

Client success story

a health coverage strategy that DELIVERS SAVINGS

Citywide Banks is a Denver, Colorado-based bank with nearly a billion dollars in assets. With 13 branch locations in metro Denver, Citywide Banks offers customized lending and cash management solutions to individuals and small to midsize businesses. Established in 1963 (in a converted tire shop), the company has contributed to the local economy through its focus on custom banking solutions and high standards of service.

As a local bank, Citywide Banks developed a successful health coverage strategy that has delivered savings and sustainable cost control for its 250 employees. Citywide Banks' strategy centers around a high-deductible health plan compatible with a Health Savings Account (HDHP/HSA) and an employee wellness reward program available with Cigna's Graded FundingSM solution. This strategic combination has helped Citywide Banks lower the cost curve of its health coverage expenses.

HDHP/HSA + wellness + Graded Funding = success

Citywide Banks' leadership saw a direct connection between encouraging an employee's savings instinct and adopting healthy behaviors that lower health coverage costs. In order to save as claims cost went down, Citywide Banks chose Cigna's Graded Funding solution. Cigna's Graded Funding, a self-funding alternative to fully insured, allows it to pay only for the claims employees and their dependents incur, plus fixed administrative charges. The funding option includes standard individual stop-loss and aggregate

stop-loss insurance policies, providing built-in financial protection in the event of an employee's serious illness or overall high claims for the year.

Citywide Banks is finding success with this strategy. It is on track for 20% lower claims expenses in 2011 than what was spent during the same time period in 2010 with a similar number of employees. The savings generated from its self-funded health coverage strategy has helped it support business operations during recent tough economic times. Citywide Banks regularly reviews the extensive claims information available for self-funded plans through Cigna's Health Plan Performance Reports to measure how its strategy is working and plan any adjustments for future health coverage.

"We really felt we had an actionable strategy to continue to offer health care coverage – something that no-one else could give us.

– Barb Eaton, Citywide Banks HR Director

Cigna HDHP/HSA introduced

Moving to Cigna's high-deductible health plan that's compatible with a Health Savings Account (HDHP/ HSA) has been a critical part of Citywide Banks' successful health coverage strategy. With the support from their broker, Citywide Banks modified its 2009 health coverage options to its employees to include Cigna's Open Access Plus and HDHP/HSA. The premium for the HDHP/HSA is more than 20% less than the Open Access Plus premium, so each employee who enrolls in the HDHP/HSA represents a significant savings. The original goal was for a 40% employee participation rate.

To encourage enrollment, Citywide Banks promoted the new health plan option in three ways:

- **Education events**
- **Direct contributions** into an employee's HSA account
- **A much lower employee premium** contribution – as low as half that of the Open Access Plus premium contribution

Citywide Banks created a simple spreadsheet allowing individual employees to enter their information and see a comparison of their projected annual health expenses between the two options. After the open enrollment period in 2010, an impressive 65% of participating employees were enrolled in the HDHP/HSA.

The company enhanced its HSA contribution in 2011 by depositing one-half of the employee's annual HSA contribution on the same day as his or her first paycheck of the year (the second-half deposited in July). HR staff fielded questions individually from employees as they surfaced and used the intranet to communicate additional details and answer frequently asked questions. All of their hard work paid off. After the January 2011 enrollment decisions were made, more than 90% of participating employees were enrolled in the HDHP/HSA.

“A light bulb went on for several of our employees when they looked at the annualized savings from enrolling in the Health Savings Account, and several of them started recommending it to others.”

– **Emmy Gustafson**, Citywide Banks HR Specialist

Incentive offered for participation

Citywide Banks knew that when employees adopt and maintain healthy behaviors it would help them save

on future medical costs, so they instituted a premium differential to encourage participation in Cigna's **Healthy Frontiers**[®] health and wellness program.

The premium differential is \$50 per month credited toward the employee contribution for health coverage. So, for example, family coverage in the HDHP/ HSA would normally be \$200 per month, but if the employee participates in the wellness program, the monthly contribution is reduced to \$150. Currently, only the employee is required to participate in order to receive the reduced premium, based on the belief that if the employee adopts new healthy behaviors, the odds are good that his or her family members will be inspired to make improvements as well.

Participation in the program involves two tasks:

1. Complete an onsite health screening hosted at the Citywide Bank's locations.
2. Earn 50 Healthy Frontiers Wellness Credits by the end of the previous plan year.

Cigna's Healthy Frontiers program offers a variety of activities to help individuals adopt healthy behaviors, including six-week, individually paced, online Healthy Living Programs that cover topics such as weight management, smoking cessation, healthy eating, stress relief and healthy kids. Programs include quarterly health challenges developed to motivate and encourage active participation throughout the year. Several departments within Citywide Banks also sponsored their own health challenges.

“We really felt that offering a ‘carrot’ was the best approach at first. We wanted employees to recognize that if they choose to participate in wellness behaviors they will pay less.”

– **Barb Eaton**, HR Director

Employees self-report activities on their personalized Healthy Frontiers home page where they can track their progress and credits earned. A Personal Health Coach is offered to employees with high-risk health status, and all employees may call a 24/7 Nurseline for extra support. In addition, the Healthy Frontiers program provides comprehensive aggregate reports that help Citywide Banks plan its communications to encourage, support and re-motivate employees to meet their annual goals. More than 75% of employees are participating in the wellness program for the 2011 plan year.

Healthy Frontiers has helped improve the overall health profile of Citywide Banks. Below are year-over-year improvements from their Health Assessment Cohort Report.

| Risk Factor Metric | Jan to Dec 2009 | Jan to Dec 2010 | Change |
|---|-----------------|-----------------|--------|
| Multiple Risk Factor - % in High Risk (5+) category | 45.0% | 25.3% | -19.7% |
| Multiple Risk Factor - % in Low Risk (0-2) category | 18.7% | 31.9% | +13.2% |
| Clinical Risk Factor - % in High Risk for Weight | 31.9% | 26.4% | -5.5% |
| Clinical Risk Factor - % in Low Risk for Blood Pressure | 34.1% | 49.5% | +15.4% |
| Lifestyle Risk Factor - % in High Risk for Physical Activity | 31.9% | 6.6% | -25.3% |
| Lifestyle Risk Factor - % in Low Risk for Physical Activity | 51.6% | 83.5% | +31.9% |

Success measured in dollars and health credits

Citywide Banks' successful health coverage strategy has delivered immediate savings and, with Cigna's Graded Funding solution, also offers sustainable cost control. Its investment in a high-deductible health plan that's compatible with a Health Savings Account (HDHP/HSA), along with an employee wellness reward program, has delivered lower overall health coverage costs while motivating and encouraging employees to achieve their goals of better health.



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