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Humana Launches SmartResults – a Unique, Integrated, Multi-Year Approach That Assures Employers Will Save on Health Care Costs by Helping Employees Get Healthier

Company guarantees refund – up to 40 percent of benefits-administration fees – to any employer that fails to get results Humana predicts

LOUISVILLE, Ky.--(BUSINESS WIRE)--Humana Inc. (NYSE: HUM) announced today the launch of SmartResults – a bold new solution that features a three-year partnered approach among Humana, insurance brokers, employers and their employees that is expected to result in effective management and control of health care costs.

SmartResults not only enables employers to address rapidly rising health care costs, it also comes with a guarantee to employers: they'll get annual medical-claims results Humana predicts or they'll get money back from Humana.

Offered to self-funded U.S. employers with 300 or more employees¹, SmartResults complements employers' overall benefit strategy. The three-year SmartResults program integrates an employer's health-plan offerings with Humana's proven combination of support, guidance and wellness services designed to improve employees' health.

(¹ SmartResults is not currently offered in Florida.)

"For five years now, Humana has demonstrated that the solution we offer employers is more than a series of products," said Beth Bierbower, Humana's vice president of product innovation. "Employers and their employees curb medical spending – and employees get healthier – by adopting Humana's unique integrated approach. The convergence of product, clinical programs, financial analysis and forecasting, and consumer education leads to improvements for employers and their employees. SmartResults gets employers focused where they can have the greatest impact on controlling health-benefits expenditures – on helping their employees better manage their own health care."

From 2002 through 2006, customers enrolled in Humana's SmartSuite family of consumer-focused plans – which are offered to employers as part of the SmartResults program – experienced average annualized claims trends of 4.2 percent. During the same five-year period, U.S. annualized health insurance premiums increased, on average, 11 percent. Humana first announced the success of its SmartSuite health plans and related programs in June 2005, when the company released the results of a three-year actuarial study of the plans and programs.

The study further revealed that SmartSuite members exceed prevailing prescription drug compliance rates for effective management of chronic illnesses; access preventive health care services on a par with national utilization standards; and that employers are not simply shifting costs to employees. The percentage of overall employee benefits costs borne by SmartSuite members stayed constant at 21 percent over the life of the study, with the employer share at 79 percent.

"As we launch SmartResults across the country, Humana will work closely with insurance agents and brokers who will be educating employers about the program," said Rick Remmers, large group segment vice president for Humana. "We're

confident that the agent/broker community will embrace this approach, because many large employers are looking to Humana – and their brokers – to provide innovative thinking and guidance that helps these employers get their health care costs under control.”

SmartResults offers the following financial guarantees:

Up to 40 percent of Humana’s benefit-administration fees are at risk, based on achieving annual claims-cost targets and service performance.

Humana’s administrative fees are capped for each of the three years of the SmartResults program.

Employers also receive credits for behavior modification.

How does SmartResults work?

The Humana health plans an employer chooses determine the annual claims-cost trend target, which ranges from an annual maximum increase of 6 to 9 percent. The employer then agrees to work with Humana, committing to provide information Humana needs to help the employer reduce its annual medical-claims cost trend.

Employers who participate fully in the program will either get the results Humana predicts or get a refund – up to 40 percent – of the fees Humana charges the employer to administer their health benefits.

“SmartResults is all about getting employers to rethink their approach to health care cost-containment, from a short-term view to a longer-term approach,” Bierbower said. “Employers who partner with Humana and are committed to getting better control of their health care expenditures will get results. We’re seeing these results with current employer-customers who are enrolled in our most comprehensive consumerism-style health plans, and it’s precisely that – our experience over the past several years – that led Humana to create SmartResults.”

How is Humana able to do this?

Humana provides benefits that help improve members’ health and employers’ bottom line using one integrated program that capitalizes on data from the employer and a cohesive employee-participation campaign. By sharing data and working together, the employer and its employees win:

Employee participation leads to better choices (behavior change) and better health outcomes.

The employer’s commitment to a three-year partnership leads to positive long-term results.

Three-year contracts also eliminate the need for benefit selection each year, saving employers additional time and energy. The guarantees from Humana with SmartResults ensure predictable health-benefits costs, enabling more accurate budgeting and long-term financial planning for employers. Humana’s consumer-focused tools and programs encourage behavior changes that result in better-educated health care consumers and healthier, more productive employees.

About Humana

Humana Inc., headquartered in Louisville, Kentucky, is one of the nation’s largest publicly traded health benefits companies, with approximately 11.3 million medical members. Humana offers a diversified portfolio of health insurance products and related services – through traditional and consumer-choice plans – to employer groups, government-sponsored plans, and individuals.

Over its 46-year history, Humana has consistently seized opportunities to meet changing customer needs. Today, the company is a leader in consumer engagement, providing guidance that leads to lower costs and a better health plan

experience throughout its diversified customer portfolio.

More information regarding Humana is available to investors via the Investor Relations page of the company's web site at <http://www.humana.com>, including copies of:

Annual reports to stockholders;

Securities and Exchange Commission filings;

Most recent investor conference presentations;

Quarterly earnings news releases;

Replays of most recent earnings release conference calls;

Calendar of events (includes upcoming earnings conference call dates and times, as well as planned interaction with research analysts and institutional investors);

Corporate Governance Information.

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