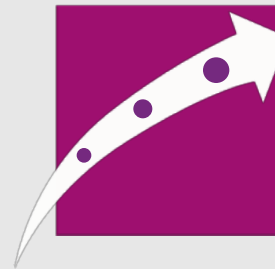
# CHOICE FUND CUSTOMERS ARE MORE LIKELY TO BE ENGAGED IN THEIR HEALTH



## Health Assessment Completion Rate



**41%** higher engagement rate in disease management programs



**23%** more likely to complete 3 coaching calls

**Clients are implementing strategies that drive behavior change to achieve results**

Cigna Choice Fund vs. Traditional Plans, 2012

Cigna Choice Fund  
customers have

# better health

versus customers  
in Traditional plans



**Cigna**<sup>®</sup>



# CHOICE FUND CUSTOMERS ARE INCREASING THEIR COMPLIANCE WITH RECOMMENDED CARE



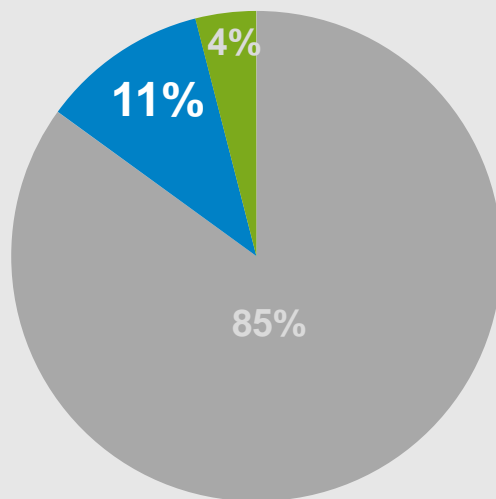
## Medical Care Best Practice Measure Comparison

Higher Statistical Compliance

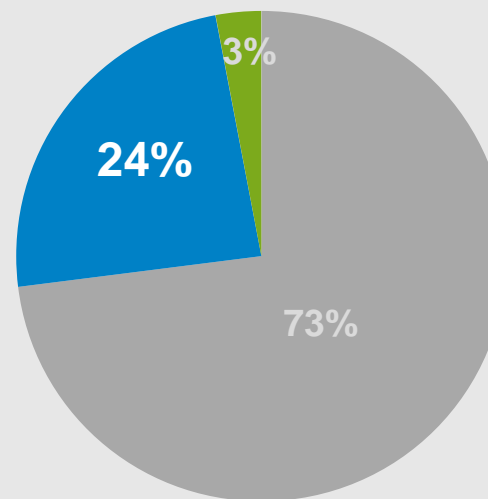
No Statistical Difference

Lower Statistical Compliance

Roughly 500 evidence-based measures were assessed this year



First Year

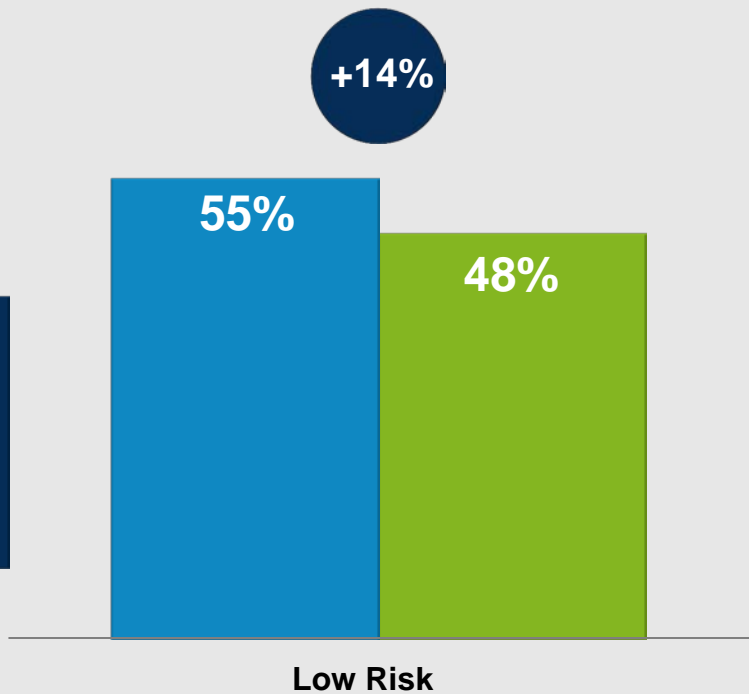


Renewal Year

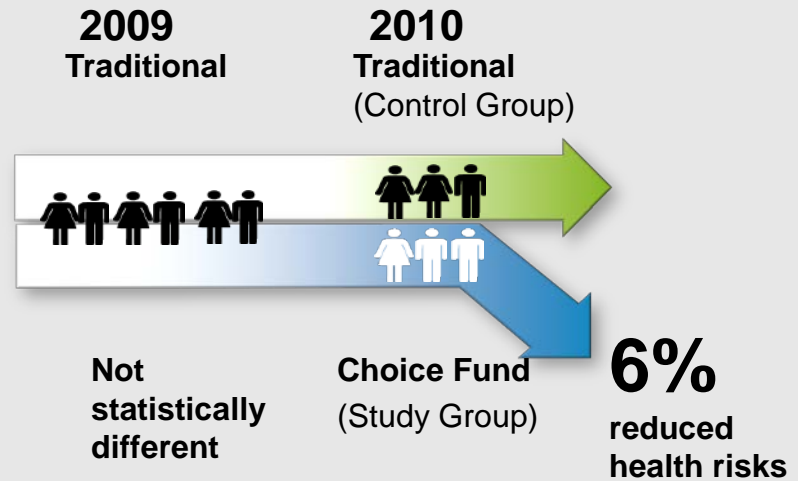
Cigna Choice Fund\* vs. Traditional Plans, 2012

\* 95% confidence level.

# FULL-REPLACEMENT CHOICE FUND CUSTOMERS HAVE BETTER HEALTH RISK PROFILES



Cigna Choice Fund vs. Traditional Plans, 2012  
■ Cigna Choice Fund    ■ Traditional Plan



### SCOPE AND METHODOLOGY

- 2 year longitudinal match case analysis
- Both groups in Traditional plan year 1

\* *Seventh Annual Choice Fund Experience Study, 2013*

**We continue to see customers with better health risk profiles as a result of moving to a Choice Fund plan**



Cigna Choice Fund  
customers have a

# better bottom line

versus customers  
in Traditional plans

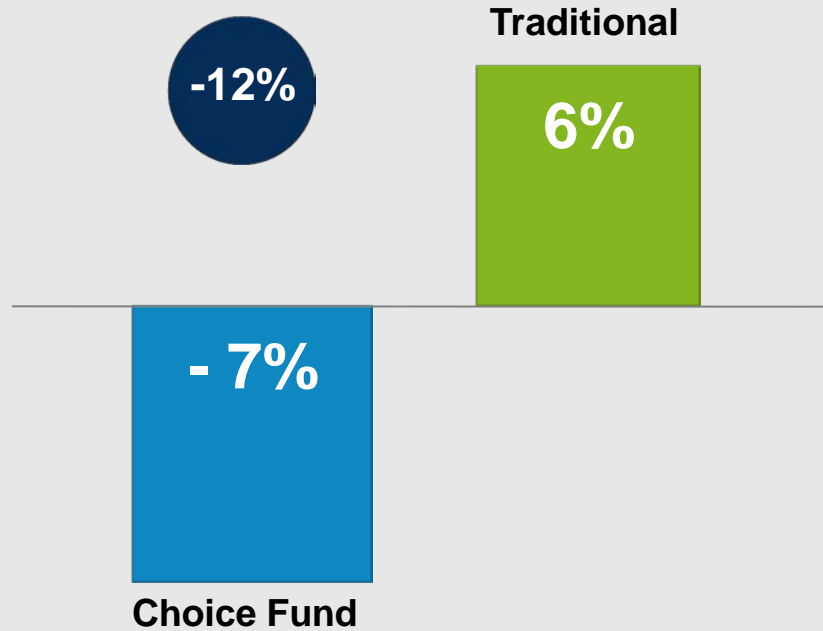


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# FULL-REPLACEMENT CHOICE FUND CUSTOMERS HAVE 12% LOWER MEDICAL COST TREND IN FIRST YEAR



## Medical Costs



Medical cost trend reduction of 10% HSA and 13% HRA driven by plan design

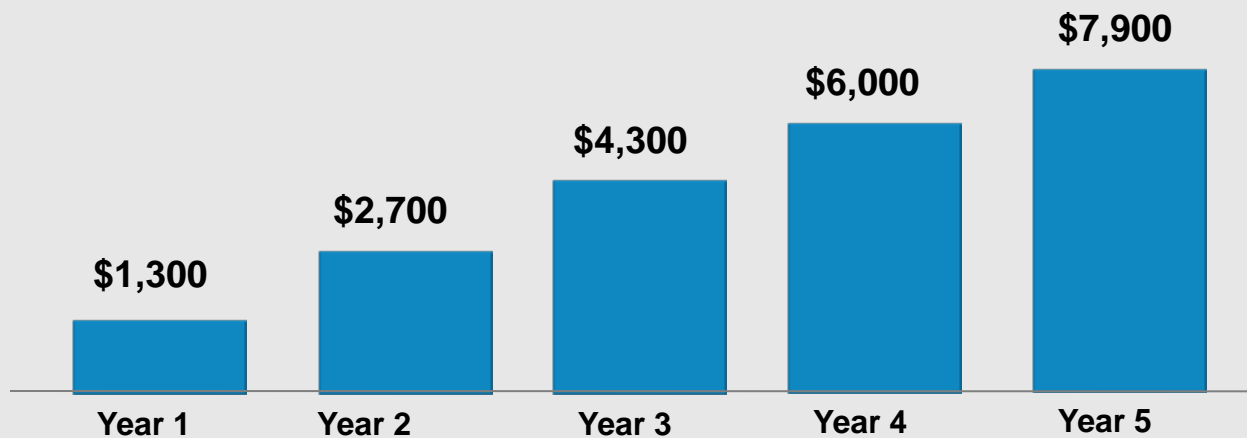
Cigna Choice Fund vs. Traditional Plans, 2011 vs. 2012

# CHOICE FUND CUMULATIVE SAVINGS INCREASE OVER TIME



## Cumulative Savings per Employee

Over five years, Choice Fund plans could save up to \$7,900 more per employee when compared to a traditional plan.



Cigna Choice Fund vs. Traditional Plans

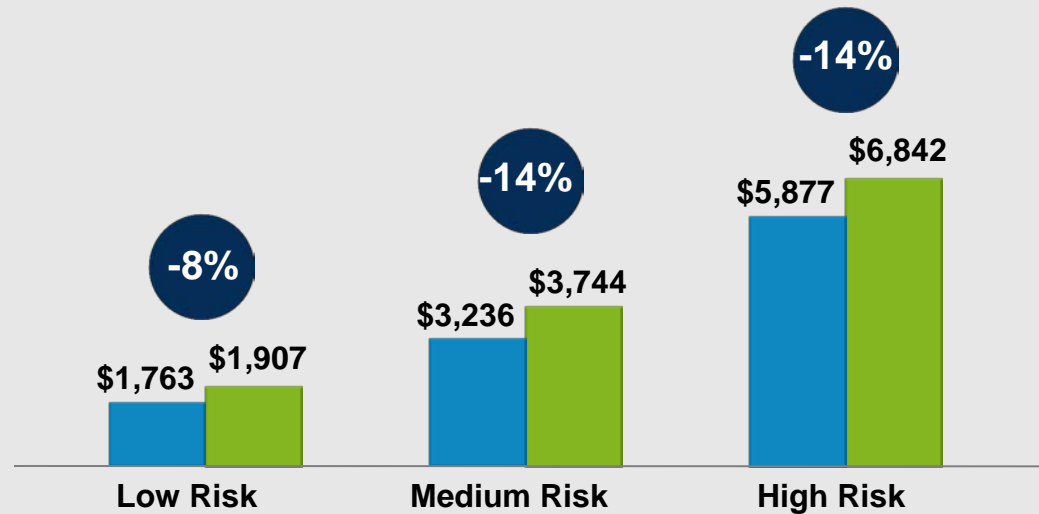
Analysis assumes Annual Premium of \$11k per Employee per Year prior to enrolling in the CDHP option, 12% CDHP savings in Year 1 and a 9% annual trend.



# FIRST YEAR CHOICE FUND CUSTOMERS SHOWED SAVINGS ACROSS ALL HEALTH STATUS CATEGORIES



## Medical Cost Trend by Health Status Groups



Cigna Choice Fund vs. Traditional Plans, 2012

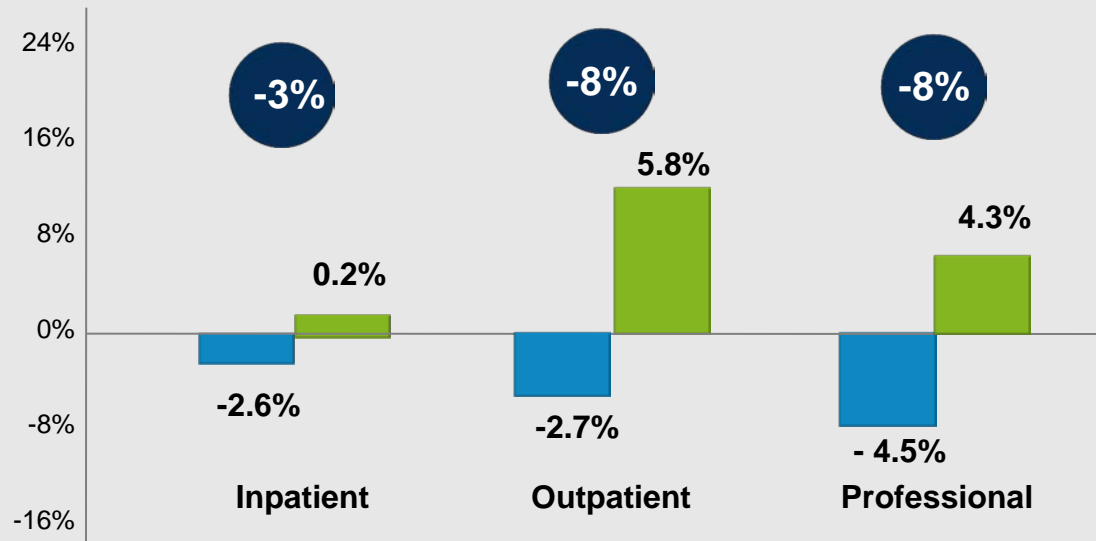
■ Cigna Choice Fund    ■ Traditional Plan



# FIRST YEAR CHOICE FUND CUSTOMERS SHOWED SAVINGS ACROSS ALL SERVICE TYPE CATEGORIES



## Medical Costs by Service Type



Cigna Choice Fund vs. Traditional Plans, 2012

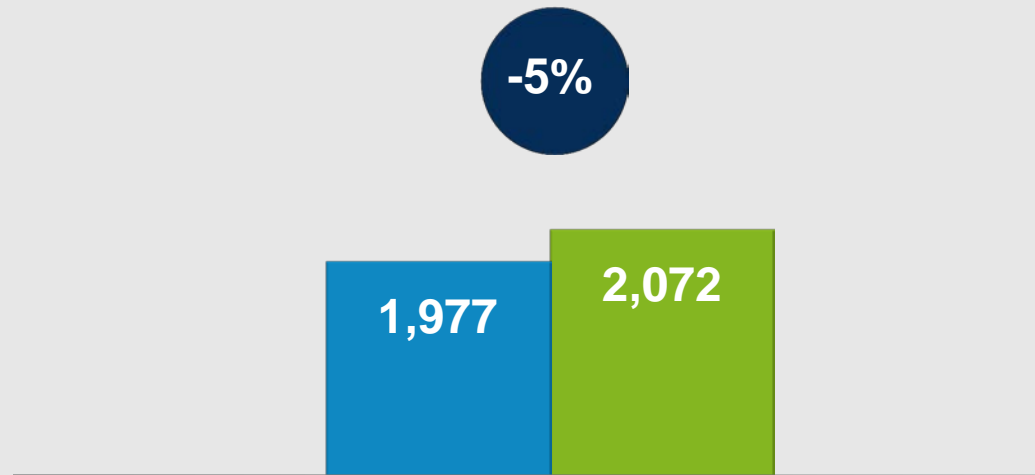
■ Cigna Choice Fund    ■ Traditional Plan



# CHOICE FUND CUSTOMERS HAD A 5% DECREASE IN EMERGENCY ROOM VISITS



## ER Uses per 1,000 Customers



Cigna Choice Fund vs. Traditional Plans, 2012

■ Cigna Choice Fund

■ Traditional Plan

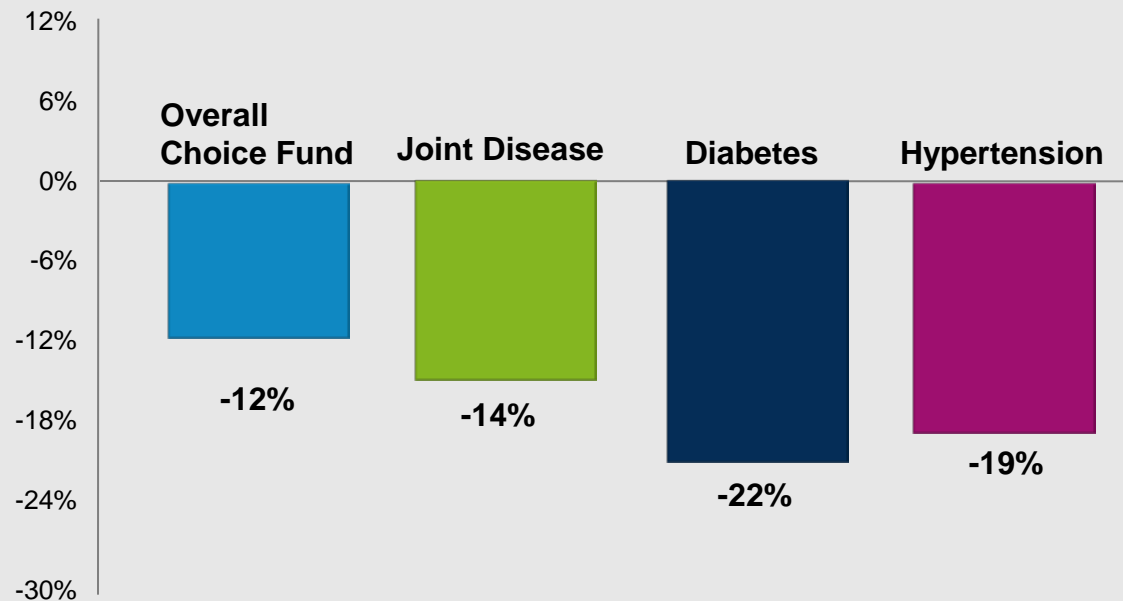




# LOWER TREND FOR THOSE WITH CHRONIC DISEASES, WHILE ADHERING TO RECOMMENDED CARE



## Medical Cost Trend Reduction



Compliance with evidence-based measures specific to this population were equal or better 92% of the time

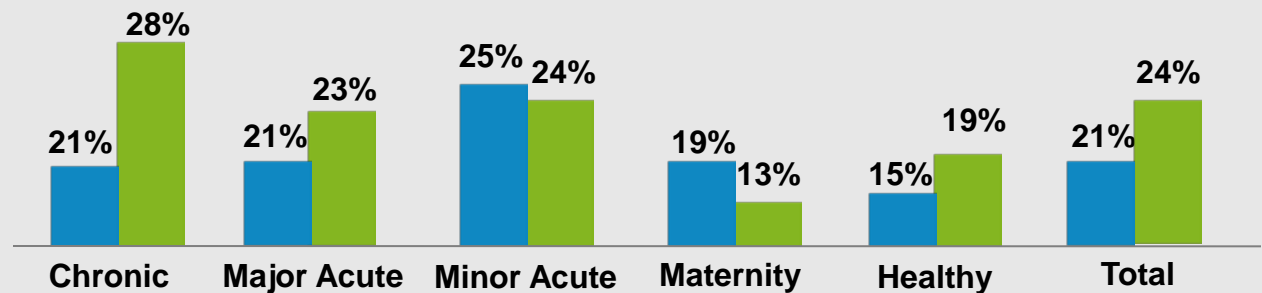
Cigna Choice Fund vs. Traditional Plans, 2011 vs. 2012

# COMPARABLE MEDICAL COST SHARE ACROSS EPISODIC CATEGORIES



## Customer Medical Cost Share Percentage by Episodic Categories

Employees are paying less out-of-pocket, demonstrating that savings can be achieved without shifting cost



Cigna Choice Fund vs. Traditional Plans, 2012 ■ Cigna Choice Fund First-Year HRA (including fund payments) ■ Traditional

- Excludes premiums.
- Medical only.
- Unadjusted cost data – includes all costs.

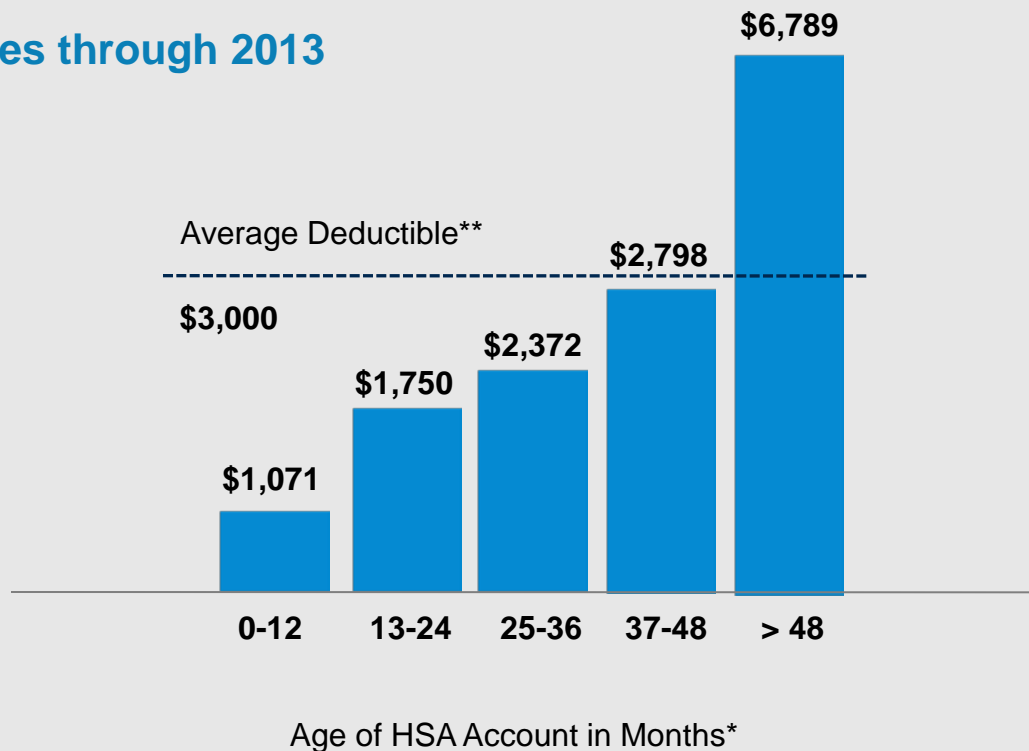


# CHOICE FUND HSA BALANCES CONTINUE TO GROW



## HSA Balances through 2013

**75%**  
of Choice Fund HSA  
customers contribute  
more than they spend.



\* Cigna Choice Fund HSA balances include cash accounts and investment dollars.

\*\* \$3,000 is the average deductible for Cigna Choice Fund HSA book of business, weighted for family and individual levels.

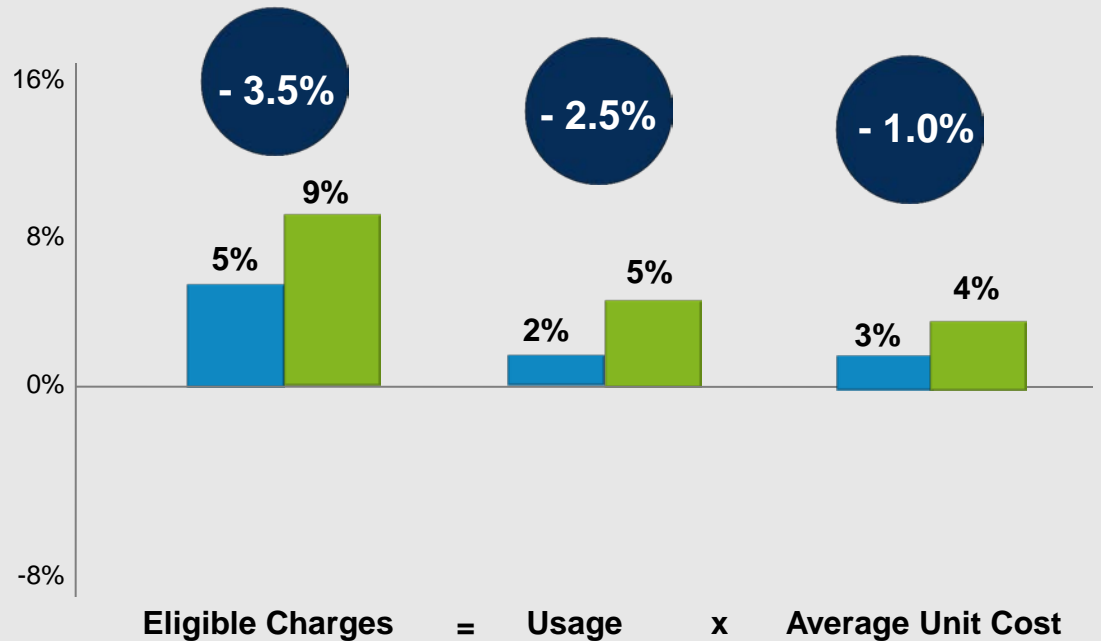
# FIRST YEAR CHOICE FUND CUSTOMERS HAVE LOWER PHARMACY COSTS

When integrated with Cigna Pharmacy Management®



Driven by higher generic utilization

First year Choice Fund pharmacy cost trends were lower than traditional plan cost trends.



Cigna Choice Fund vs. Traditional Plans, 2011 vs. 2012

■ Cigna Choice Fund ■ Traditional Plan



# 5% MORE CHOICE FUND CUSTOMERS CHOOSE/USE LOWER COST GENERIC DRUGS

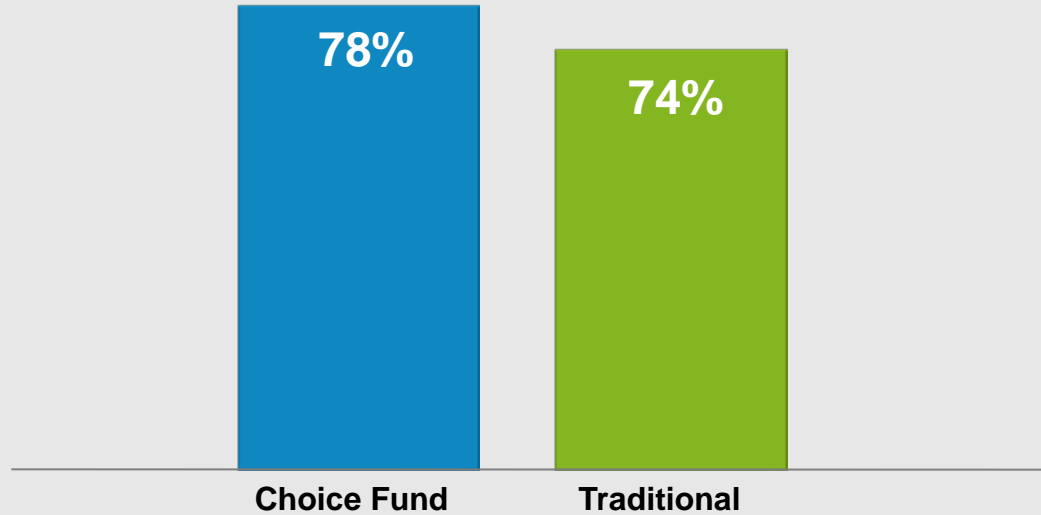
When integrated with Cigna Pharmacy Management<sup>®</sup>



## Prescriptions Filled with Generic Drugs

+5%

Every 1% increase in generic drug usage leads to a 2% reduction in pharmacy costs.



Cigna Choice Fund vs. Traditional Plans, 2012

## COMPARED TO CUSTOMERS IN TRADITIONAL PLANS, CHOICE FUND CUSTOMERS HAVE:



### better experience

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- **75%** register online
- More likely to use online cost and quality tools
- **More** likely to complete health assessment
- **41%** higher engagement rate in disease management programs
- **More** or equally satisfied with service



### better health

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- **Better** health profile for full-replacement CDHP customers
- **96%** had consistent or higher use of evidenced-based medical best practice measures in 1<sup>st</sup> year
- **Higher statistical compliance** with best practice measures **more than doubled** in renewal year



### better bottom line

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- **12%** lower trend, or approx. **\$1,300** savings, per employee in the 1<sup>st</sup> year for a typical client
- Savings are sustainable and over five years can cumulatively grow to **\$7,900** per employee
- **5% fewer** emergency room visits
- **3.5% lower** pharmacy trend in the 1<sup>st</sup> year

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