How Consumer-Driven Health Plans, Critical Illness and Accident Protection Plans Work Together

Employer reference guide
Better health care decisions start with a better type of health care plan.

You want to help your employees make better decisions about their health, and now you can also help protect them in situations that go beyond even their best decisions. And there’s one place you can turn to that will provide both solutions: UnitedHealthcare.

Our consumer-driven health plans help get members truly invested in making informed decisions about their health and their health care spending. Not to mention they save money for both of you, in the long and short terms.

Consumer-driven health is a term used to describe health plans that are intended to help employees become more educated and careful about their health care choices and take control over their health and health care purchases. These plans are typically paired with an account that helps members pay for out-of-pocket expenses on a pre-tax basis.

When you combine a UnitedHealthcare consumer-driven health plan with our Critical Illness and Accident Protection plans, you’re offering your employees a way to take charge of their health and their typical health care spending, plus a financial safety net for the unexpected.

Save money and provide more coverage to your employees

Many employers offering consumer-driven health plans promote them to employees as the less expensive option. Yet many employees opt to stay in what they perceive to be the “richer” plan. Why? They’re afraid of the high deductible. But what if you could show them that they’re covered when they get sick or have an accident that lands them in the hospital? If your employees feel financially secure, they’re more likely to enroll in the consumer-driven plan. If they do, they’ll save money and so will you.

The chart below is just one example of how you can implement a high-deductible health plan, pair it with a Health Savings Account (HSA) and our Critical Illness Protection Plan (CIPP) and Accident Protection Plan (APP) and still save money.

<table>
<thead>
<tr>
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<th>Traditional PPO w/$750 deductible and Rx</th>
<th>HSA plan w/$1,250 deductible and Rx</th>
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</thead>
<tbody>
<tr>
<td><strong>Annual employer cost per member</strong></td>
<td>$5,405</td>
<td>$4,370</td>
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<tr>
<td><strong>Annual employer cost per member for $5,000 CIPP</strong> for employees</td>
<td>n/a</td>
<td>$55 per employee</td>
</tr>
<tr>
<td><strong>Annual employer cost per member for APP for employees</strong></td>
<td>n/a</td>
<td>$60 per employee</td>
</tr>
<tr>
<td><strong>Employer contribution to HSA</strong></td>
<td>n/a</td>
<td>$400</td>
</tr>
<tr>
<td><strong>Total Cost to Employer</strong></td>
<td>$5,405</td>
<td>$4,885</td>
</tr>
<tr>
<td><strong>Employer Savings</strong></td>
<td>$0</td>
<td>$520†</td>
</tr>
</tbody>
</table>

1 Estimated rates assume an average Midwest employer group with a plan year through September 30, 2012.
2 Based on 40-44-year-old employee. Does not include dependent coverage.
3 Annual premium rate for 500-employee company, 24-hour coverage, Silver Base level, employee-only coverage.
4 Assumes employer pays 100% of the cost of insurance.

In this example, an employer changed to a high-deductible health plan with a $1,250 deductible, contributed $400 to the health savings account, added critical illness and accident coverage, and still sees a cost savings of $520 per employee. The health savings account, critical illness and accident plans give employees added financial protection in the event of a covered medical event.
Coverage for when life takes a turn
Even when people make the best decisions about their health, sometimes the unthinkable happens and they're diagnosed with a critical illness. Consider these facts from the American Cancer Society® and the American Heart Association® that relate to critical illnesses in our country. In 2010:

- 1.5 million people were diagnosed with cancer
- Every 40 seconds someone had a stroke
- Every 34 seconds someone had a heart attack

The good news is more people are surviving these illnesses. But even with health insurance, treatment and recovery can be very expensive.

Coverage if life trips you up
People can’t predict when accidents will happen.

- Number of emergency room visits due to unintentional injuries: 28.4 million
- Accidents are the fifth-leading cause of death.

But if they do, accident insurance can help pay for those unexpected expenses.

Critical Illness and Accident Protection plans fill a financial need for your employees
While medical plans may cover most treatment costs, medical costs associated with a serious accident or critical illness may jeopardize your employees’ ability to meet routine, ongoing expenses such as rent or mortgage payments, credit cards, car payments, child care, even groceries. These are expenses that go beyond health care coverage. That’s where UnitedHealthcare's Critical Illness and Accident Protection plans can help.

Both plans provide a cash payout for a qualifying event. Insured employees decide how, when and where to use the payment. These plans are a great way for people to get added financial security at a low cost that fits well with the high-deductible and out-of-pocket costs of consumer-driven health plans.

Budget-conscious options fit the trends of how employees purchase coverage
Since different age groups have unique needs, offering both our Critical Illness and Accident Protection plans provides a solid life-stages approach to financial protection.

Offering both types of coverage to your employees helps them fill their particular need.

Purchasing trends show that employees in their 20s or 30s are more likely to buy accident insurance. UnitedHealthcare's Accident Protection Plan will cover a wide range of injuries they or their family may experience.

Employees in their late 30s and above tend to purchase critical illness insurance because they are aware of their increased risk for such illnesses. Having the peace of mind of receiving a lump-sum payment should they become ill is something they value. UnitedHealthcare's Critical Illness Protection Plan covers the most common illnesses such as heart disease and cancer.

These plans work better together
Combining a UnitedHealthcare consumer-driven health plan with our Critical Illness and Accident Protection plans is a cost-effective way to help reduce your benefits costs while limiting your employees’ financial risk.
About consumer-driven health plans

The adoption of consumer-driven health (CDH) plans has grown steadily over the past decade, and industry experts project continued interest from employers in the near future. With annual premiums forecast to increase 8 to 10 percent per year over the next three to five years and the health care reform excise tax looming in 2018, CDH plan designs are more attractive than ever.

As the CDH market leader with 38,000 employers and more than 4.7 million individuals enrolled in a health reimbursement or health savings account, UnitedHealthcare understands that you need a total solution – not just an isolated program or product – to help you position your CDH plan for success.

Why UnitedHealthcare?

Simple for your employees
Members have a single, dedicated customer service phone line for questions about any UnitedHealthcare benefit.

Simple for you
You have a single point of contact for all of your account management needs. You receive one bill for medical and specialty benefits.

Coordinated care
Our Bridge2Health program – available to employees with UnitedHealthcare Medical, Accident and Critical Illness coverage – provides specialized health resources and support should they experience a covered event.

Are you ready to offer added protection to your employees?
Contact us today.

To learn more about how to build a benefits package that can save you money while providing your employees with financial peace of mind, contact your UnitedHealthcare representative.