YOU’VE BEEN PATIENT.
YOU’VE FOLLOWED THE RULES.

But you can only absorb the rising cost of offering employee health care benefits for so long. Something has to give. Traditional wisdom points to your business’s bottom line or employee morale. Then again, the old way of thinking is what got us here in the first place.

But how do you start? It’s hard to make important decisions when so many questions go unanswered.

In this guide, we begin the discussion by asking relevant questions and providing our answers. Use it to organize your thoughts. Galvanize your resolve. Set bold, long-term strategies designed to deliver immediate, measurable results.

Because let’s face it, this problem isn’t going to fix itself.
Q: HOW DO I MANAGE COSTS, YET KEEP GOOD BENEFITS?

You can worry yourself sick or you can get on with running your business and enjoying your life. It starts with looking at employees as individuals capable of making responsible, rational choices.

Then, you’ll want access to the information and support needed to gain a perspective on your options. For example, you can tailor your plan in an effort to deliver the most value to your business and your employees. The best of both worlds.

A: STRIKE A HEALTHY BALANCE.
PEOPLE ARE THE COMMON DENOMINATOR

Step away from the calculator and you begin to see things differently. Numbers become names. Employees become empowered. And barriers become obsolete. The time for number crunching will come. For now, let’s keep it at a higher level as we explore the dual nature of the future of employee health care coverage — personal accountability and practical flexibility.

A few good reasons.

Health care costs may limit your company’s ability to grow. You need employees to share more of the costs of health care. At the same time, you want to help your employees get access to quality health care, and you want them to make better decisions about their health.

Why is employee engagement important?

Well-designed health plans, supported by wellness programs and other health improvement tools, may encourage employees to become more involved in health care decisions. A good employee benefits plan can help your business address the rising costs of health care. By developing a thoughtful, long-term strategy, you can be better situated to manage your costs now and in the future.

What’s the cost of staying status quo?

Increased health care costs can be linked to individual behaviors. This is most important when considering that median health care costs rose from 6% in 2008 to 7% in 2009; twice the rate of inflation.¹

For every 100 employees²:

• 55 don’t participate in regular physical activity
• 27 are obese
• 24 have been told they have hypertension
• 21 are smokers
• 17 don’t have a usual place of health care

How do I find a well-designed health care plan?

Many companies are focused on managing their health care costs. With insight into industry trends and best practices, you can align your health care strategies to deliver the most value to your business and your employees. UnitedHealthcare’s tailored benefit solutions are designed to offer the coverage your employees need at the price point that makes the most sense for your business.

¹ Purchasing Value in Health Care; Towers Watson, 2010.

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Considerations for my business.

Notes:
Q: HOW DO I GET EMPLOYEES TO BE MORE INVOLVED WITH HEALTH CARE?

As health care spending increases, you must find ways to help them also think as business partners committed to understanding how individual behavior and health choices impact the system as a whole.

It’s about promoting cooperation, not copayments; building awareness, not barriers; reducing costs, not convenience. It’s business, personalized.

A: HELP THEM THINK OUTSIDE THE COPAY.
PERSONAL ACCOUNTABILITY LONG-TERM SUSTAINABILITY

Creating both engaged and informed employees is about making them aware of what they can do to improve their personal health and reduce the need for costly health care services. For example, poor lifestyle choices around diet and exercise can result in obesity, hypertension, heart disease, diabetes and other conditions. Adding to the problem is the expectation that any health care service should be covered by a simple copayment. We need to change the mindset that a $20 copayment can fix whatever ails you.

Do wellness programs really work?

Some research has indicated that medical cost savings of $3.27 and absenteeism cost savings as much as $2.73 can be achieved by employers for every dollar invested in worksite health promotion.¹

Today’s recent health promotion and wellness research has demonstrated that employer health promotion programs may help:

• Reduce health care costs
• Lower absenteeism and disability costs
• Enhance employee productivity
• Increase employee work satisfaction and overall morale
• Improve employee health, well-being and quality of life

How can I start and maintain a wellness program?

UnitedHealthcare’s wellness program provides health promotion and screening services that are designed to target each employer’s specific wellness objectives and needs.

Create awareness
• Personalized Health Assessments are available in English and Spanish, online and paper. Results are shared with the employee in an individual profile report that also gives goals setting recommendations, and integrates with the Personal Health Record, online health coaching and care coordination.
• The Personal Health Record allows employees to manage their own health information online. Information integrates with claims and includes information about medical history, physician’s office visits, lab results, prescriptions, and more.

Educate and inform
• Online health content and tools on myuhc.com® include messages of encouragement, health reminders and educational articles.
• 2.3 million users enjoy their own personalized Healthy Mind Healthy Body® eNewsletter on topics of interest including healthy living, women’s health, men’s health, children’s health, cancer, diabetes, etc.

Support behavior change
• Online Health Coach programs are five-week, evidence-based behavior change programs for diabetes, weight loss, smoking cessation, stress management, nutrition, exercise and heart health.
• Preventive care reminders programs
• Health and wellness discounts

LOG ON, LIVE WELL

UnitedHealthcare offers a variety of self-directed programs and services aimed at helping your employees achieve and maintain good health. Plus, all members receive access to myuhc.com, which is a tool that may help your employees understand the current state of their health and provide assistance in improving and maintaining health. Below are some of the highlights:

- What employees can do to improve their health
- How to manage chronic conditions
- The variety of resources available to them
- The cost and quality of health care services

Did you know?

Studies show that the actual cost of poor employee health is greater than employers realize. Presenteeism can cause costs to increase higher than previously calculated. This research suggests that illness has more far-reaching effects in the workplace than simply causing a spike in health care costs.1

What does myuhc.com have to offer?

| Health assessment and personalized report | The health assessment questionnaire, once completed, provides immediate, confidential results, plus suggestions for improving your employees’ health. |
| Health improvement tools | Employees can do everything from journaling, to learning proper exercise techniques or starting a nutrition plan, to using online quizzes, calculators and demonstrations to make the change toward a healthier life. |
| Online programs | After taking the health assessment, employees can choose from a variety of online programs designed to help them achieve health and wellness goals. |
| Resource libraries | Employees can access our vast library of health and wellness articles powered by HealthAtoZ. |
| Discounts | Employees can save five to 60 percent on thousands of wellness products and services, including certain health care services not covered by the benefit plan. |
| Personal health record | Employees keep track of all personal health conditions, medications, procedures and lab results. |
| Additional resources | Available 24 hours a day, seven days a week through our NurseLineSM service. |
| Healthy Mind Healthy Body® e-newsletter | Employees can receive customized wellness information that best fits their daily life. |
| Health statements | One convenient report of all member expenses for that period. This report also includes helpful reminders and tips to improve health based on member claims activity. |

1 Journal of Occupational and Environmental Medicine, November 2010.

Resources your employees need.

Notes:
RETOOL THEIR THINKING

Giving employees the tools they need to navigate the health care system is a giant step forward in the effort to reduce short- and long-term costs. Equally, if not more, critical is educating employees about how they spend their (and your) health care dollars. More employers are moving towards addressing the lack of consistent quality and rising health care expenditures by taking a closer look at physician and facility quality and cost transparency.

How will employees know they’re choosing a good physician?

The UnitedHealth Premium® designation program is a free resource that provides quality and cost-efficiency information about physicians and facilities to help your employees make informed health care decisions.

- The UnitedHealth Premium designation program designates physicians across 22 specialties (including primary care, internal medicine, pediatrics, cardiology, and orthopedics) and represents more than 60 percent of annual health care spending.
- Physicians are measured on their compliance with national evidence-based guidelines for quality care and local market and specialty specific benchmarks for cost-efficiency.
- A physician receives one star for meeting the quality standards and two stars for meeting the quality and cost-efficiency standards.
- The UnitedHealth Premium designation program on myuhc.com provides this support at no additional cost for all our members, regardless of their UnitedHealthcare plan design.

How do I help employees make informed treatment decisions?

The UnitedHealthcare Treatment Decision Support program provides consumers with information about their medical conditions, treatment options, and the cost of treatment choices.

This gives them tools to help them make informed decisions about their health care. The desired results are better health outcomes and lower health care costs for you and your employees.

Treatment decision support focuses on helping individuals with seven common conditions that are characterized by high levels of practice and outcome variation and overall impact on total medical cost. Specialized nurses reach out to provide support, education and information in evaluating physicians and hospital choices.

- Hospital Comparison Program: provides cost and quality information to help your employees evaluate hospital performance along with costs for services.
- Treatment Cost Estimator: calculates approximate costs of specific health care services in your employees’ geographic area.

What would you like to add?

Notes:

__________________________
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__________________________
Q: HOW DO I FIND A PLAN THAT FITS MY NEEDS?

A: LOOK FOR SOMETHING FLEXIBLE.

We know, if you could, you would cover your employees’ health care costs personally.

While this isn’t an option, our plans are designed to offer an array of health care choices that can fit individual employee needs and your budget. No easy task. Then again, nothing makes us happier.
THE OTHER HALF OF THE EQUATION

You want your employees (and bottom line) to be healthy. So do we. Which is why we offer flexible solutions for you and your employees with the goal of delivering a simpler, more personal employee health care experience.

UnitedHealthcare personalized solutions are designed to:

• Offer a competitive level of health care coverage
• Increase employee engagement
• Improve employee health
• Reduce health care costs
• Improve employee productivity

How do I offer a competitive plan for my business?

Traditional managed care plans remain popular with many employers, for many reasons. One of the primary reasons can be that along with salary, health insurance is a key component of your employment package. Offering the “competitive” health insurance plan may be one of your best weapons in recruiting the best employees and keeping them around for years to come.

Additionally, if you need multi-site, pharmacy, or behavioral health products we offer that too. No matter what your company size or funding preference, UnitedHealthcare may have the benefit solution that suits your needs.

Traditional plans from UnitedHealthcare typically include:

• Freedom to visit a network physician or facility without a referral
• Lower copayments
• Little or no out-of-pocket costs for network care
• No claims forms or bills for network care
• UnitedHealthcare’s Care CoordinationSM services
• Health and wellness tools, services and resources

The cost of offering health insurance can be a critical factor in the success of your business. Looking for plans that simply lower your monthly premiums may not be the most cost-efficient solution. A plan that offers overall value can be critical in retaining your workforce and in allowing you to focus on what you do best—running your business.

Telling statistics.

A May 2009 report by the American Academy of Actuaries suggests that Consumer Driven Health plans have higher rates of usage for preventative services and generic drugs in chronic conditions and lower rates of usage for inpatient services, emergency room, and acute care spending.1

Tell us more.

Notes:

1 Emerging Data on Consumer-Driven Health Plans; American Academy of Actuaries Consumer-Driven Health Plans Work Group, May 2009
**DRIVING CHANGE, ONE BEHAVIOR AT A TIME**

Consumer-driven plans engage employees by giving them the ability to focus on preventive care and personal responsibility.

This is more likely to help reduce costs and improve employee health. Consumer-Driven Health (CDH) plans encourage your employees to share more responsibility for how health care dollars are spent. As an employer, you can choose one of two funding types to help your employees pay for and manage their health care expenses: a **Health Savings Account (HSA)** or **Health Reimbursement Account (HRA)**.

Depending on your business needs, a Consumer-Driven Health plan is a good way to introduce employees to the costs associated with their health care decisions. It also is a great start toward a long-term solution that addresses the rising costs of health care for your business.

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**What are the benefits of an HSA?**

**Benefits for your business include:**
- Lower premium cost because of high-deductible requirement
- Tax-deductible contributions
- An HSA can help employees become more informed consumers and spenders when it comes to health care services. They share more responsibility for how health care dollars are spent.

**Benefits for your employees include:**
- More control, self-service
- Potentially lower premiums
- Tax-deductible contributions and tax-free withdrawals for eligible expenses
- Tax-free interest earnings and investment options
- Year-to-year rollover of unused funds to pay for future expenses
- Ability to take savings and transfer to another plan if employment ends

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**What are the benefits of an HRA?**

**Benefits for your business include:**
- Tax-deductible contributions
- Maximized cash flow
- Unused dollars belong to the employer

**Benefits for your employees include:**
- More control, self-service
- Health care information and support
- More involvement in medical purchasing decisions and wiser use of health care services
- Potentially lower premiums
- Coverage to help meet deductible provided by employer

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How do I know when a Consumer-Driven Health plan is right for me?

- Health care costs are limiting your organization’s ability to grow.
- You want to help your employees and their families maintain or gain access to quality health care.
- You want your employees to make better decisions about their health.

ConSUMER-DRIVEN HEALTH PLANS SUPPORT SMARTER USE OF HEALTH CARE DOLLARS

- Increased awareness of actual costs for doctor visits and other care
- 100 percent coverage of preventive care
- Access to health education resources
- Support for management of chronic conditions

Did you know?

With Consumer-Driven Health plans from UnitedHealthcare, you, your employees and their families have the tools and support you need to improve health and get the best value from your coverage.
MANAGE YOUR BUSINESS, NOT YOUR HEALTH CARE PLAN

UnitedHealthcare personalized health care management solutions can leave you more time to do what you do best — run your business. Our plans are designed to provide tools, tips, and support to help simplify your administrative duties while empowering your employees to take charge of their health. We offer extensive online tools and support for employers.

Are there other ways to improve my health care plan?

UnitedHealthcare Benefit Services℠ may help you save money and lighten your administrative responsibilities. Services like Pre-Tax Premium plans, COBRA, administrative services and Flexible Spending Accounts (FSA) are available to you through UnitedHealthcare when you purchase medical coverage through UnitedHealthcare.¹

Adding these plans to your benefit programs will enable you to reduce payroll-related taxes and increase employee satisfaction. All you need to do is activate these programs and UnitedHealthcare will provide all the support you need, including templates and tools to help you effectively communicate with your employees.

Is there anything out there to help me manage my business’s health care?

Employer eServices®

- Manage transactions, eligibility information, and more in real-time
- Get benefit costs and use information to make informed program decisions
- Receive electronic invoices
- Set up automated or online payments
- Track and view payment history

Communication Resource Center

- Maintain your health plan and maximize benefits
- Build an interactive wellness communication plan
- Access health and wellness tools
- Manage workplace wellness programs

hub magazine

- Learn how to make your health care plan more effective, with a focus on affordability, quality, usability, and access issues. Published four times a year.

Opinions are great, too.

Notes:

¹ These services are available to customers with 20 to 99 eligible employees. Services are available for customers with 2 to 99 employees in Kansas, Missouri, Wisconsin, Michigan, California, Nebraska, Massachusetts, Rhode Island, Virginia, District of Columbia, Maryland, Connecticut and Texas.
What is UnitedHealthcare’s EDGE plan?

UnitedHealthcare EDGE plan\(^1\) is designed to drive affordability by encouraging members to use specialty physicians who have been recognized for providing quality and cost-efficient care to their patients. These specialists meet or exceed quality standards established by professional societies such as the American College of Cardiology and the American Academy of Orthopedic Surgeons and they provide cost-efficient care. We provide increased benefits in the form of reduced copayments and increased co-insurance to your employees when they seek care from these physicians.

These plans may lower your monthly premiums up to 25 percent.\(^2\)

EDGE lets you pay for different coverage levels you need, such as:

- Flexible levels of benefit coverage at the price points you need
- Multiple plan variables
- Out-of-pocket maximum
- Deductibles
- Coinsurance
- Mandated benefit levels for mental health, substance abuse and chiropractic care

<table>
<thead>
<tr>
<th>Example of Specialist Visit Benefit Calculation for EDGE Plan</th>
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</thead>
<tbody>
<tr>
<td><strong>Network Benefits</strong></td>
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<tr>
<td>UnitedHealth Premium Program</td>
</tr>
<tr>
<td>Cardiologist - office visit $250 billed charges Contracted network rate = $150</td>
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<tr>
<td>Member copayment</td>
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<tr>
<td>Plan pays</td>
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Example based on Balanced Value Plan Y3-A

\(^1\) Product may not be available in all markets. Please check with your broker or UnitedHealthcare representative for product availability and specifications.

\(^2\) Twenty-five percent cost savings based on per-member per month premium compared to the current national best selling UnitedHealthcare traditional plan. Actual amount of savings varies by state and plan design.

\(^3\) Members are responsible for any difference between non-network eligible expenses and the provider’s billed changes.
Q: HOW DOES INNOVATION IMPROVE THE WAY MY COMPANY AND EMPLOYEES USE THEIR HEALTH PLANS?

Innovation may be one of the first steps towards building a better and brighter future for your employees.

At UnitedHealthcare we believe that innovation is one of the stepping stones to best practices.

A: EMBRACE A NEW PERSPECTIVE.
At UnitedHealthcare we are committed to delivering innovative products and services that lead people towards better health and build a better health system.

How is UnitedHealthcare building a better health system?

DocGPS™
Combines a search function and GPS mapping to let users search our network database — right from their Apple iPhone.® Ideal for travelers or anyone in a hurry. The application can display detailed travel directions or even place a call to that location with a single tap on the search result. From our OptumHealth division, DocGPS is available for download free of charge from the App StoreSM on iPhone.®

Do Good. Live well
Focuses on the powerful connection between volunteerism and improved health. UnitedHealthcare Medicare & Retirement is collaborating with the Entertainment Industry Foundation, AARP®, Major League Baseball and Medco®, in a campaign designed to inspire a new era of service in America. We launched a new website, www.DoGoodLiveWell.org, designed to help people get involved in volunteer activities where they live.

myuhc.com® mobile - Convenient Smartphone Access
Your child develops a high fever while you're in an unfamiliar city. You need to find a doctor and get driving directions to the clinic. If you have a Smartphone, you're in luck. Compatible with most Smartphone browsers, log into myuhc.com through your Smartphone to:
• Find network doctors, hospitals, urgent care and convenience care clinics anywhere in the U.S including driving directions
• Check your HRA, FSA or HSA account balances
• Verify deductible and out-of-pocket amounts
• View, fax or email your health plan ID card
• Check your five most recent claims

e-Prescribing
UnitedHealthcare is working with physicians and other health care professionals to encourage them to adopt e-Prescribing at a reduced cost. e-Prescribing is aimed to minimize the 1.5 million adverse drug reactions every year caused by handwritten prescriptions.

Notes:

Did you know?

Fortune Magazine ranked UnitedHealth Group #1 in innovation and placed it on its list of “Most Admired Companies in America.”

1 Fortune Magazine - March 22nd, 2010
Time isn’t on your side. We are.

Don’t hold back. Share your concerns, your observations, your ideas. Let’s get it all out in the open, because more ideas are better than one.

Our goal is to quickly build a solution that promotes employee engagement early and often, supports positive, long-term lifestyle changes, and offers solutions that are competitively priced. Together, we can make employee health care work for everyone.
THE NUTS AND BOLTS ABOUT UNITEDHEALTHCARE

National network
Creating connections between 661,257 physicians, 5,147 hospitals and 64,000 pharmacies.

Industry leadership

Commitment to wellness
Encouraging and increasing participation. Managing chronic disease. Rewarding commitment.

Simpler processes
Saving time and money by implementing smarter systems for employees, members and physicians.

Innovative products
Providing tools and resources to help individuals make informed decisions.

- More physicians’ offices accept UnitedHealthcare than any other carrier\(^1\)
- *Fortune* magazine ranked UnitedHealth Group #1 on their annual list of “Most Admired Companies in America” for innovation in the health insurance and managed care sector (March 22, 2010 issue).
- Discount program for health services not covered under the medical benefit plan
- Information and support to help members understand their plan choices
- 24/7 access to health advocates and tools on myuhc.com, including health and wellness and account information, a treatment cost estimator, a hospital comparison tool, and online live nurse chat
- Outreach, advocacy and wellness programs including an online health assessment and programs to help identify individuals who may need help managing particular conditions and provide them with support tools

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\(^1\) SK&A Information Services, Inc. study (October 2007).

The Definity\(^\text{SM}\) Health Savings Account (HSA) high deductible health plan (HDHP) is designed to comply with IRS requirements so eligible enrollees may open a Health Savings Account with a bank of their choice or through OptumHealth Bank, Member FDIC. “Definity HSA” refers generally to the Definity\(^\text{SM}\) HSA product, which includes a HDHP, although at times “Definity HSA” may refer only and specifically to the Definity Health Savings Account, provided by OptumHealth Bank and not to the associated HDHP.

UnitedHealthcare’s Definity\(^\text{SM}\) Health Reimbursement Account, or HRA, combines the flexibility of a medical benefit plan with an employer-funded reimbursement account.

UnitedHealthcare EDGE\(^\text{SM}\) plans are only available in states that have implemented the 2007 Certificate of Coverage and have the UnitedHealth Premium\(^\text{®}\) designation program.

The NurseLine\(^\text{SM}\) service can not diagnose problems or recommend specific treatment. The information provided through the NurseLine service is not a substitute for your doctor’s care.

The UnitedHealth Premium\(^\text{®}\) designation program is an information resource to help our members choose a physician. It may be used as one of many factors members consider when choosing the physicians from whom they receive care. As with any performance assessment program, physician evaluations have a risk of error. Please see myuhc.com\(^*\) for detailed program information and methodologies. For a complete description of the UnitedHealth Premium\(^\text{®}\) Designation program, including details on the methodology used, geographic availability, program limitations and medical specialties participating, please see myuhc.com\(^*\).

The hospital comparison program uses data from publicly available data sets, UnitedHealthcare claims and hospital data from Leapfrog and CMS, to create a multidimensional view of hospital performance. Not all facilities are eligible for evaluation for the program.

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For more information, contact a UnitedHealthcare representative today.

Call (866) 438-5913 or contact your broker.