

A suite of solutions to meet today's benefits needs

Aetna Consumer-Directed Products



Cost-effective health plans, consumer-directed support

We want you to know[®]



Navigating the health benefits while controlling rising health



It's a tough balancing act to provide benefits that focus on the well-being of your employees and on your bottom line.

We can help you find a solution, with a suite of consumer-directed plans from Aetna[‡]. We're ready for the future of health care, with:

- Industry-leading initiatives that make benefits work together, for you and for employees
- Clinical knowledge to personalize the member experience
- Tools and services to help employees engage in their care

[‡]Health benefits and health insurance plans are offered, underwritten or administered by Aetna Health Inc., Aetna Health of California Inc., Aetna Health of the Carolinas Inc., Aetna Health of Illinois Inc., Aetna Health Insurance Company of New York, Aetna Health Insurance Company and/or Aetna Life Insurance Company (Aetna). In MD, by Aetna Health Inc., 151 Farmington Avenue, Hartford, CT 06156.

landscape care costs

Consumerism works

Consumerism is one of the ways we're helping shape the future of health care. And consumerism is at its best when employees are engaged and understand the financial impact of their choices.

Consumer-directed health benefits and health insurance plans are built on the belief that, as employees become more informed and discriminating consumers, they are more likely to seek the most appropriate care. When they do, they become a valuable part of the battle against rising health care costs.

Aetna delivers

We led the charge in consumer-directed health care plans and know what makes the best plans successful.

That's why we offer members many resources — like our secure Aetna Navigator® member website. Navigator provides reliable information and decision-support tools that help your employees gather the information they need to make educated decisions about their health care.

With a consumer-directed benefits offering from Aetna, you can:

- Complement your overall traditional benefits package and make the transition to a consumer-driven benefits strategy.

- Continue to offer attractive benefits programs that drive employee satisfaction and retention.
- Build a new awareness among employees of the effect their decisions have on health care costs.

Analysis shows strong results

We continue to analyze the impact of health care consumerism on our plan sponsors and members. Each year, we review claims and utilization information for thousands of Aetna HealthFund® members.

In 2007, we conducted our broadest study to date, reviewing five years of data.

Our study shows that consumerism is working.¹ We see strong financial results from plan sponsors and increased awareness of the true cost of health care.

Key results:

- Customers who replaced their previous plan options with an Aetna HealthFund Health Reimbursement Arrangement* (HRA) plan saw the most significant reduction in medical cost trend over a four-year period, saving \$21 million per 10,000 members or \$2.1 million per 1,000 members.

- When an HRA or Health Savings Account* (HSA)² was offered as one of several plan options, employers also realized cost savings over a four-year period, contributing to a lower trend across all products, which amounted to \$5 million in savings over four years per 10,000 members.
- Members in an integrated medical/pharmacy Aetna HealthFund plan have higher rates of generic drug utilization than those in a non-integrated plan.
- Preventive and chronic care increased or was maintained for members in both our HRA and HSA plans.
- Strategy makes a difference. Employers who had effective implementation strategies sustained lower annual trend over time. In fact, "Best-in-Class" companies achieved annualized trends that are 50 percent lower than the Aetna HealthFund average. Successful strategies included:
 - >Communications and education
 - >Careful benefits design, including wellness
 - >Appropriate member responsibility
 - >Culture of consumerism

¹Information based on an Aetna study of Aetna HealthFund HRA and HSA enrollment (2002 – 2006).

²HSA plan sponsors with greater than 10 percent penetration

*HRAs/HSAs are currently not available to HMO members in Illinois.





Controlling costs, offering choices

The Aetna HealthFund family of products

The breadth of our consumer-directed product portfolio means it's easy to find a plan that helps meet your company's needs.

Health Reimbursement Arrangement (HRA) products

Aetna HealthFund HRA features a deductible-based benefits plan with a health fund that can be provided by the employer.

Here's how HRA plans work

- Each year, a fund is established for each single or family enrollment.
- The fund is used to pay for eligible health care expenses, as defined by the plan you select.
- Expenses paid by the fund typically reduce the deductible by the same amount. Once the deductible is met, the medical benefits plan begins to provide coverage through coinsurance.
- Members can stretch their fund and save money when they seek care from health care professionals in our network.
- If the fund is used up before the deductible is met, the member must pay the remaining deductible amount before coinsurance applies.

- Preventive care is typically covered at 100 percent, and is not subject to the fund or the deductible.
- An out-of-pocket maximum protects employees in the event of a catastrophic health event.

Available features

- Various HMO and traditional plan designs can integrate pharmacy and/or dental coverage.
- Choose from a variety of funding arrangements that meet your needs — fully insured, self-funded, or a hybrid arrangement, which allows you to self-fund the HRA while maintaining a fully insured underlying medical plan.
- Rollover options let your employees carry over any unused funds in their HRA to the following year, as long as they remain in the plan.
- Access to the Aetna Performance Network features Aexcel[®]-designated specialists who have met recognized standards for clinical performance and cost efficiency.

Good for your company

- Promote employee engagement in and accountability for health care spending.
- Lower company expenses through the cost-sharing benefits of a high-deductible plan.
- Give employees flexibility and choice.

Good for your employees

- Employees enjoy the protection of traditional health benefits — first-dollar coverage for eligible medical expenses, preventive care generally covered at 100 percent, and an out-of-pocket maximum to protect against catastrophic health expenses.
- Total out-of-pocket expenses may be less because their share of premium may be lower than other plans.
- They develop an understanding of the cost and quality of care by becoming more informed health care consumers.
- Aetna's information and decision-support tools help your employees stretch their fund.

“Aetna is committed to leading the industry in providing the most innovative consumer-directed products and services. Our easy-to-use plans allow members to focus on making effective, informed decisions about their health and health care spending while providing plan sponsors with simplified plan administration. We are proud to offer an award-winning suite of online tools and information providing members with actual health care costs as well as clinical quality and efficiency information for physician services before members access care. We look forward to working with you on crafting the right benefit plan strategy for you or your client.”

— Robin Downey, Head of Product Development
April 2008

Health Savings Account (HSA) products

Integrate a high-deductible medical plan with a health savings account that pays for qualified expenses. Or members can allow the account to grow over time for future health-related expenses. The underlying medical benefits plan must meet certain deductible and out-of-pocket amount requirements, which are set each year by the U.S. Treasury.

Here's how HSA plans work

- Establish the health savings account.
- Contribute to the HSA, tax-free. There is no minimum contribution amount.
- Members can access funds immediately to pay for qualified health expenses tax-free, including the deductible and coinsurance, using either an Aetna HSA Visa® debit card or checks. Or they can choose to pay out of pocket and save their funds for future eligible expenses.
- Preventive care is typically covered at 100 percent and is not subject to the deductible.
- An out-of-pocket maximum protects members in the event of a catastrophic health event.
- Members can also withdraw HSA funds for nonqualified expenses, although they will pay taxes and a penalty on the withdrawal.

- An HSA investment service is available to HSA accountholders once their balance reaches \$2,000.

Available features

- You and/or your employees can make HSA contributions — it's your choice!
- Offer an HSA with either a traditional medical benefits or HMO plan, as long as the plan is a high-deductible health plan.
- Offer your employees access to the Aetna Performance Network of Aexcel-designated specialists.
- A Limited HRA can be offered in conjunction with the HSA in the new plan year — providing employees with two ways to pay for qualified out-of-pocket medical expenses.
- Provide another way for your employees to save with a limited Flexible Spending Account (FSA) — a pre-tax account that can be used in addition to an HSA to help pay for qualified out-of-pocket medical expenses.

Good for your company

- Promote employee engagement in and accountability for health care spending.

Employers offering Aetna HealthFund HRA and HSA plans with integrated medical and pharmacy benefits can waive deductibles for some chronic (HRA only) and/or preventive (HRA and HSA) medications. This reduces member payments for certain prescription drug expenses.



Did you know?

If your employees already have an HRA or FSA, they may be eligible to make a one-time transfer of their HRA or FSA balance into their new HSA. Allowing a rollover option is a great way to help employees make the switch to, or remain in, a high-deductible health plan with HSA.

- Lower company expenses through the cost-sharing benefits of a high-deductible health plan.
- Enjoy FICA and FUTA tax savings on salary reduction contributions — even when contributions are made solely by your employees.

Good for your employees

- Employees are not taxed on the amount of their HSA contributions.
- The account can grow because HSAs earn interest.
- At year's end, remaining dollars roll over to the following year's balance.
- Total out-of-pocket expenses may be less because their share of premium may be lower than other plans.
- They'll develop an understanding of the cost and quality of care by becoming more informed and engaged health care consumers.
- They own their HSA, so they keep the funds even if they change jobs or health insurance plans — even into retirement.
- With the Aetna AutoDebitSM feature, members can choose to have their qualified expenses paid automatically from their HSA.

Flexible Spending Account (FSA) products

Aetna HealthFund FSA lets your employees redirect some of their salary through a cafeteria plan, on a pre-tax basis, into an account to reimburse eligible expenses that occur throughout the year. Employers can also contribute.

Here's how it typically works

- Employees are provided web-based tools to help estimate the amount of eligible health expenses they'll have that year.
- They choose the portion of salary they'll contribute to cover those expenses.
- The amount is deducted, pre-tax, from their paychecks throughout the year and is credited to their account.
- They can submit eligible expenses for tax-free reimbursement from their account.
- Informed planning is important because unused fund amounts are forfeited at the end of the year.
- Although fund balances do not roll over from year to year, employers can opt to offer a grace period of up to two and a half months into the following plan year. Claims incurred during this grace period can be paid using the prior year's funds.

Good for your company

- Offer an optional, cost-effective employee benefits option.
- Promote employee engagement in planning and accounting for health care expenses.
- Enjoy FICA/FUTA tax savings on salary reduction amounts.
- Mix FSA products with a consumer-directed HRA benefits plan.
- A Limited Flexible Spending Account (FSA) can be used with an HSA to help pay for qualified out-of-pocket health care expenses.

Good for your employees

- Employees are not taxed on the amount of their FSA contributions.
- The account can facilitate tax-free payment for known and predictable medical costs.
- Employees get help managing out-of-pocket costs of their health plan.

“We really want our people to be better consumers, and the tools we’re seeing from Aetna are helping us go in that direction. We’re seeing evidence that having a Health Reimbursement Arrangement is working. People are playing a more active part in their personal health care — and in keeping costs down.”

— *Eric Airola, Director of Benefits J.B. Hunt Transport, Inc. April 2006*

Retiree Reimbursement Arrangement (RRA) products

Aetna HealthFund RRA is a type of HRA plan that makes funds available to employees when they retire. Aetna HealthFund RRA gives retirees choices in how they access health care in retirement. And it gives you new ways to fund retiree benefits with greater financial predictability.

Here’s how it typically works

- You provide the funding for the employee’s retirement account.
- At retirement, funds are available to reimburse qualified health care expenses.
- Qualified expenses include premiums (Medicare or Medigap coverage), and medical expenses that satisfy IRS guidelines.
- The “use it or lose it” rule does not apply — fund balances roll over year-to-year for use by the retiree.
- There are no age limits for contributions, so employers may choose to make contributions even after employees retire.
- The account does not need to be tied to an underlying health plan.

Good for your company

- Promotes retiree engagement in and accountability for health care spending.
- Improve cash flow through a self-funded approach that requires funding only for actual expenses.
- Account structure features significant flexibility for contributions, reimbursements and retirement definition.

Good for your employees

- They can receive retiree health care funds from an employer without a traditional retiree medical plan.
- They can pay for eligible health expenses and premiums with tax-free funds.
- They can decide how best to use their funds in retirement within parameters of qualified expenses.



The value of added programs

Employee support and education

Provide value-added programs and incentives, plus other tools and resources, which may have positive benefits.

For you, the employer, these programs can help contain health costs and enhance workplace performance. For your employees, these programs offer the specific information needed to better manage overall health and wellness.

Aetna HealthFund incentive programs

Offer a variety of programs to reward your employees for taking steps toward a healthier lifestyle and becoming more active health care consumers.

- Simple Steps To A Healthier Life® — An interactive online health and wellness program that can help you enhance the health and productivity of your employees.
- Personal Health Assessment — An online tool available through Simple Steps to help employees identify their individual health and wellness needs and create a personal action plan based on those needs.

- Routine preventive care services — Coverage for certain preventive care services, including immunizations, flu shots, routine mammograms, well-child visits and eye exams.
- Beginning RightSM maternity program — Services and educational materials to help expectant mothers give their babies a healthy start.
- Disease Management program — Offers various outreach options depending on an employee's health status and individual needs; these options include phone contact with health care professionals, health screenings, counseling, disease-specific information and education.

Decision-making tools

Provide the tools to help members make decisions about their health care and their health care benefits.

- Plan Selection & Cost Estimator — Helps employees estimate out-of-pocket health care costs, compare plan offerings and determine which plan best meets their families' needs.
- HSA Savings Calculator — Lets employees review their potential account balance over time, estimate tax

savings, compare the performance of several different savings scenarios and more.

- FSA Savings Calculator — Lets employees determine just how much money they should contribute to an FSA and estimates their tax savings.
- HSA Maximum Contribution Tool — Helps employees determine their monthly and annual contribution limits. Employees may also factor in any employer contributions or catch-up contribution amounts, if applicable.
- HSA and HRA tutorials — Online courses help employees understand why health plans are changing, what health care consumerism means, and how HRAs and HSAs can offer important benefits.
- Online videos — Explain in a simple, conversational, personal style how the HRA or HSA plan works. Modules make it easy for members to review the information that matters most to them.

■ Aetna Navigator® member website — Gives members secure online access to their personal benefits information with self-service features, such as reviewing fund/account or deductible balances and checking the status of a claim. They also have access to other features, including:

>Hospital Comparison Tool. Compare area hospitals based on different criteria.

>Estimate the Cost of Care. Compare estimated costs for health care services in your area.

>Healthwise® Knowledgebase. Research clinical information on thousands of health topics and medications.

>Aetna IntelliHealth®. Search credible health and wellness information and helpful interactive features.

>DocFind® online directory. Access up-to-date information in our directory of preferred health care professionals.



A comparative chart

	Health Savings Account	Health Reimbursement Arrangement	Flexible Spending Account	Retiree Reimbursement Arrangement
Who is eligible?	Any individual covered by a qualified high-deductible plan	All employees	All employees, except those self-employed	All employees as designated by employer
Who can contribute?	Employer, individual or anyone	Employer only	Employer, individual or anyone	Employer only
What are the funding options?	Funded by employer, employee and others	Employer-funded, paid as incurred (No employee contributions permitted.)	Self-funded, paid as incurred, up to employee's contribution election, (HC FSA), paid as incurred up to employee's contribution (DC FSA) less any prior reimbursements	Employer-funded, paid as incurred (No employee contributions permitted)
Does the balance carry over?	Yes	Yes – plan can define carry-over limit; HRA balance can carry-over to RRA One-time HRA balance transfer into HSA	No, although a grace period may apply	Yes
Can rollover contributions from another account be made to this account?	Yes, rollover contributions from MSAs and HSAs are permitted; one-time rollover from IRA, FSA and HRA permitted	No	No	No
Is the fund or account portable?	Yes	No	No	No
Are there interest or investment earnings?	Yes	No	No	No
Are contributions taxable income to the employee?	No, as long as HSA is part of a HDHP; otherwise taxable In addition, contributions are not subject to FICA or FUTA taxes	No In addition, contributions are not subject to FICA or FUTA taxes	No In addition, contributions are not subject to FICA or FUTA taxes	No In addition, contributions are not subject to FICA or FUTA taxes
Are distributions/ reimbursements taxable income to the employee?	No, if made for qualified medical expenses; otherwise subject to income tax and 10% penalty	No	No	No
Is the Aetna Performance (Aexcel) Network available?	Yes	Yes	N/A	N/A

*Please check IRS guidelines at www.irs.gov for additional criteria.

Call us today!

Introducing consumerism into your benefits offering requires a careful evaluation of your company's benefits needs. Put our experience and offerings to work in designing a consumer-directed plan specific to your company's size, structure and budget.

We'll help you integrate your options into a cohesive plan consistent with your benefits strategy — or help you choose a stand-alone product that meets a specific need.

Either way, you've found a total consumer-directed solution with Aetna.

Call us today.



Not all health services are covered. See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by location and are subject to change. Providers are independent contractors and are not agents of Aetna. Provider participation may change without notice. Aetna does not provide care or guarantee access to health services. Health benefits and health insurance plans contain exclusions and limitations. Aetna HealthFund HRAs are subject to employer-defined use and forfeiture rules. Investment services are independently offered through JPMorgan Institutional Investors, Inc., a subsidiary of JPMorgan Chase Bank. Securities and investment advisory services are independently offered through Chase Investment Services Corp. (CISC), a subsidiary of JPMorgan Chase Bank. CISC is a full services broker-dealer and a registered investment advisor. Health information programs provide general health information and are not a substitute for diagnosis or treatment by a physician or other health care professional. Information is believed to be accurate as of production date; however it is subject to change. For more information about Aetna plans, refer to www.aetna.com.

Policy forms issued in Oklahoma include: HMO/OK COC-4 09/02, HMO/OK GA-3 11/01, HMO OK POS RIDER 08/07, GR-23 and/or GR-29/GR-29N.

