

Medicare Advantage at Humana

Serious Health Challenges

Our country faces serious health challenges, especially among people 65 and older:

73% of seniors have at least two chronic conditions

Source: www.nchph.org

31% of people turning 65 in 2011 said their physical health is worse than expected

Source: aarp.org

26% of Americans 65 years or older – nearly 11 million – have diabetes.

Source: diabetes.org

As some 10,000 baby boomers age into Medicare every day, many are exploring health care programs designed to help them address these challenges.

The History of Medicare Advantage

Medicare Advantage (MA) is a program that gives people with Medicare the opportunity to select private health plans to provide their Medicare coverage. Enrollment in Medicare Advantage plans has grown from 5.6 million in 2005 to **16.8 million** enrollees today.

Expanded to offer more choices in 2006 under The Medicare Prescription Drug, Improvement, and Modernization Act, MA plans are designed to promote coordinated care, improved transitions and preventive care.

A 2012 *American Journal of Managed Care* study showed that the Medicare Advantage hospital readmission rate was 13 to 20 percent lower than for people with original Medicare.

Medicare Advantage Differentiators

Reimbursement, incentives and costs are three important differentiators between Original Medicare and Medicare Advantage:



Reimburse for value:

MA health plans like Humana are paid a flat fee per member per month. As a result, the financial incentive is to integrate care, to be efficient and to keep people healthy and out of the hospital.



Incentives to deliver high-quality care:

The federal government rates MA plans higher and pays them more when members get recommended preventive and chronic care. There's a strong focus for MA plans on quality and improved health outcomes for members.



Cost structure:

No open-ended cost-sharing for individuals, since most MA plans limit members' out-of-pocket expenses.

Humana®

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Humana.com

Stats are as of September 30, 2015

Humana Medicare Advantage

Humana provides medical management, clinical care coordination and consumer engagement services in the Medicare space, serving as a health partner to more than 7.7 million Medicare members in all 50 states and Puerto Rico. With approximately 3.2 million MA members, Humana is one of the country's largest administrators of Medicare Advantage plans.

Humana MA includes additional services and benefits or programs such as:

- Care coordination and chronic condition management
- In-home and social services support and prevention
- 24-hour, on-call nurses
- Behavioral and social care
- Follow-up phone calls, in-home visits and meal delivery after a hospital stay



Success in STARS

Each year, the Centers for Medicare and Medicaid Services (CMS) conducts a comprehensive evaluation of Medicare Advantage plans across the country. CMS analyzes more than 40 different components of care and service, focusing on member health outcomes, plan experience and member satisfaction to determine Medicare STAR ratings on a scale of one to five stars.

Humana has and will continue to invest in programs, services and technologies designed to enhance quality and produce positive health outcomes for our members.

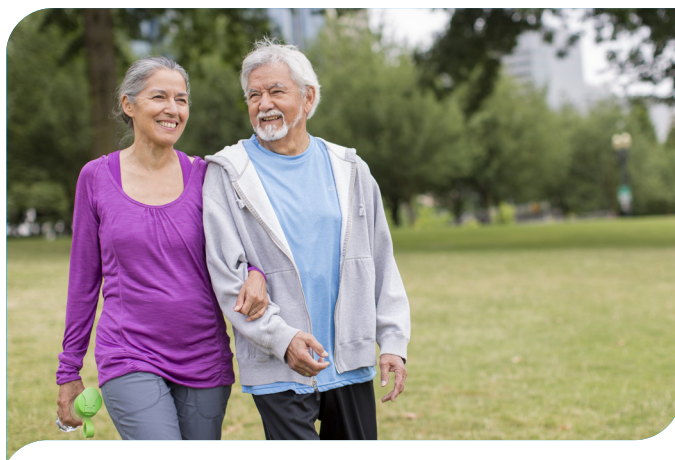
- Humana received a 4.5-star rating on CMS's 5-Star Rating System for six MA contracts offered in Delaware, Florida, Illinois, Louisiana, Michigan, Montana, Tennessee, Virginia and Wisconsin, an increase from five such contracts last year.
- Humana has 18 MA contracts rated four Stars or above and 2.5 million members in four Stars or above rated contracts to be offered in 2016.
- Across all Humana MA plans, Humana achieved a membership-weighted average of 4.89 Stars in the Customer Service categories of measures.

Better Outcomes for Members with Chronic Conditions

Collaboration with our provider partners and care coordination are fundamental to our approach for MA members living with chronic conditions such as diabetes. We bring together hospitals, physicians, pharmacists and other health care providers, and we help members tap into vital community services -- all of which leads to better outcomes and higher member satisfaction.

Humana brings extensive clinical and wellness capabilities through significant investments in our home health, pharmacy, wellness and data analytics programs. These programs have helped improve the quality of life for 1 million Humana MA members in value-based reimbursement models as evidenced by 2013 results:

- **Better Quality:** Humana's value-based relationships experienced a higher Healthcare Effectiveness Data and Information Set (HEDIS) Star score average of 4.25 as compared to providers outside of value-based settings with a HEDIS Star score average of 3.65.
- **Improved Population Health:** Humana MA members in value-based relationships experienced 7 percent fewer emergency room visits per thousand and 4 percent fewer inpatient admits per thousand than those in traditional, fee-for-service settings.
- **Lower Costs:** Humana experienced a 19 percent cost improvement in total in 2013 for members who were treated in a value-based relationship versus members who were treated by providers in original Medicare settings.



Encouraging and Rewarding Healthy Behavior

Rewarding people for following a customized exercise, diet and lifestyle plan by creating an experience similar to a frequent flyer or hotel rewards program helps them stay engaged. Enter **HumanaVitality®**, the company's customized health rewards program.

Humana has expanded the program to eligible Humana Medicare Advantage, Humana Medicare Advantage Prescription Drug Plan and Humana Medicare Supplement members in select plans in certain markets. Members participating in HumanaVitality receive Vitality Points™ for engaging in health and wellness activities, such as obtaining preventive screenings; exercising; donating blood; getting CPR-certified; and quitting smoking. These Medicare members can also earn Vitality Bucks for getting certain preventive screenings and redeem their reward online at the HumanaVitality Mall, toward a vast range of discounted items, ranging from movie tickets to electronics and gift cards.