CIGNA Choice Fund®
Two Year Experience Study
2005-2006

December, 2007

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Key Findings

✓ Total medical cost trends were lower for both first year and second year CDHP members

✓ Member out-of-pocket costs were similar
  - First year members similar out-of-pocket costs
  - Second year CDHP out-of-pocket costs reduced for both HRA and HSA members

✓ Use of preventive care increased
  - First year visits increased
  - Second year visits remained higher than traditional

✓ Use of Evidence Based Medicine was similar to traditional plans

✓ Increase in use of maintenance medications that support chronic conditions
First Year Medical Trend Impact

CIGNA Choice Fund first year medical cost trend significantly lower than traditional plans

Medical Costs 2006 vs. 2005

CIGNA Choice Fund

-4.1%

Traditional Plan

9.0%

Results are relatively insensitive to standardization: +/- 1%

CIGNA Choice Fund

Medical (non-pharmacy) analysis excludes catastrophic claims > $50,000 and capitated services.

Data is standardized for both populations.

Values are adjusted to reflect the overall health status mix of the entire study group.

Excludes 2 cases with non-standard benefits.
CIGNA Choice Fund medical cost trend is lower in the second year than traditional plans.

Medical Costs 2006 vs. 2005

- CIGNA Choice Fund: 4.4%
- Traditional Plan: 9.8%

Results are relatively sensitive to standardization: +/- 2-3%

Medical (non-pharmacy) analysis excludes catastrophic claims > $50,000 and capitated services.

Data is standardized for both populations.

Values are adjusted to reflect the overall health status mix of the entire study group.
Cost-shifting did not occur. The overall percentage share of total costs paid by CIGNA Choice Fund members remained approximately the same.

Member Medical Cost Share – New CIGNA Choice Fund First Year HRA Members

Member Cost Share Percentage by Claim Categories

CIGNA Choice Fund HRA

- 2005 Prior to CIGNA Choice Fund (Traditional)
- 2006 CIGNA Choice Fund

- Excludes premiums
- Medical only
- Unadjusted cost data – includes all costs

Total cost share declined from 22% for HDHP only to 13% with the inclusion of HRA funding (HRA is 9% of total cost)
Medical Care Best Practice Measures

New CIGNA Choice Fund members continued to receive recommended care at similar rates as when in the traditional plan population.

Medical Best Practice Measure Comparison
CIGNA Choice Fund vs. Traditional Plans

- 2005 Traditional
- 2006 CIGNA Choice Fund

More than 300 measures were assessed in each year.

95% confidence level

Total is greater than 100% due to rounding.
Preventive Care

Preventive care visits for New CIGNA Choice Fund members increased over the prior period while both first and second year CIGNA Choice Fund members accessed preventive care at a much higher rate than traditional plans in the current period.

Preventive Care Visits
CIGNA Choice Fund vs. Traditional Plans

- Preventive Care Visits Per 1000 Members
- Traditional 2005: 400
- First Year Choice Fund 2006: 408
- Second Year Choice Fund 2006: 416
- Traditional 2006: 365

2.0% higher
Total Pharmacy Utilization

Total Pharmacy costs were lower than traditional plan costs, while days supply increased

Pharmacy Utilization
CIGNA Choice Fund vs. Traditional Plans

-6% -5% -1%