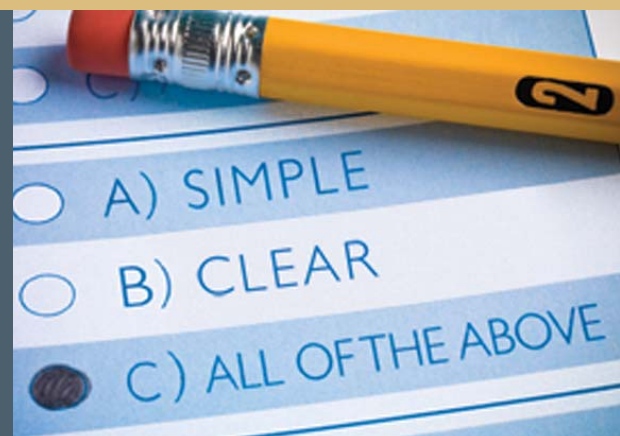


Understanding The Impact Of Consumer-Driven Health Care On Employers and Consumers



UnitedHealthcare rolled out its first consumer-driven health (CDH) plan in 2000 in response to employer frustration with rising health care costs, inconsistent quality of care and employee requests for more control of their health care. Today, UnitedHealthcare serves over 2.8 million CDH members with the goal of helping them become informed and engaged health care consumers.

There are varied stakeholder perspectives on consumer-driven health care, and the debate as to whether or not consumer-driven health plans reduce costs, advance health, and improve the consumer experience continues. To assist in the public discourse, UnitedHealthcare has amassed valuable research, providing us with an unsurpassed level of insight into how CDH plans benefit consumers and their employers. The evidence shows that, through tools and individualized communications that are relevant to the individual, resources that promote healthy behavior, and well-constructed consumer strategies, CDH plans lower costs, while at the same time, improving use of evidence-based care.

Serving employers across varied industries and members across the demographic and socioeconomic spectrum, we are pleased to share our experience with you. We look forward to continuing to understand the power of the consumer in health and improving the health care system . . . together.

We've conducted many in-depth studies over the last three years which highlight the positive changes and the value consumer-driven health care can bring to employers and their employees. We've also used the depth of our experience to address many specific questions that arise in the public discourse on consumerism in health. Study highlights include:

Analysis	Question	Result
Multi-year impact study	In general, how do health care utilization and costs in a consumer-driven plan compare to traditional health plans?	A five year study (2003-2007) of consumer-driven health care members versus their traditional plan peers indicates that Definity SM consumer-driven health plans deliver sustained positive financial results for employers, while behavior change results in healthier employees.
Personalized health messages	Do personalized messages have an impact on the behaviors of those who read them?	A 2006 study of 50,000 individuals shows that those who read a personalized health message were significantly more likely to receive clinically recommended screenings for breast and cervical cancer, high blood pressure and cholesterol.
Health Savings Account (HSA) data analysis	Who opens HSAs? Who funds their HSA? Who saves or spends money in their HSA?	A majority of individuals — including those at low income levels — enrolled in an HSA-eligible plan through Definity are opening the account, contributing their own funds and carrying over balances. This indicates that consumers understand how their benefits work and realize the advantages of saving early for future health care expenses. The study also found the motivation and ability of these consumers to open and fund their accounts is directly related to the employer's decision to fund the account within an integrated offering.
Quality of care	Do members in consumer driven health plans sacrifice preventive care or care for chronic conditions to save money?	This study of consumer care patterns found that members of a consumer-driven plan received preventive and evidence-based care at rates equivalent to, or higher than, members of traditional plans. The analysis compared claims data for 250,000 Definity members to an external, national benchmark population of 10 million traditional health plan members during 2004 and 2005.



Impact study*

Costs (Allowed PMPM)

- Total medical and pharmacy costs incurred for CDHP members were consistently lower by 7 percent to 9 percent.
- Both medical and pharmacy costs were lower in CDHP. Pharmacy costs were 18 percent to 23 percent lower, while medical costs were 4 percent to 8 percent lower.
- Employers saved 10 percent to 12 percent in their CDHP plans.
- The majority of employer savings in CDHP were due to utilization decreases versus shifting costs to members. Approximately 82 percent to 87 percent of savings were a result of utilization decreases.

Utilization

- CDHP members continue to seek needed care:
 - Frequency of physician office visits was very similar across the plans in 2006 and 6 percent lower in the CDHP plan in 2007.
 - Levels of prescription drug use were essentially the same between the plans, yet pharmacy costs in the CDHP were significantly lower than in the PPO. (A separate study, conducted by UnitedHealthcare, confirms that chronically ill individuals enrolling in a CDHP plan are as likely to be compliant with their medications as people enrolling in other plan types.)
 - Hospital admissions were similar in the two plans during 2006, but almost 20 percent lower among CDHP members in 2007.

- In a finding that needs further review, members of both plans visited the emergency room at similar rates in 2006, but CDHP members had 18 percent more visits in 2007 when compared to PPO.
- Use of radiology services (e.g. mammogram, x-ray) was similar across the plans in both 2006 and 2007, and lab service usage was consistently higher (13 percent to 14 percent) among CDHP members.

Results Among the Chronically ill

Confirming that CDHP plans can be effective for individual members across an employer's population, UnitedHealthcare found that CDHP members with chronic conditions experience utilization patterns similar to the group as a whole.

- Costs were 7 percent to 8 percent lower for CDHP members with chronic conditions when compared to their peers in a PPO plan.
- Similar prescription and radiology use were found for members with chronic conditions in the CDHP and PPO.
- Patterns of utilization among chronics were similar to those for the entire population, except that hospitalizations were similar across both CDH and non-CDH chronic populations.

Preventive care

Routine/preventive visits were not fundamentally different between the plans.

*Analysis consists of a deeper look at the two plan populations in the most recent calendar years (2006 and 2007).

Personal health messaging analysis

According to a review of the messages sent in 2006, enrollees in UnitedHealth Group's CDH plans who access their private, password-protected accounts via www.myuhc.com and open their customized Personal Health Messages are significantly more likely to receive clinically recommended screenings for breast and cervical cancer, high blood pressure and cholesterol.

Women who opened their messages were:

- 68 percent more likely to get a mammogram.
- 63 percent more likely to get a cervical cancer screening.

Also, enrollees approaching their 50th birthday received a special message reminding them of a series of recommended preventive tests for their age group. Data show that members who opened this message were:

- 82 percent more likely to get a cervical cancer screening.
- 31 percent more likely to get a cholesterol screening.
- 71 percent more likely to have an office visit in which their blood pressure is checked.

Health Savings Account (HSA) data analysis

- The majority of eligible consumers opened their HSA account.
- 86 percent of consumers opened an account when the employer contributed.
- 88 percent carried a balance in their accounts at year end.
- The average account balance at the end of December 2006 was \$913.
- 59 percent of low-income (under \$25,000) account-holders made their own contributions to their accounts.
- 81 percent of low-income account holders carried a balance into 2007, with an average balance of \$597.

Quality of care

- Diabetics in a Definity plan are 15 percent more likely to have HbA1c tests.
- Asthmatics get flu shots at rates equivalent to those in traditional plans.
- Heart patients are 20 percent to 40 percent more likely to get important tests for their condition.
- CDH members are 16 percent more likely to get cervical or prostate cancer screening, and as likely as members in traditional plans to get colon and breast cancer screenings.
- Well-child visits exceed those of members in traditional plans. Although, well-baby visits were slightly lower in CDH plans.

Our body of research has found that well-constructed consumer-driven health plans can:

- Change consumer behavior and reduce costs for both employers and employees;
- Benefit individuals across various income groups, people with different health needs, and companies across multiple industries; and
- Encourage consumers to receive evidence-based and preventive care.


We are committed to advancing health, making it more personal and affordable, while providing consumers with a simpler, more personal health experience. Our proven solutions maximize health care investments for employers and consumers alike; and through our research, we continue to learn about which areas of health care need more attention, and then develop innovative tools that deal directly with those issues. The information that we have gathered since 2000 will serve as a basis for the next generation of consumer strategies and tools that will not only change behavior, but will continue to make it easier for consumers to actively manage the entire health care system.

These analyses were produced by UnitedHealth Group's Health Services Analysis team, a group of health researchers, epidemiologists and statisticians who assess the impact of our consumerism products and services on individual behavior and employer plans. They follow sound, objective methodologies, seeking external peer review, to produce reliable and accurate results.

**For more information about Definity Consumer-Driven Health plans,
contact your **consultant** or your **UnitedHealthcare representative**.**



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