

Humana Group Medicare

Savings, simplicity, and service for your retirees



Humana.

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Group Medicare 

Humana is a Group Medicare Advantage leader

How does Humana Group Medicare Advantage work?

Our Group Medicare Advantage plans combine all of the benefits of Original Medicare – Part A and Part B – into a single plan that Humana underwrites and administers. Many include a Part D rider, eliminating the need for freestanding pharmacy benefits.

Humana offers additional benefits such as wellness programs and case management services. The result: more efficient – and often less costly – retiree medical benefits.

Humana provides real solutions to help improve your bottom line, deliver a better healthcare experience, and enrich the lives of your retirees.

With your claims data, our underwriting staff can model benefits scenarios and create premiums specific to you.

Humana Group Medicare Advantage offers plan sponsors and retirees:

- **Savings: Broad benefits, often at lower cost for you and your retirees.** Humana plans often cost less than secondary coverage. Your retirees' money goes further because they enjoy wide-ranging benefits, predictable out-of-pocket costs, and extra services. Our clinical analytic engine, Anvita, and our comprehensive suite of clinical programs help identify gaps in care. Humana's systems may save money – and lives.
- **Simplicity: Easy for you to implement, easy for retirees to use.** Our Medicare Advantage-dedicated team handles all aspects of enrollment and installation for you. With Humana's integrated plans, your members use one card and can get help with just one call.
- **Service: Support and guidance all year long.** Humana has experience in the complex and ever-changing world of Medicare. Nearly 10,000 Humana associates are dedicated to our Medicare business, and our customer service teams are trained to communicate with and understand the needs of Medicare beneficiaries.

Simplicity: Easy to implement and use

Healthcare providers and plans where you need them

Because Humana's clinical expertise is respected by healthcare providers, our relationship with doctors and hospitals allows us to create strong provider networks. We offer the full spectrum of provider organizations for Group Medicare Advantage and prescription drug plans:

- **Local and regional preferred provider organization (PPO):** Members get covered services from any provider, but generally covers a larger portion of costs for services from in-network providers
- **Health maintenance organization (HMO):** Helps control medical costs through an established network of providers and guidance from primary care physicians
- **Reach your retirees outside network boundaries** with Humana's Group Medicare Service Area Expansion Waiver, using an approved regional preferred provider organization (RPPPO) and/or local preferred provider organization (LPP)
- **Prescription drug plans (PDPs):** Available with any Group Medicare Advantage plan or as a freestanding plan

We can tailor benefits to fit specific circumstances, and we may be able to match your current plan designs. We can also offer creative, alternative cost-savings solutions for most groups.

With local PPOs in 1,272 counties, regional PPOs in 23 states, and other plan options, Humana has one of the largest national footprints of any Group Medicare carrier. Our Medicare PPO network includes more than 400,000 providers in 40 states.

How Humana educates and engages your retirees

Humana gives members the resources, tools, information, and help they need make our plans easy to use and understand. This service starts before your retirees enroll, with enrollment kits and guidance available by phone so they know the plan benefits.

A team of Humana associates is dedicated to our Medicare customers and members. All associates who directly work with Medicare beneficiaries have been trained to help them effectively communicate with Medicare-eligible seniors and understand their unique needs.

Our Group Medicare Advantage members appreciate how easy our plans are to use. One card, one claim, and one place to call for help – Humana simplifies retiree coverage for everyone.

Humana.com offers a wealth of information including health tools, wellness programs, personal medical and pharmacy data, plan benefits, claims information, and health conditions. We even send reminders for health screenings and checkups.

In many plans, we use a variety of resources to help members integrate healthy choices into their daily lives, including:

- Humana Active Outlook®, an exclusive life-enrichment program that focuses on body fitness, nutrition, exercise, motivation, caregiving, and an overall healthy lifestyle
- Fitness programs, such as SilverSneakers® and Silver&Fit®, that promote health and flexibility through low-impact exercise
- Tobacco cessation, including a stop-smoking program with Web-based support, a printed guide, and telephone coaching

Plan sponsors trust Humana for Group Medicare Advantage

Why Humana is a Medicare Advantage leader

Medicare is a significant part of Humana's business and a major contributor to our success. Our 28 years of involvement in Medicare and deep understanding of how the Centers for Medicare & Medicaid Services (CMS) works allow us to be pioneers in Medicare product design and operation. That experience, combined with our investment in data management, enable us to provide at least the same level of services and benefits as members would receive under Original Medicare at a cost that averages 15 percent less than Original Medicare.

The 15% Solution



What plan sponsors say about Humana's customer service

Humana annually surveys Group Medicare plan sponsors to improve processes and update our product offerings. The most recent survey found:

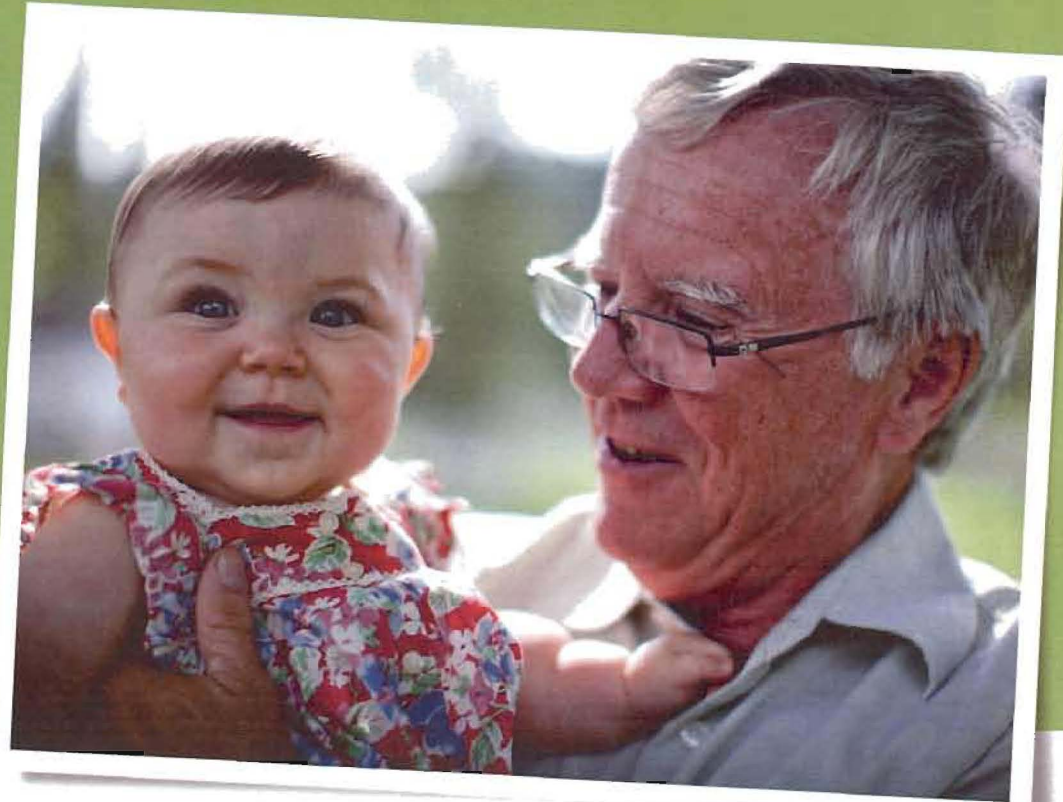
- Humana is meeting our Group Medicare needs overall – 96%
- The overall value of Humana's plans and services relative to the cost meets their needs – 97%
- Humana's plans are easy to understand – 95%
- Humana's overall customer service (when calling in the previous three months) met their needs – 95%
- Humana's premium invoice is timely and easy to understand – 98%

Note: Plan sponsor survey of 80 employers in April 2012. Percentages represent those who said Humana mostly, fully, or exceeded their needs.

Humana's awards and recognition include:

- **Humana Active Outlook** has won more than 100 major national publishing awards, including the APEX Awards for Publication Excellence.
- **RightSource®**, the Humana-owned mail-order pharmacy, received the highest national ranking in the "Cost Competitiveness" category among mail-order pharmacies in the J.D. Power and Associates 2011 National Pharmacy StudySM. RightSource also ranked second in overall customer satisfaction among mail-order pharmacies, and ranked above the industry average in other key factors of the study, including prescription ordering and delivery.
- **PayerView Ranking (2012):** Humana was ranked No. 1 major payer among U.S. health insurers in athenahealth's PayerView ranking for three of the last four years.
- **Web Health Awards (2012):** The MyHumana Mobile app was the bronze award winner (patient adherence/compliance category).
- **DALBAR Excellence in Communications Award (2012):** Awarded to Humana's "smart" Explanation of Benefits.

Humana Group Medicare



Presentation to East Baton Rouge Parish School System
Health Insurance Advisory Committee Meeting - May 11, 2013
Scott Westbrook & Shane Swenson
Humana – Group Medicare

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Humana Overview

- 51+ years of health care industry experience
- 28 years of continuous experience with Medicare
- Fortune 79 company
- Approx. 4.8+ million Medicare members
 - 2.2 million MA/MAPD
 - 2.6 million PDP
- Humana's first Medicare plan offered in 1985
- First Group Medicare solution in 1990
- Full spectrum of Product Solutions: Medicare, Group health benefits, Individual health, specialty benefits, pharmacy solutions, voluntary benefits
- Dedicated senior products team with over 9,000 associates who support operations, actuarial, underwriting, compliance, and marketing efforts

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What is Medicare Advantage ?

- A Medicare Advantage Plan is a type of Medicare health plan offered by an insurance company that contracts with Medicare (CMS) to provide you with all your Part A and Part B benefits.
- Once enrolled, Medicare services are covered through the insurance company plan and are not paid for under Original Medicare. Eligible enrollees must have and maintain Medicare parts A and B.
- Many Medicare Advantage Plans offer prescription drug coverage, embedded in the plan. The common acronym is MAPD (Medicare Advantage Prescription Drug).

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“Group to Group”

- We are specifically discussing GROUP MAPD, not individual Humana GOLD. This is a group product offering. MAPD Members must have Medicare parts A & B... and are still considered a group under EBRPSS.
- “Group to Group”, not group to individual coverage.
- The basic differences are:
- The eligible retiree group becomes fully-insured with Humana, instead of self-funded under EBRPSS.
- Humana becomes the sole payer for all covered medical and Rx claims.
- Humana receives monthly payments from Center for Medicare and Medicaid Services (CMS) for each enrolled member.
- Humana arrives at an actuarial sound PEPM premium to combine with the monthly CMS payment and Humana administers the GROUP plan.

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Here are just a few happy LA Humana Group MAPD customers:

It's just different...

What we are talking about is not new or "smoke and mirrors".

It is just a different approach and a change in funding methodology.

What in healthcare is not changing today?

We all need to embrace the changes upon us and keep an open mind to all options that help provide solutions.

Some other entities here in LA have been where you are today in this decision process... They asked their advisors to help them find real solutions.

How can we help make providing great benefits to retirees sustainable ?

- St. Tammany Parish Schools
- St. Charles Parish Schools
- Lafayette Parish Schools
- Iberville Parish Schools
- Orleans Parish Schools
- Jefferson Parish Gov't
- City of Slidell
- McIlhenny Company: Tabasco®
- Baton Rouge Water Company
- Dow Chemical
- Honeywell
- Port of New Orleans
- Ochsner Clinic Foundation
- Etc. Etc. Etc.

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Humana's 15% Solution

Our holistic approach, together with the scale needed to execute in a post-reform environment, positions us well to deal with wasteful spending in the health system that has been estimated at more than half of all health spending.*

1% to 2%

Early Identification

- Humana Health Assessment
- Predictive modeling

4% to 6%

Clinical Integration & Guidance

- Provider guidance
- Clinician-based support
- Wellness and productivity
- Pharmacy solutions

6% to 8%

Provider Contracting

- Efficient physician networks
- Efficient hospital contracting
- Discounts for free-standing facilities and ancillary services

1% to 2%

Claims Cost Management

- Consistent application of Medicare-published local coverage determinations
- Timely DRG audits and recoveries
- Specialized physician billing review software
- Observation status review
- Fraud detection



* PricewaterhouseCoopers' Health Research Institute, 2008

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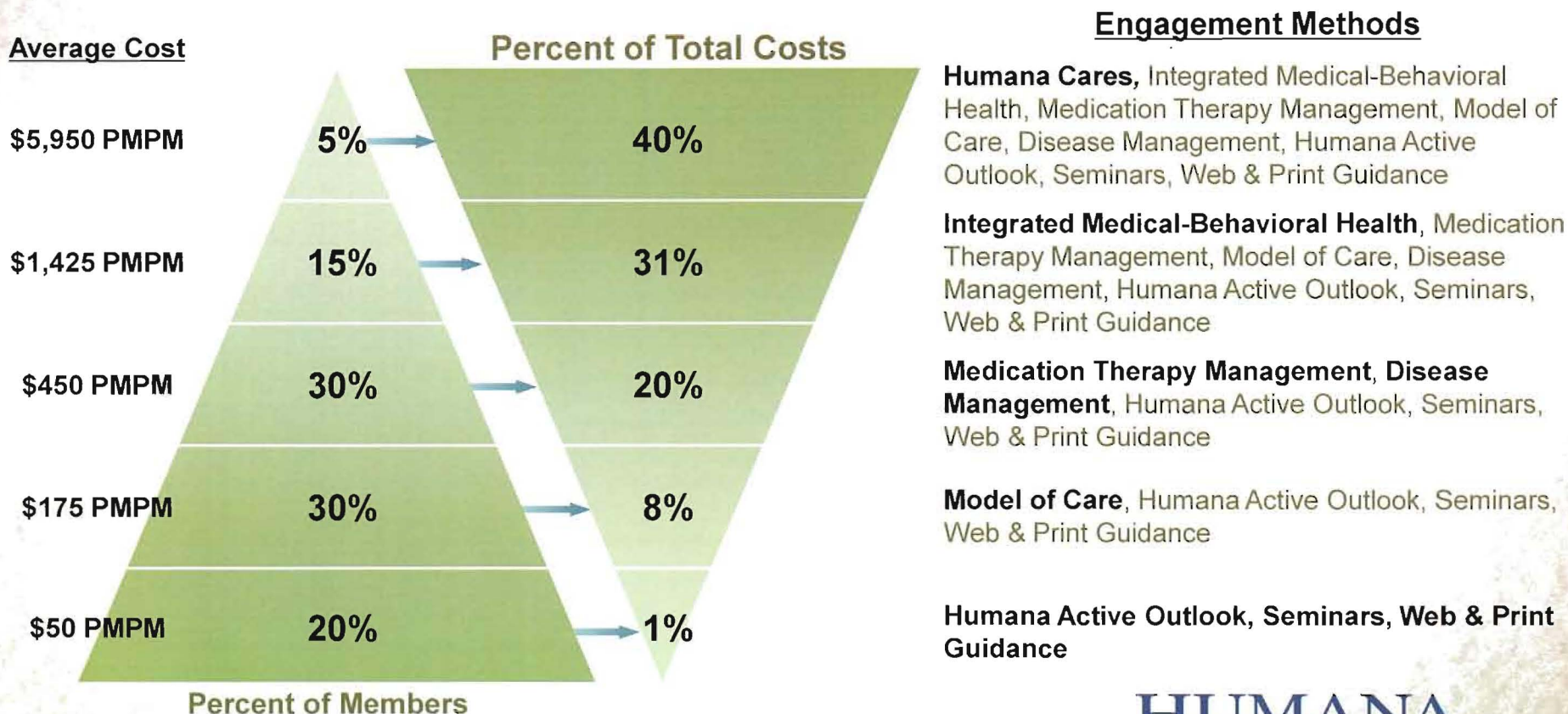
Humana's 15% Solution: Medicare Advantage Sustainability

- Achieve medical costs at least 15% below Original Medicare to establish program viability
- Effectively manage acute & chronic conditions and guide members to appropriate care management solutions
- Focus on wellness and chronic condition management to improve savings over long term
- Provide perfect service to our members

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Aligned Program Focus

We are focused in managing high cost/high acuity patients



Engagement Methods

Humana Cares, Integrated Medical-Behavioral Health, Medication Therapy Management, Model of Care, Disease Management, Humana Active Outlook, Seminars, Web & Print Guidance

Integrated Medical-Behavioral Health, Medication Therapy Management, Model of Care, Disease Management, Humana Active Outlook, Seminars, Web & Print Guidance

Medication Therapy Management, Disease Management, Humana Active Outlook, Seminars, Web & Print Guidance

Model of Care, Humana Active Outlook, Seminars, Web & Print Guidance

Humana Active Outlook, Seminars, Web & Print Guidance

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Humana Medicare Advantage Plans:

- Humana offers a spectrum of Medicare Advantage plans.
- We can tailor benefits to fit specific circumstances and, in many cases, design them to mirror current plan design.
- Humana can provide plan coverage available in all 50 states.
- Humana has one of the largest national network footprints of any Group Medicare carrier.
- Group Medicare Service Area Expansion Waiver allows Humana to extend service areas for Medicare-eligible members who live outside the approved RPPO and/or LPPO area.

**Approved as of January 1, 2011*

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Implementation

Phase I	Phase II	Phase III	Phase IV
Requirements <ul style="list-style-type: none">• ID Card requirements• Special projects clarification• Communication strategy• Report needs• Billing setup	Enrollment <ul style="list-style-type: none">• Mail enrollment kits• Conduct seminars• Determine method for collecting enrollment applications/EDI	Account Setup <ul style="list-style-type: none">• Account setup• Plan load• Enrollment details• ID Card generation• ID Card mailing	Post-Enrollment <ul style="list-style-type: none">• Ongoing enrollment reconciliation• Ongoing reports• Ongoing customer support

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Account Management

Humana takes an all-inclusive, project management approach to each groups specific needs.

The dedicated account team includes:

✓ **Account Implementation Manager**

- Single point of contact to facilitate and assist with everyday activity throughout the life of the account.

✓ **Enrollment Consultant**

- Serves as the liaison between the group, call center and the enrollment team.

✓ **Account Concierge**

- Dedicated representative to coordinate communication for special needs with group, member & providers.

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Member Communications

- Communications are coordinated during enrollment and throughout the plan year.
- Focus placed on the entire member experience
 - Educational materials
 - Enrollment seminars
 - Enrollment Group Medicare call center for guidance
 - Enrollment options (paper, EDI)

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Value Difference Scorecard for People with Medicare

Original Medicare: Focus on Illness

- Pays claims, mails EOBs and monitors fraud and abuse

Medicare Advantage: Focus on Well Being

- Pay claims and monitor fraud and abuse, *and*:
- Case management services
- Transplant coordination services
- Health Risk Assessment and depression screening
- Disease management programs
- Care-coordination services
- 24-hour nurse help hotline
- Enhanced preventive coverage
- Enhanced core benefits
- Weight Mgmt.Discount -NutriSystem
- SiverSneakers®+Healthclub Membership
- Extra Services and Extra Benefits

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Value Difference Scorecard for People with Medicare

Original Medicare: Focus on Illness

- Pays claims, mails EOBs and monitors fraud and abuse

Medicare Advantage: Focus on Well Being

- Home monitoring for chronic illnesses
- Medication Therapy Management
- High-Risk/High-Need intervention programs
- Care reminder calls and alerts
- SmartSummary Rx
- Dental/Vision/Hearing discounts
- Lifeline®Medical Alert System
- Post Discharge Home Meals(10)
- Wellness magazine and newsletters

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Why choose Humana Group Medicare Advantage?

- Senior-focused care management, fitness, and wellness programs
- Corporate commitment to Medicare Advantage
- Cost effective solution
- Plan design flexibility
- Dedicated Group Medicare implementation, administration and customer care
- Unique enrollment and communications capabilities
- Extensive experience, expertise and resources

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The products and services described below are neither offered nor guaranteed under our contract with the Medicare program. They are not subject to the Medicare appeals process. Any disputes regarding these products and services may be subject to the Humana grievance process.

EXTRA SERVICES	• Complimentary & Alternative Medicine	The Healthways WholeHealth Network (HWHN) provides complimentary & alternative medicine discount services including chiropractic, acupuncture, and massage for Humana members and includes more than 35,000 practitioners. Not available to members who reside in Puerto Rico.
	• EyeMed Vision Discount	EyeMed Vision Care provides all Humana members reduced rates through the discount program. Discounts include savings on eyewear, contact lenses, laser vision correction, and eye exams. The EyeMed program offers national access to over 48,000 eye care professionals, including private practice optometrists, ophthalmologists, and opticians. Humana members present their member ID card to the EyeMed provider at the time of service to receive their savings. Members can also access a printable discount card that can be presented at the time of service. There are no claims to file, no deductibles to meet, and no waiting for reimbursement. Savings are applied directly to the member's purchase.
	• HumanaDental Discount	The HumanaDental discount is easy to use. Visit Humana.com or call HumanaDental at 1-800-898-0371 (TTY: 1-800-325-2025) to find a dentist in your area. The HumanaDental dentist will charge the negotiated fee, and you make the payment right after receiving services. Members residing in Florida have a similar dental discount program through CAREINGTON. Visit www.careington.com or call 1-866-636-9248 for more information. Not available to members who reside in Puerto Rico.
	• Hearing Aids and Care	Humana has teamed with TruHearing to provide services and discounts that include savings of \$600 to \$2,000 off retail costs on state-of-the-art digital hearing aids and follow-up office visits. These vendors provide a return guarantee within 45 days of purchase plus a one-year warranty on lost or damaged instruments and a two-year limited product warranty. Not available to members who reside in Florida.
	• Hearing Discount	You receive discounts for hearing aids at any HearUSA provider. Not available to members who reside in Florida.
	• Hearing Discount	Healthy Hearing Program offered by HearX/HearUSA. Includes special pricing on hearing aids, hearing aid batteries, periodic hearing aid checks and trade-in program. Available to members who reside in Florida only.
	• Lifeline® Medical Alert Systems	Humana has partnered with Lifeline® Medical Alert Systems to help you live a more independent, active life at home. You receive discounted rates on the installation of Lifeline CarePartners Home Communicator and lower monthly fees for monitoring services, provided 24-hours-a-day all year. Not available to members who reside in Puerto Rico.
	• Over-the-Counter Discount	Discounted prices on over the counter (OTC) health and wellness products available through RightSource. No charge for S&H.

EXTRA BENEFITS	• SilverSneakers®	in most service areas members will have free membership to a local fitness center through the SilverSneakers® Program. The SilverSneakers® Fitness Program offers your retirees free membership at a warm and friendly fitness center. Enrollment is easy and there is no initiation fee or contract. Available in all states except Pennsylvania and Nevada.
	• Silver&Fit™	The Silver & Fit™ Fitness Program, designed specifically for Medicare beneficiaries, is a total health and physical activity program that is beneficial for Medicare-eligible persons on all fitness levels. Eligible members receive a basic fitness center membership at a contracted fitness center that includes all the amenities offered at that location. Only available in Pennsylvania and Nevada.
	• Humana Active Outlook®	Humana Active Outlook Program includes HAO Magazine and other health and wellness education materials.
	• QuitNet®	A comprehensive smoking cessation service. Its features include the Customized QuitNet® Website, telephone counseling/coaching, the QuitNet® QuitGuide, and QuitTips e-mail support.
	• HumanaFirst®	A toll-free 24-hour, 7 day a week medical information service staffed with specially trained registered nurses to assist in immediately answering questions on symptom related health conditions. Also available is an audio text library to access information on a variety of health topics.
	• Meal Program	After your overnight stay in the hospital or nursing facility, you are eligible for 10 nutritious, precooked frozen meals delivered to your door at no cost to you. To arrange for this service, simply call 1-866-96MEALS (1-866-966-3257) after your discharge and provide your Humana member ID number, and other basic information. A representative will call you to schedule delivery and determine whether you're eligible for other community-based programs to help with rehabilitation or other needs. Not available to members who reside in Alaska or Hawaii.

	• Weight Management Discount (Nutrisystem Silver™)	The goal of the Nutrisystem Silver™ program is to help older Americans lose weight simply so they can enjoy vibrant, healthy lives. You get free membership and counseling, as well as free access to the Nutrisystem community through our Website. When you sign up for the 28-Day Nutrisystem Silver™ program, you get a free 30-day supply of Nutrihance® multivitamins and \$30 off every order you place through the program.
	• Life Resources Assistance Program	Call 1-800-662-4074 where you will be assisted by a Humana Cares health educator. The health educator can assist you with a vast array of issues such as housing, safety, food stamps, subsidized housing information, preventive health services, mental health services, caregiver support groups, employment program services, transportation, meals, financial assistance, and much more! Contact your plan for details. Not available to members who reside in Puerto Rico.
	• Pharmacy Discount - This is offered only to employers with Part D coverage in 2013	Certain types of prescription drugs often are not covered by prescription drug plans. But if your doctor prescribes any of these drugs to you, the pharmacy discount service can make them more affordable. This discount program can save you an average of 20% or more for prescription medicines. These include drugs for weight loss, impotence, hair loss, and many other conditions. To see if a drug qualifies for the discount program, go to Humana.com and use the "prescription tools" section of MyHumana, or check your evidence of coverage booklet. All major pharmacy chains participate in this discount program, as well as many independent pharmacies, so it's easy to find a participating pharmacy near you.

<p>CARE MANAGEMENT</p>	<ul style="list-style-type: none"> • Clinical Programs/Disease Management (3) 	<p><i>Case Management</i> Offers support to high-risk members during or immediately following a hospitalization. Nurses assess member for risks, opportunities to coordinate care, and provide support/guidance to optimize health outcomes. Additionally, Humana Cares care management combines both CM and DM to effectively manage the health needs of the most complex members.</p> <p><i>Chronic Condition Management</i> Humana's holistic complex care program, Humana Cares, provides care on a members-for-life model to the frailest members. This comprehensive model is considered "disease agnostic" in an effort to meet the specialized needs of Medicare members, who may have issues extending beyond physical, including financial, social, behavioral, environmental, and cognitive. A specialized program is also available for the specific needs of ESRD patients. Lower acuity members can receive support through the chronic conditions telephonic health coaching program.</p> <p><i>Transplant Management</i> Guides and coordinates the services and procedures involved with transplants, from initial diagnosis, through recovery; supports members for one year post transplant.</p> <p><i>Bariatric Management</i> Provides specialized guidance to Centers of Excellence, and provides coordinated bariatric surgery care, from evaluation through six months post surgery.</p> <p><i>Humana Achieve</i> This holistic approach combines medical and behavioral support to improve mental health issues that could hinder the progression to better physical health.</p> <p><i>Health Coaching</i> Health coaching wellness programs are offered on three topics: chronic conditions, nutrition, and back pain. These programs use telephonic certified health coaches with educational print materials to encourage healthy behaviors and positive lifestyle change.</p>
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(1) All coinsurance percentages are based on the Medicare fee schedule and not billed charges.

(2) Emergency room copayment waived if admitted or if hospital is outside the U.S.

(3) We have provided examples of various Health Education and clinical programs. Actual programs may vary by market.