

A Simplified Solution

High Deductible Health Plans

HUMANA[®]
Guidance when you need it most



If your company needs to slow the pace of runaway costs for employee health benefits, Humana can help. Our own experience has shown that, when empowered with information and guidance, healthcare consumers use the same skills they apply to other purchasing decisions. They compare health plans and prices, ask questions of their healthcare providers, and look for the best value in quality and cost of care.

This is what we call “healthcare consumerism”—a change in employee behavior that leads to lower healthcare costs for many of our clients. It can do the same for you.

Everybody wins

When you offer a High Deductible Health Plan, or “HDHP,” you benefit, and so do your employees – no matter what their situation:

For employees interested in **saving and investing**, an HDHP opens the opportunity to save tax-free dollars, since an HDHP is a prerequisite for opening a Health Savings Account (HSA). Employees can spend HSA money on healthcare tax-free – or use it for other expenses after they retire, when non-healthcare distributions may be taxed at a lower rate.

Employees who are **focused on day-to-day costs** will appreciate the lower premium. In addition, medical and pharmacy costs apply to one integrated deductible, which makes it easier to meet the deductible. In fact, many members spend as much or more on medications as they do on medical services.

The out-of-pocket maximum adds an extra measure of security: a built-in cap on members’ healthcare costs within the plan year. Together, features of the HDHP provide economical coverage and peace of mind for employees and their families.



Humana's high-deductible plans

Our HDHP plan designs give employers flexibility by offering:

- ▶ **A range of deductible amounts** – deductibles and out-of-pocket maximum amounts are in compliance with the IRS guidelines for HSA-compatible plans
- ▶ **Three coinsurance options** – in-network/out-of-network percentages of 80/50, 90/60, or 100/70

In addition to offering HDHPs, Humana makes setting up HSAs easy for you and your employees. We oversee the administration of both the plan and the HSA, which is managed by our banking partner, UMB.

Follow a leader

A leader in healthcare consumerism, Humana has a proven record of reducing costs by involving employees in healthcare decision-making. A High Deductible Health Plan from Humana gives your employees solid coverage, along with incentives to manage their benefits wisely – a key to reducing their healthcare spending and, by extension, lowering your costs as well.

HDHP basics

Each HDHP has only two key components: deductible and coinsurance.

Deductible

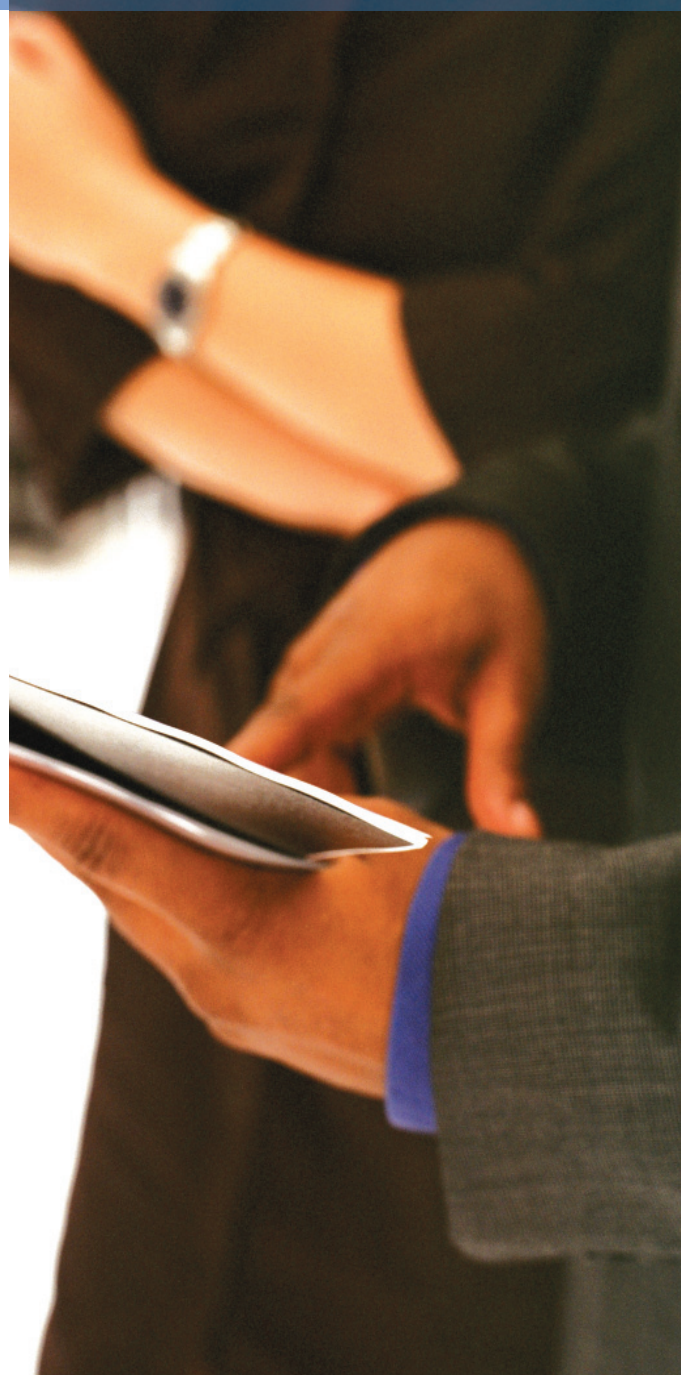
- Expenses for healthcare services and prescription drugs accumulate together
- Humana offers plans with two different types of deductibles: aggregate or embedded. Under the aggregate plan, costs for all covered members apply to the same deductible. With an embedded deductible, covered members meet their own individual deductible.
- Before the deductible, members pay the discounted price at in-network pharmacies; drugs not on Humana's HDHP Drug List don't apply to the deductible, but members still receive the discounted rate

Coinsurance

- After meeting the deductible, employees and their families pay the designated rate of coinsurance for medical services and prescription drugs
- Employees who have HSA funds remaining after they meet the deductible can use the account for coinsurance as well

Why offer a high-deductible plan?

- **Flexible premiums.** The high-deductible plans have lower premiums than most traditional health plans – which means potentially lower costs for you. And you have latitude in adjusting employee premium levels to meet your cost-sharing objectives.
- **Simplicity.** The basic deductible/coinsurance benefit design makes it easy to understand and use.
- **Health Savings Account compatibility.** You have the opportunity to add a new form of tax-free savings to your employee benefits.
- **Added value.** Members have access to Humana's clinical programs and Web-based tools – the same value-added services available to members enrolled in other Humana plans.



To find out more about our High Deductible Health Plans, contact your agent or Humana sales representative.



Humana Plans are offered by the Family of Insurance and Health Plan Companies including Humana Medical Plan, Inc., Humana Employers Health Plan of Georgia, Inc., Humana Health Plan, Inc., Humana Health Benefit Plan of Louisiana, Inc., Humana Health Plans of Michigan, Inc., Humana Health Plan of Ohio, Inc., Humana Health Plans of Puerto Rico, Inc. License # 00235-0008, Humana Wisconsin Health Organization Insurance Corporation, or Humana Health Plan of Texas, Inc. – A Health Maintenance Organization or insured by Humana Health Insurance Company of Florida, Inc., Humana Health Plan, Inc., Humana Health Benefit Plan of Louisiana, Inc., Humana Insurance Company, Humana Insurance Company of Kentucky, EmpheSys Insurance Company, or Humana Insurance of Puerto Rico, Inc. License # 00187-0009

For Arizona Residents: Offered by Humana Health Plan, Inc. or insured by Humana Insurance Company, EmpheSys Insurance Company

Please refer to your Benefit Plan Document (Certificate of Coverage/Insurance) for more information on the company providing your benefits.

Our health benefit plans have limitations and exclusions.

An HSA is not a health benefit plan