

**October  
3<sup>rd</sup>  
2005**

# **Consumer Directed Health Care and High Deductible Health Plans**

## **The Health Industry Forum**

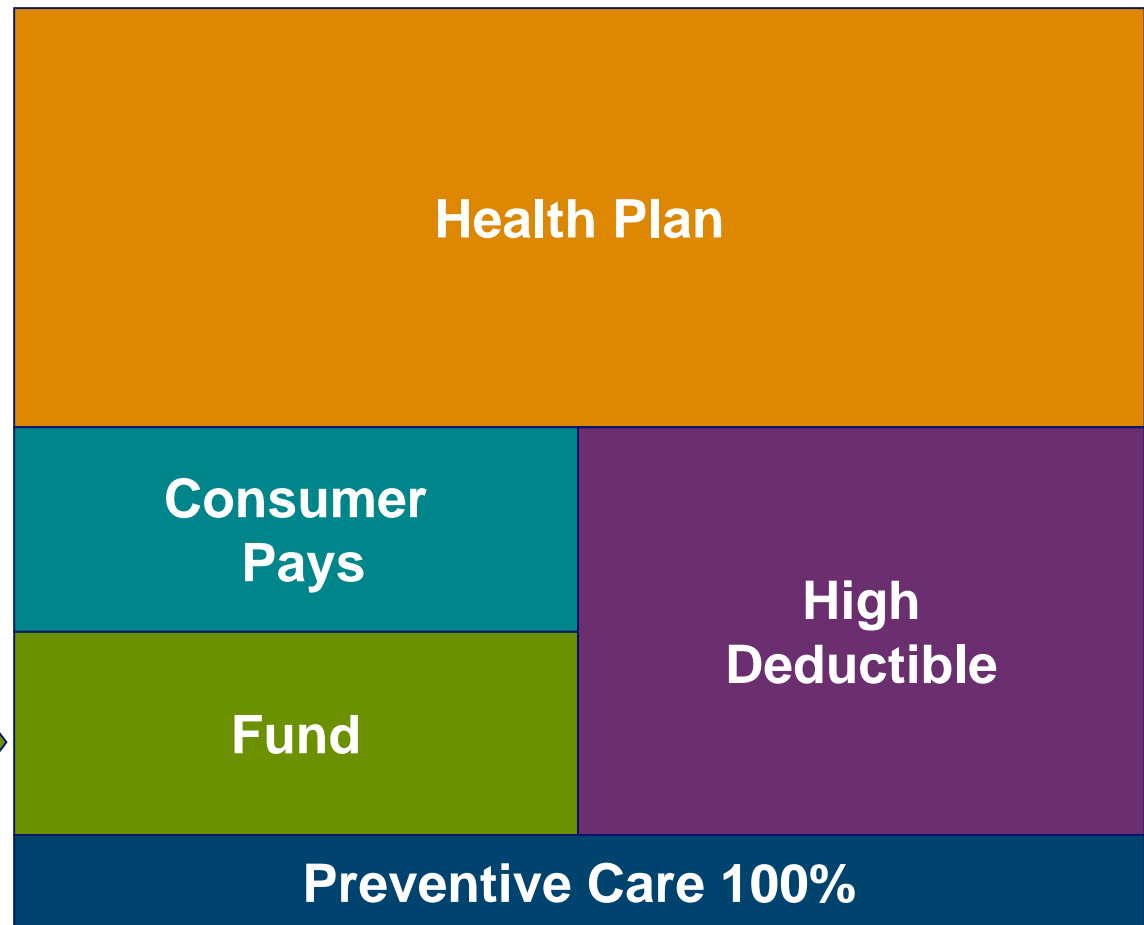
**John W. Rowe, M.D.  
Chairman & CEO  
Aetna**

**We want you to know<sup>SM</sup>**



# Consumer Driven Health Products

## Plan Model



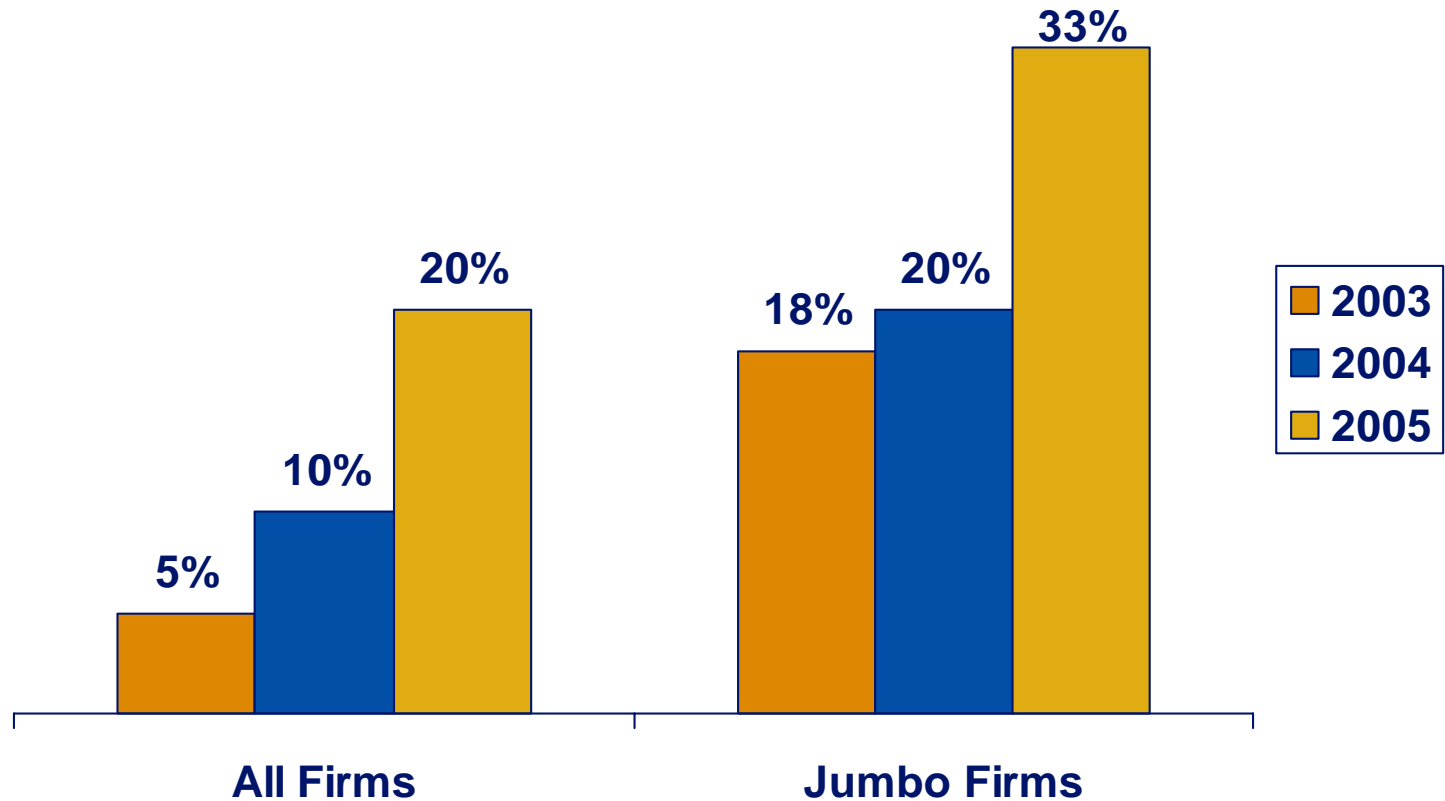
HSA: Employee Funded  
(Employer Optional)  
HRA: Employer-  
Funded

## CDHP Adoption: Survey Results

- Hewett Survey** ■ 57% of employers considering HSA-based HDHP
- Forrester** ■ 24% of membership will be in a CDHP by 2010
  - HSAs will grow from ~391K in 2005 to 6.3 million in 2008
- Aetna** ■ 50% of National Accounts RFPs requested a CDHP
  - ≈5% Middle market RFPs requested a CDHP
  - 85% of SW/NC NA Plan sponsors surveyed implemented or will implement a CDHP in 2006 or 2007

# CDHP Adoption: Employers

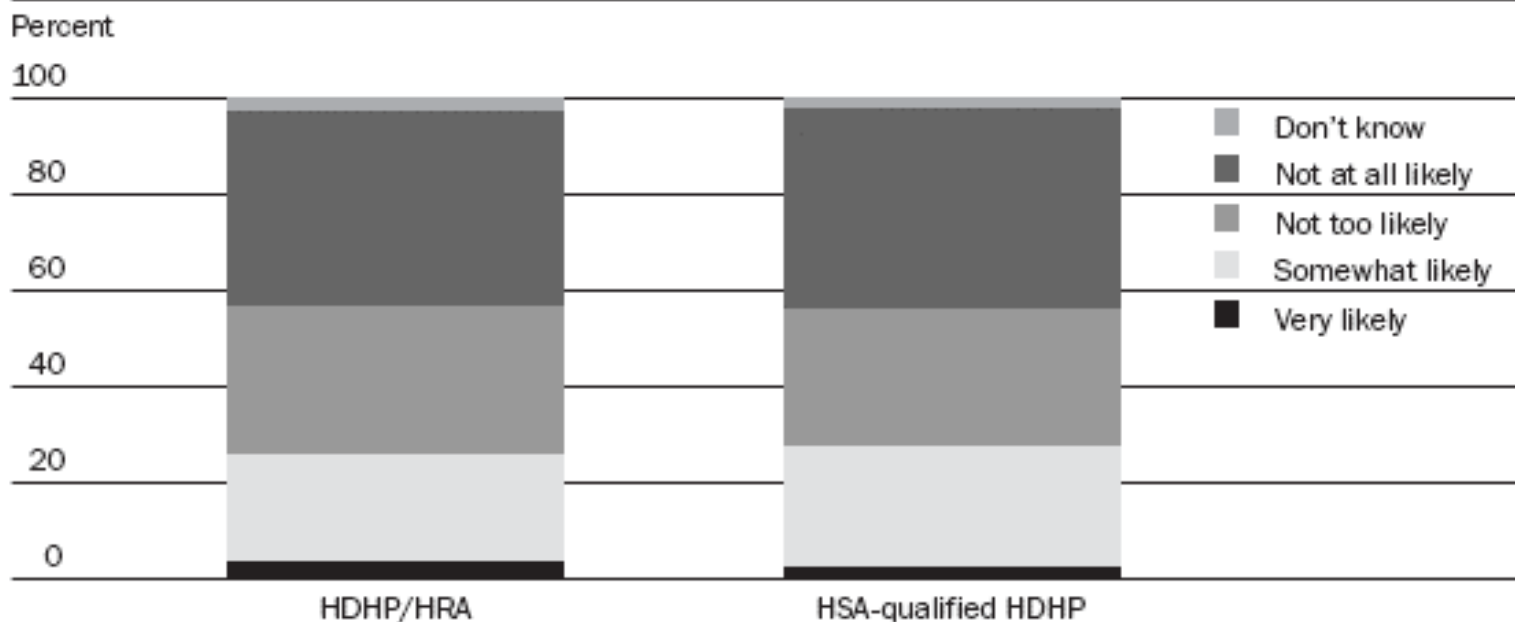
Percentage of Firms, Among Those That Offer Health Benefits  
Offering a HDHP to Workers



Source: KFF and Health Affairs, 9/05

# CDHP Adoption: Projections

**Likelihood Of A Firm's Offering An HDHP/HRA Or HSA-Qualified High-Deductible Health Plan (HDHP) Next Year, Among Firms That Do Not Now Offer Such A Plan, 2005**



**SOURCE:** Henry J. Kaiser Family Foundation/Health Research and Educational Trust Survey of Employer-Sponsored Health Benefits, 2003–2005.

**NOTES:** HRA is health reimbursement arrangement. HSA is health savings account.

# **Medical Claims**

## **Continuously Enrolled Members: Allowed Claims**

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**2003 Study: Summary: 3.7% YOY cost increase**

### **Change in Utilization**

<b>Inpatient Admissions</b>	<b>-5.2%</b>
<b>ER Visits</b>	<b>-2.6%</b>
<b>Outpatient Events</b>	<b>-14.4%</b>
<b>ALL Office Visits</b>	<b>-3.3%</b>
<b>PCP Visits</b>	<b>-10.9%</b>
<b>Specialist Visits</b>	<b>+3.4%</b>

# Case Study of Seven Employer Groups: Two Total Replacement, Five Option Plans

## Pharmacy costs benefit from consumerism:

- Not all plans were integrated with medical, but all had consumerism features: three tier copay and/or coinsurance.
- Four of the five employers who offered an Aetna pharmacy plan experienced between 3.1% to 5.1% higher generic utilization than our PPO book of business, which had 44.7% generic utilization.

# Members with chronic conditions maintain care levels.

***For continuously enrolled members in their first or second year of AHF:***

- No significant changes in care for members with diabetes (721 members) with respect to:
  - Glycosolated Hemoglobin Tests
  - Retinal Eye Exams
  - Microalbumin Tests

***For continuously enrolled members in their first or second year of AHF with integrated Rx:***

- No significant changes in percentage of members with cardiac conditions or hypertension (820 members) taking Ace I/Beta blockers, same or higher number of days supply.
- No significant changes in percentage of members with asthma\* (92 members) taking Inhaled Corticosteroids, Anti-Inflammatories, LRA

\* Asthma count excludes members who also are identified to have allergies



Aetna 2004 Study:

**Members with chronic conditions may  
increase care levels.**

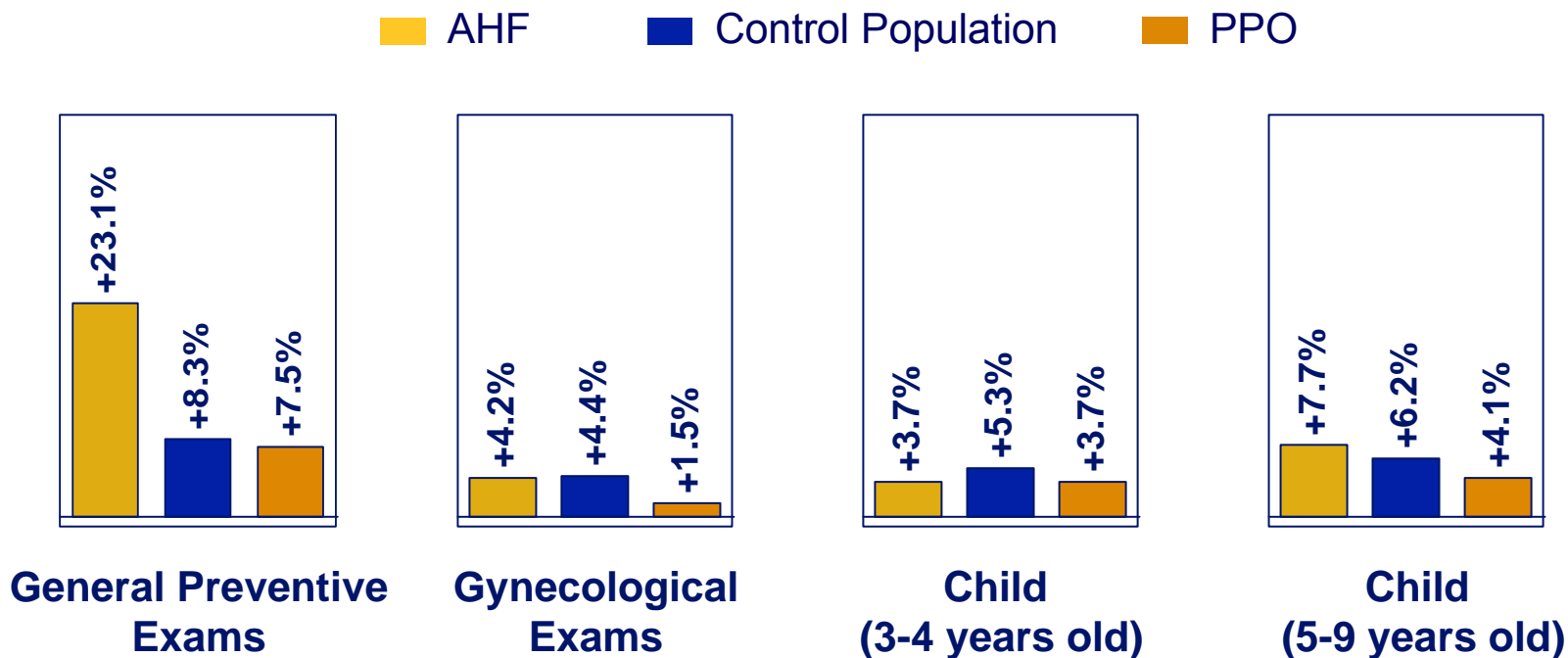
***For members in their first year of AHF:***

Significant increase in lipid screenings among  
first-year AHF members

*Note: all statistical testing was completed with a 90% confidence interval, or p value = .1*

# Preventive Care Was Up

## Comparison of 2002 vs. 2003 utilization



*Note: For all measures, AHF members had more exams than comparator populations, even where changes from 2002 to 2003 were not higher*

# Latest AHF Member Satisfaction Survey Results

- Overall satisfaction 90%
- Likely to renew Aetna HealthFund (AHF) Plan 87%
- AHF meeting member expectations 86%
- AHF gives a high level of control over my health care spending 80%
- AHF provides access to info needed to make intelligent decisions 90%
- AHF is easy to use 94%
- AHF makes me more conscious of health care costs 89%

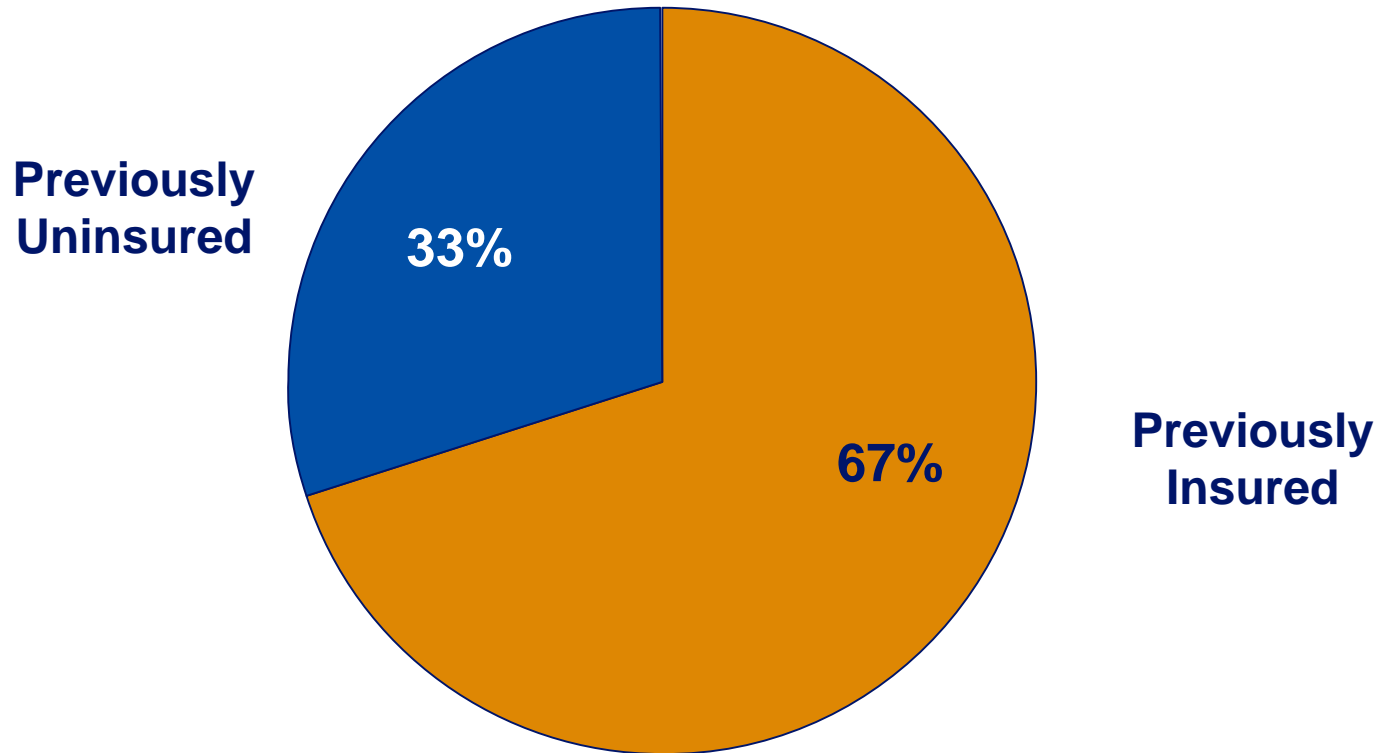
# Aetna HealthFund Study Summary

- Consumerism is working.
- Members are not forgoing essential or preventive care.
- Savings are sustained into the second year.
- Integrated pharmacy enhances behavior change.
- Members with chronic conditions maintain care levels.
- Members are more aware of the cost of care.

# Uninsured Individuals Purchase CDHPs

**30% of Owners of Individual HDHPs/HSAs were Previously Uninsured**  
September 2004

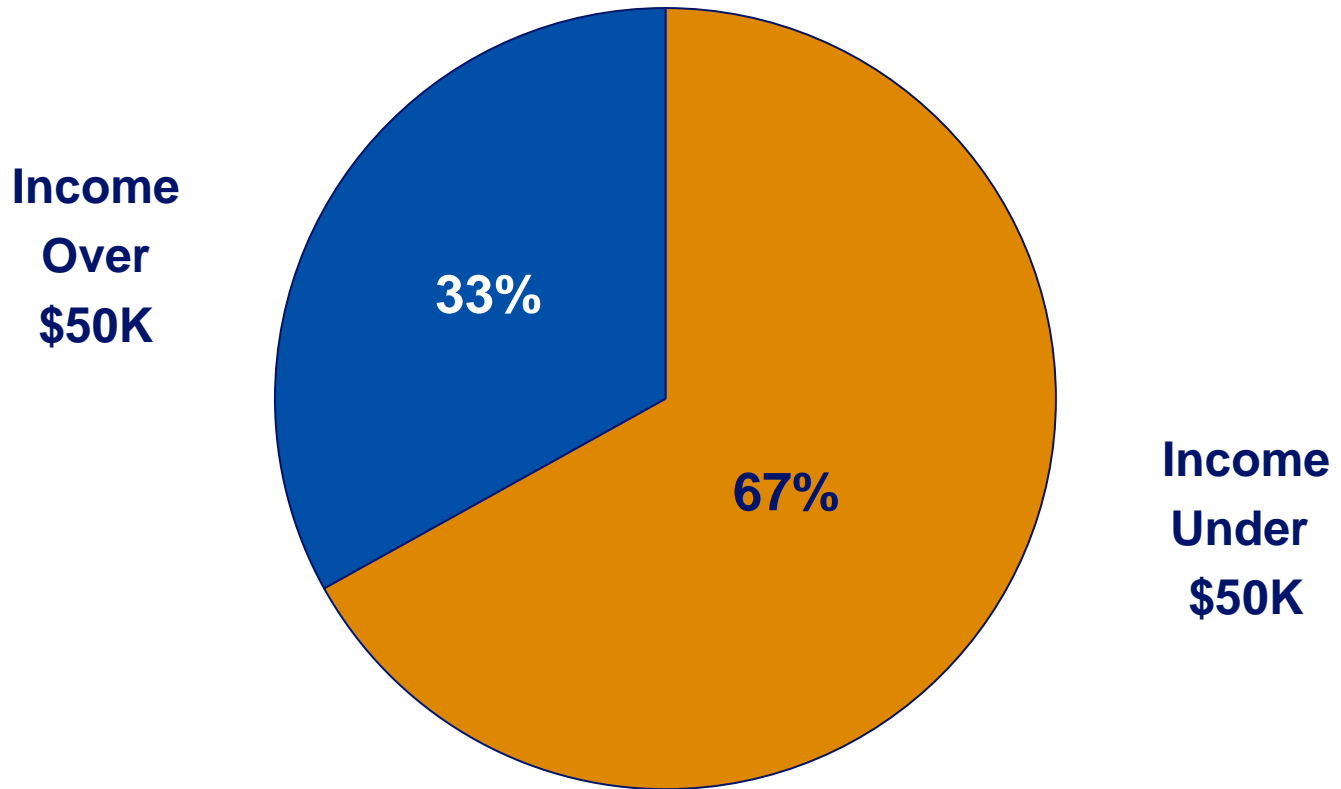
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# Most individuals who apply for HSAs have incomes under \$50K.

**Percent of Previously Uninsured HSA Applicants  
By Income Level**

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***Thank You!***