CIGNA
CHOICE FUND®

8th Annual Experience Study
2011–2012

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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
CHOICE FUND STUDY METHODOLOGY

- 3.6 million customers
- 2,200 groups

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

- better experience
- better health
- better bottom line
Cigna Choice Fund customers have a better experience versus customers in Traditional plans.
**Choice Fund Customers Are More Engaged in Health Spending Habits**

- **Registration Rate***
  - **Choice Fund**: 75%
  - **Traditional**: 44%
  - **Difference**: +69%

- **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

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


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

Health Assessment Completion Rate

- Full-replacement Choice Fund: 25%
- Traditional: 17%

+47%

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.
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**
- 85% Compliance
- 11% Lower Statistical Compliance
- 4% Higher Statistical Compliance

**Renewal Year**
- 73% Compliance
- 3% Lower Statistical Compliance
- 24% Higher Statistical Compliance

Cigna Choice Fund* vs. Traditional Plans, 2012

* 95% confidence level.
FULL-REPLACEMENT CHOICE FUND CUSTOMERS HAVE BETTER HEALTH RISK PROFILES

28% fewer high risk individuals

Cigna Choice Fund vs. Traditional Plans, 2012

- Cigna Choice Fund
- Traditional Plan

2009 Traditional
- Not statistically different

2010 Traditional
- (Control Group)
- Choice Fund (Study Group)

2009 2010

Traditional SCOPE AND METHODOLOGY
• 2 year longitudinal match case analysis
• Both groups in Traditional plan year 1

* Seventh Annual Choice Fund Experience Study, 2013

6% reduced health risks

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

Medical Costs

- Choice Fund
  -7%

- Traditional
  6%

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

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

<table>
<thead>
<tr>
<th>Health Status Group</th>
<th>Cigna Choice Fund</th>
<th>Traditional Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>$1,763</td>
<td>$1,907</td>
</tr>
<tr>
<td>Medium Risk</td>
<td>$3,236</td>
<td>$3,744</td>
</tr>
<tr>
<td>High Risk</td>
<td>$5,877</td>
<td>$6,842</td>
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</tbody>
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Cigna Choice Fund vs. Traditional Plans, 2012
FIRST YEAR CHOICE FUND CUSTOMERS SHOWED SAVINGS ACROSS ALL SERVICE TYPE CATEGORIES

Medical Costs by Service Type

Cigna Choice Fund vs. Traditional Plans, 2012

- Inpatient: -2.6% (Cigna Choice Fund) vs. 0.2% (Traditional Plan)
- Outpatient: -2.7% (Cigna Choice Fund) vs. 5.8% (Traditional Plan)
- Professional: -4.5% (Cigna Choice Fund) vs. 4.3% (Traditional Plan)
CHOICE FUND CUSTOMERS HAD A 5% DECREASE IN EMERGENCY ROOM VISITS

ER Uses per 1,000 Customers

<table>
<thead>
<tr>
<th></th>
<th>Cigna Choice Fund</th>
<th>Traditional Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,977</td>
<td>2,072</td>
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</tbody>
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Cigna Choice Fund vs. Traditional Plans, 2012
LOWER TREND FOR THOSE WITH CHRONIC DISEASES, WHILE ADHERING TO RECOMMENDED CARE

Medical Cost Trend Reduction

<table>
<thead>
<tr>
<th>Disease</th>
<th>Overall Choice Fund</th>
<th>Joint Disease</th>
<th>Diabetes</th>
<th>Hypertension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trend Reduction</td>
<td>-12%</td>
<td>-14%</td>
<td>-22%</td>
<td>-19%</td>
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Compliance with evidence-based measures specific to this population were equal or better 92% of the time

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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.


Eligible Charges = Usage x Average Unit Cost

- 3.5%  5%  9%
- 2.5%  2%  5%
- 1.0%  3%  4%

Cigna Choice Fund  Traditional Plan
5% MORE CHOICE FUND CUSTOMERS CHOOSE/USE LOWER COST GENERIC DRUGS

When integrated with Cigna Pharmacy Management®

Prescriptions Filled with Generic Drugs

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

Choice Fund: 78%
Traditional: 74%

+5%

Cigna Choice Fund vs. Traditional Plans, 2012
Compared to customers in traditional plans, Choice Fund customers have:

- **Better experience**: 75% register online, more likely to use online cost and quality tools, more likely to complete health assessment.
- **Better health**: Better health profile for full-replacement CDHP customers, 96% had consistent or higher use of evidenced-based medical best practice measures in 1st year, higher statistical compliance with best practice measures more than doubled in renewal year.
- **Better bottom line**: 12% lower trend, or approx. $1,300 savings, per employee in the 1st 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 1st year.
Offered by: Connecticut General Life Insurance Company or Cigna Health and Life Insurance Company.

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