



Level Funded Premium

It's time to rethink how you manage costs and improve employee health

Humana[®]

[Humana.com](https://www.humana.com)



Health is personal and your business is unique. At Humana, we take the time to understand your culture, budget and goals. That way we can help you implement an effective, self-funded employee benefits plan and a wellness strategy that engages your employees in a personal way. Not only could you save on your self-funded claims costs, but you can also gain a competitive advantage with healthier, more productive workers.



Challenges in Healthcare

The current state of the healthcare industry presents multiple challenges to company leaders like you looking to provide reliable coverage to their employees at a reasonable price.

- **Rising costs:** Healthcare premiums have risen significantly, and as much as 80% for a family in the US since 2003.¹
- **Confusing regulations:** New and changing regulations and taxes can often make it difficult to determine plan changes and what that means for employers.
- **Poor employee health:** Workforce health and productivity has decreased, resulting in more employee absences and poor performance.²

As a result, executives end up using short-term, cost-mitigation tactics, such as reducing overall benefits, raising deductibles and cutting budgets.

How can Humana help?

We understand that navigating the current challenges in healthcare is a difficult task. We provide a simple, self-funded plan you can afford with an integrated wellness strategy that engages your employees to keep them happy, healthy and productive.



Since 2000, health insurance premiums for a typical family of four have increased by 114%³



Companies that have implemented wellness programs have averaged \$700 in savings per year per employee⁴

1 *ObamaCare Insurance Premiums*. Obamacarefacts.com; 2014

2 *Measuring Health-Related Productivity Loss*; www.ncbi.nlm.nih.gov/pmc/articles/PMC3128441/

3 Kaiser Family Foundation and Health Research and Educational Trust. 2010 Kaiser/HRET employer health benefits survey.

4 World Economic Forum (WEF) on corporate health and wellness



Humana's flexible funding solution

We have listened and understand your concerns with self-funded options. That's why we developed Level-Funded Premium, a self-funded solution with an integrated wellness program that offers the predictable costs of a fully-insured plan and the flexibility of a self-funded, Administrative Services Only (ASO) option. This product is available for groups with a minimum of 10 to 300 enrolled.¹

Take part in a plan that benefits you

We know that providing your employees with a healthcare plan that delivers solid coverage at a cost-effective price is your top priority when deciding on a healthcare plan. Humana's Level-Funded Premium gives you that, and more:

- **Opportunity to lower your healthcare costs** by only paying for claims for your employees
- **Receive comprehensive medical and pharmacy benefits** of our standard plans, with utilization and cost-containment resources
- **Get the advantages of self-funding** without the risk of unexpected costs
- **Reduce premium taxes** by only paying premium taxes applicable to stop loss premium
- **Create a culture of health and well-being** that leads to a more productive workforce
- **Share the benefits of a positive claims experience** and get additional savings with HumanaVitality

How to get started:

Step 1

Select any Humana standard plans to offer with your Level Funded Premium funding arrangement

Step 2

Choose your level of administrative services:

- **Enhanced:** Full suite of services which mirror our fully-insured plans
- **Basic and Full:** Options with fewer services to meet the needs of customers with more than 100 employees

Step 3

Select a stop-loss option:

- **Specific stop-loss** protects against large claims
- **Aggregate stop-loss** protects your total claims exceeding a certain level

Step 4

Participate in HumanaVitality to possibly lower your claims cost and reduce your monthly fees

Administrative services: what's included

Level-Funded Premium offers a full suite of services that are standardly included with our fully-insured plans. If you have more than 100 employees, you have the option of choosing the Full or Basic option which include fewer services based on the needs of your business. Contact your agent for more information.

Enhanced administrative services includes:

- ✓ Comprehensive plan administration such as set-up, billing, paying claims, and enrollment
- ✓ Full Medical Management
- ✓ Fully Integrated Behavioral Healthcare
- ✓ Network access
- ✓ COBRA administration
- ✓ HIPAA compliance to protect privacy of Personal Health Records
- ✓ Claims administration
- ✓ Integrated Chronic Condition Management
- ✓ HumanaBeginnings (maternity support)
- ✓ Nurseline
- ✓ Radiology consultation
- ✓ Telephonic EAP and work-life services
- ✓ HumanaVitality – a science-based, workplace wellness program with rewards for lifestyle improvements
- ✓ Weight Watchers weight management program²

Choosing the stop-loss option that's right for you

Level-Funded Premium limits your financial exposure to unforeseen costs through stop-loss insurance. Your stop-loss premium provides the protection that keeps your monthly payments consistent. We offer several options to fit your business:

Number of employees	Specific stop-loss protects you against large claims by your covered members	Aggregate stop-loss protects you against your total claims exceeding your expected claims for the plan year
10-99 eligible employees	<ul style="list-style-type: none">• \$15,000• \$20,000³• \$30,000	<ul style="list-style-type: none">• 125%• 110%• 115%
100-300 eligible employees	<ul style="list-style-type: none">• \$15,000⁴• \$20,000• \$30,000• \$35,000• \$50,000• \$75,000	<ul style="list-style-type: none">• 125%• 110%• 115%

Save when your employees get engaged with HumanaVitality

HumanaVitality is a leading wellness and rewards program that inspires employees to live healthier lives. To help encourage participation in the program, we offer incentives for your business:

- **Employers with less than 100 employees** can earn up to a 10 percent premium discount for each employee who reaches Silver HumanaVitality status or above.
- **Employers with 100 to 300 employees** will have a choice of comprehensive utilization management and wellness programs to help employees stay healthy. This could lead to favorable claims costs with a 100% refund of a claim fund surplus.

¹ 51 to 300 in FL, TN, NV, and UT

² 100% employer-funded for the first six months for eligible employees. After six months, employees can continue the program by paying a monthly discounted rate.

³ All markets except TN (\$25,000 / 110%)

⁴ Not available in FL

Year-end settlement example:

This example shows the report you'll receive at the time of settlement detailing how your premium is applied to your expenses and how you can financially benefit from favorable claims experience.

ABC Group – Level Funded Premium vs. Fully Insured example
(115 Aggregate): Subscribers: 67 Members: 154

Traditional Fully Insured **Total Funding**
\$361,395

AGGREGATE							
	Admin fee	Specific Stop-loss	Aggregate Stop-loss	Total fixed cost	Aggregate claim attachment		
LFP Max Funding (billed amount)	\$61,104	\$158,388	\$14,472	\$233,964	\$141,034		
	Billed amount	Actual claims	4% reserve	Total claims liability	Year-end settlement	Total funding (after settlement)	Difference from fully-insured
Claims at 60% of expected	\$374,998	\$73,583	\$5,641	\$79,224	-\$61,810	\$313,188	-\$48,207
Claims at 70% of expected	\$374,998	\$85,847	\$5,641	\$91,488	-\$49,546	\$325,452	-\$35,943
Claims at 80% of expected	\$374,998	\$98,111	\$5,641	\$103,752	-\$37,282	\$337,716	-\$23,679
Claims at 90% of expected	\$374,998	\$110,374	\$5,641	\$116,016	-\$25,018	\$349,980	-\$11,416
Claims at 100% of expected	\$374,998	\$122,638	\$5,641	\$128,280	-\$12,754	\$362,244	\$848
Claims at 110% of expected	\$374,998	\$134,902	\$5,641	\$140,543	-\$491	\$374,507	\$13,112



The Humana advantage

- **100% refund of claims surplus** – no strings attached
- **Best-in-class wellness programs** give you the support and tools to help control healthcare spending over time
- **Humana only retains 4%** of the maximum annual claims fund for reserves – lower than many other carriers
- **Comprehensive medical and pharmacy plans** with utilization and cost-containment resources



When wellness works

The right wellness strategy is tailored to each company's and each individual's needs. At Humana we make it easy to reward your employees for taking control of their overall health and engaging in wellness. Whether it's contacting a health coach, getting advice from a personal nurse, or using our app to keep track of goals, we lead employees to healthy choices that make a positive impact on their health and control costs, at the same time.

Why employees don't participate

You've likely tried or offered wellness programs at some point. So why aren't more employees participating? Many plans don't offer the tools and support needed to drive employee engagement, and oftentimes employees and their families distrust how their medical information will be used. Without consistent reinforcement they quickly disregard the program.

Personalized wellness that works

Our proven, nationally-certified wellness program is built to help you achieve success. With integrated wellness programs in our Level-Funded Premium offering, your employees are equipped with the relevant, easy-to-use resources that will get them excited to engage in wellness. By seeing first-hand how they are supported and rewarded for engaging in their health, they will be more willing to share their personal information and work towards a healthier lifestyle.*



Close to 50% of Humana's self-funded plan participants
are actively participating in our integrated wellness program

* Same results not guaranteed for every group.



Full integration leads to employee engagement

One of the most important ways to guarantee employee buy-in and participation is to create a flexible plan that is integrated with their lives and choices. But many wellness offerings can be expensive, and it seems hard to justify the cost while cutting budgets in other places.

We built our solutions with you in mind. By reducing costs based on the number of employees in your company, and providing additional discounts if a portion of your workforce reaches HumanaVitality Silver Status, you are able to directly relate a healthier lifestyle to cost-savings.

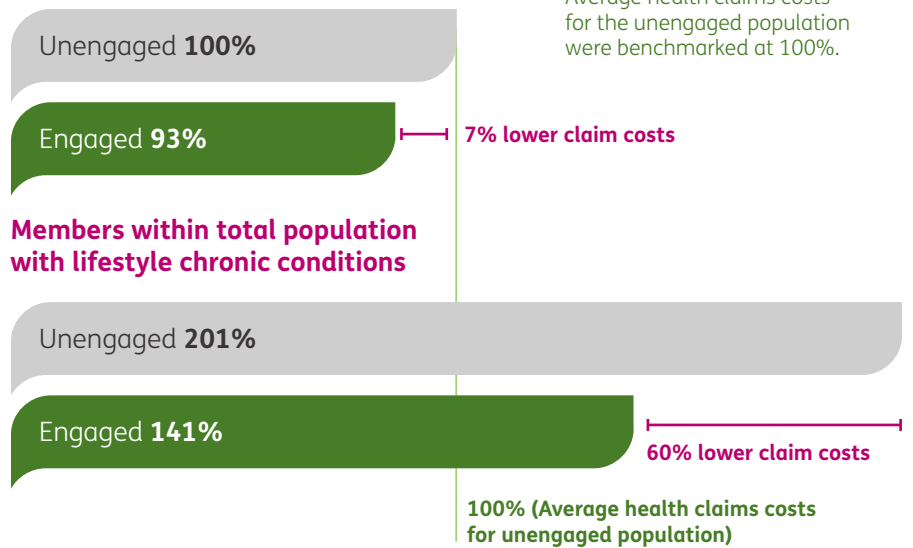
We built our solutions with best-in-class organizations to maximize our capabilities and create programs that work. This means the robust and proven offerings of programs and services you choose for your employees are fully integrated so they feel tailored and seamless.

Focus on engagement can control claims costs

Through a two-year claims and productivity study, Humana found that, on average, engaged employees with chronic conditions had 60% lower claims costs than unengaged employees with chronic conditions.

Bottom line: Focusing more strongly on engagement can draw a positive correlation with lower PMPM claims costs – even among employees with lifestyle chronic conditions.

Total population:



Source: HumanaVitality Health Claims & Productivity Impact Study of 16,000+ Humana Associates, 2014

What we provide:

Humana's Level-Funded Premium option integrates wellness and engagement support into your self-funded solution. You can create a healthier workplace while lowering claims costs and increasing productivity using our programs and services:

- **Dedicated engagement resource:** A Humana Engagement resource will work hand-in-hand with you to build and implement a wellness strategy that guides your employees to make healthy choices and rewards them for continuing healthy behaviors.
- **Real-time data makes engagement personal:** As your employees engage in their health, we capture real-time health information and share it with all who are entrusted with their care, such as nurses, coaches, and customer service – securely and confidentially. This allows us to quickly identify and communicate the gaps in care, as they happen, such as alerts for an unfilled prescription or missed wellness or preventive exam.
- **Wellness resources engage employees to help improve their health:** Members tailor a personalized path to fit their lifestyle and health status, identify risk factors, set goals, track their progress and get rewarded for making healthy choices. They earn points redeemable for things like gift cards, portable electronics, fitness devices, and apparel.
- **Clinical programs engage those who need care more often:** Humana delivers industry-leading* clinical care programs. Year over year, we outperform the industry in our ability to positively impact inpatient and outpatient trends by proactively reaching out to members to help them make better healthcare decisions.
- **Cost-effective pharmacy benefits:** Self-funded plans with an integrated pharmacy experience lower costs and provide better medical outcomes. Our integrated pharmacy benefits are easy to use with a single ID card and administration, eligibility and reporting.

Not only are our members healthier, they are more satisfied. Surveys of Humana's clinical program participants show they value their clinicians and advocate for Humana:

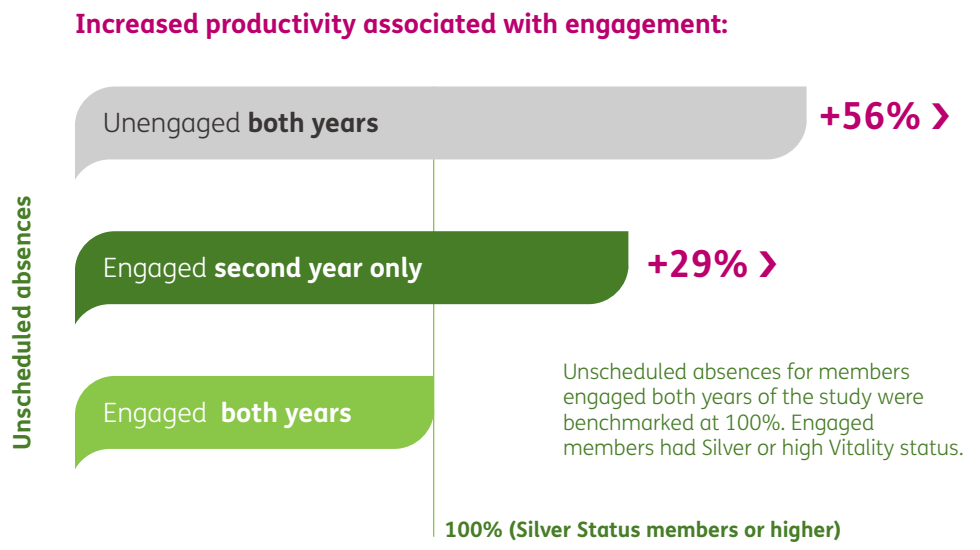
- **98% responded positively** when asked to rate their clinician
- **93% would recommend** the program to family, friends, or colleagues
- **91% are satisfied** with Humana overall

Humana Customer Satisfaction Survey, Jan. - June, 2013

* 2005-2012 Industry Trend Range / Optum Trend Letters vs. Humana observed value / commercial net trend national average

Focus on engagement can reduce unscheduled absences

Unscheduled absences were 56.3% higher with unengaged members than engaged members both years of the study.












Join our Rewards program: HumanaVitality

At Humana our primary focus is on the well-being of our members. We are dedicated to being your well-being partner to help you balance the needs of your employees with the realities of your business. Our Level-Funded Premium options integrate HumanaVitality to provide a rewards platform for engaging your employees. Whether it's reducing stress caused by work or life issues, getting plenty of sleep, cutting back on unhealthy habits, or striving for 10,000 steps a day, we focus on meeting members where they're at in their personal health and wellness journey.

Each step members take toward their goals, and each positive change they make, earns Vitality Points and Vitality Bucks redeemable for rewards. Here's some ways members can earn rewards for taking simple steps to improve their health:

-  Take a health assessment and get a biometric screening to assess current health status
-  Set personal goals and complete activities to help achieve those goals
-  Track exercise with connected fitness devices
-  Connect with a personal nurse or health coach
-  Get a dental, eye, or preventive exam
-  Complete a maternity management program
-  Adhering to their prescribed medications



HumanaVitality Mobile App

Get the best of HumanaVitality on one convenient app to help you stay healthy! Available for iPhone and Android devices.

Humana®