University of California

A MORE PERSONALIZED HEALTHCARE EXPERIENCE

2005
DEFINITY HEALTH

A CONSUMER DRIVEN PLAN OPTION for UCSF and UCSB FACULTY & STAFF
Topics We’ll Cover Today

- About Definity Health
- How It Works
- Examples of How It Works
- Free Information and Advise
- Ways to Learn More
About Definity Health – Improving the Healthcare Industry

Quality Issues
- On average, doctors provide appropriate care only about half the time.
  Source: The New England Journal of Medicine
- As many as 98,000 patients die annually in hospitals as a result of medical errors.
  Source: To Err is Human, The Institute of Medicine of the National Academy of Science
- Approximately half of the deaths each year in the U.S. are due to preventable diseases.

Reputation
- “Do you think (READ EACH ITEM) generally do a good or bad job of serving their consumers?”

<table>
<thead>
<tr>
<th>RANK ORDER</th>
<th>Good Job</th>
<th>Bad Job</th>
<th>Not Sure/Refused</th>
</tr>
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<tbody>
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Source: 2004 Harris Interactive survey (The Harris Poll® People).
About Definity Health – Improving the Healthcare Industry

- Focus on changing the way patients, providers and health plans interact
  - Patient / Provider relationship is primary
  - Health Plans should assist and support members
- Serving over 320,000 members nationwide with excellent member satisfaction
  - 95% of members renewing each year
  - Over 90% report high satisfaction
- Over 500,000 members on 1/1/2005
About Definity Health –
Selected by Leading Employers

More than 90 client companies including:

- Amazon.com
- Hannaford Bros. Co.
- Louisiana State University
- Raytheon
- Coors
- UC HR/Benefits
- Whirlpool
- Wells Fargo
- Textron
- Countrywide
- Medtronic
## About Definity Health – Similar to a PPO Plan, But Better

<table>
<thead>
<tr>
<th>What’s the same</th>
<th>What’s better!</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Preventive care coverage</td>
<td>• Health Reimbursement Account (HRA)</td>
</tr>
<tr>
<td>• Choose your physician (no prior authorizations required)</td>
<td>• No referrals to see specialists</td>
</tr>
<tr>
<td>• Nationwide provider networks</td>
<td>• No co-pays for services received while HRA dollars are available</td>
</tr>
<tr>
<td>• Comprehensive list of covered services, includes</td>
<td>• No co-pays for preventive care visits</td>
</tr>
<tr>
<td>– Wellness visits</td>
<td>Clearly defined potential out-of-pocket expenses</td>
</tr>
<tr>
<td>– Sick visits and hospitalizations</td>
<td>• Additional services</td>
</tr>
<tr>
<td>– Prescription drugs</td>
<td>– Smoking cessation</td>
</tr>
<tr>
<td></td>
<td>– Weight loss</td>
</tr>
</tbody>
</table>
How It Works – Plan Components

• Health Reimbursement Account
• Member Responsibility
• Health Insurance
• Health Tools and Resources
How It Works – Putting it All Together

- Preventive Care covered 100% in-network
- Health Reimbursement Account (HRA)
- Member Responsibility
- Health Coverage
- Resources and Tools
  - Available via phone or web
  - Health Coaches
  - Cost / Quality Comparisons

Note: Preventive care scheduled based on age and gender guidelines.
How It Works –
Plan Design Specifics

EMPLOYEE ONLY

HEALTH COVERAGE
80% / 60%
$1,500 / $8,500

MEMBER RESPONSIBILITY
$550

HRA
$950

EMPLOYEE PLUS CHILD(REN)

HEALTH COVERAGE
80% / 60%
$2,250 / $12,750

MEMBER RESPONSIBILITY
$800

PREVENTIVE CARE
$1,450

EMPLOYEE PLUS ADULT

HEALTH COVERAGE
80% / 60%
$2,250 / $12,750

MEMBER RESPONSIBILITY
$850

PREVENTIVE CARE
$1,400

EMPLOYEE PLUS FAMILY

HEALTH COVERAGE
80% / 60%
$3,000 / $17,000

MEMBER RESPONSIBILITY
$1,100

HRA
$1,900

1 In-/ Out-of-network coinsurance.
2 In-/ Out-of-network coinsurance maximum (excludes Member Responsibility).
How It Works – Health Risk Assessment

• Complete a Health Risk Assessment within 90 days of plan effective date
  – Confidential
  – Discover potential risks to your health status
  – Discussion tool to use with your doctor
• $50 bonus to your HRA for each adult completing
  – Reduces you Member Responsibility
  – Maximum of $100 for family

Note: Preventive care scheduled based on age and gender guidelines.
Meet Nancy, a UC employee earning $85,000 annually. She has a husband, Phil, and one child, Lisa. They chose Definity Health because they could...

- Keep their pediatrician
- Receive care nationally
- Potentially roll over dollars into the next benefit year

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- *the plan they chose – Definity Health*

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRA Deposit:</td>
<td>$1,900</td>
</tr>
<tr>
<td>Member Responsibility:</td>
<td>$1,100</td>
</tr>
<tr>
<td>Health Coverage:</td>
<td>80% / 60%</td>
</tr>
</tbody>
</table>
Nancy’s Family Plan
Year One

Preventive Care Expenses
3 annual exams $ 800
Immunizations 100
Total $ 900

Non-Preventive Expenses
12 prescriptions $ 440
Urgent Care visit 200
6 physician’s visits 360
4 chiropractor visits 200
Total $ 1,200

Out-of-Pocket Expense
None $ 0

Rollover
To Year Two $ 700

Health Coverage
80% / 60%
$3,000 / $17,000

Member Responsibility
$1,100

$700 Rollover
$1,200 Expenses
$900

1 In- / Out-of-network coinsurance.
2 In- / Out-of-network coinsurance out-of-pocket maximum (excludes Member Responsibility).
# Nancy’s Family Plan – Plan Comparison

<table>
<thead>
<tr>
<th></th>
<th>Definity Health</th>
<th>HealthNet</th>
<th>PacifiCare</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preventive Care</strong></td>
<td>Total Annual Cost: $1,117</td>
<td>Total Annual Cost: $2,036</td>
<td>Total Annual Cost: $1,932</td>
</tr>
<tr>
<td><strong>Non-Preventive</strong></td>
<td>$0</td>
<td>$290</td>
<td>$290</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>$0</td>
<td>$30</td>
<td>$30</td>
</tr>
<tr>
<td><strong>Annual Employee</strong></td>
<td>$1,117</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contributions</strong></td>
<td>$1,117</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Nancy’s Family Plan
Year Two

**Member Responsibility**
Reduced to $800 due to Rollover

**HRA Balance**
$1,900 employer-allocated HRA contribution plus $700 Rollover from year one

1. In-/Out-of-network coinsurance.
2. In-/Out-of-network coinsurance out-of-pocket maximum (excludes Member Responsibility).
# Nancy’s Family Plan

## Year Two

### Preventive Care Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 annual exams</td>
<td>$800</td>
</tr>
<tr>
<td>Immunizations</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>$900</td>
</tr>
</tbody>
</table>

### Non-Preventive Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 prescriptions</td>
<td>$200</td>
</tr>
<tr>
<td>Lab work</td>
<td>150</td>
</tr>
<tr>
<td>2 Urgent Care visits</td>
<td>250</td>
</tr>
<tr>
<td>5 physician’s visits</td>
<td>300</td>
</tr>
<tr>
<td>4 chiropractor visits</td>
<td>200</td>
</tr>
<tr>
<td>Total</td>
<td>$1,100</td>
</tr>
</tbody>
</table>

### Out-of-Pocket Expense

None $0

### Rollover

To Year Three $1,500

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**HEALTH COVERAGE**

80% / 60%¹

$3,000 / $17,000²

**MEMBER RESPONSIBILITY**

$800

**$1,500 Rollover**

**$1,100 Expenses**

**$900**

¹ In- / Out-of-network coinsurance.

² In- / Out-of-network coinsurance out-of-pocket maximum (excludes Member Responsibility).
Single and On the Go

Sharon is single, in her 50s, and earns $45,000 annually. Her reasons for selecting Definity Health were...

- Ability to roll over HRA benefit dollars
- No referral required when seeing a specialist
- Extensive online medical information
- 24-hour access to a Health Coach

– the plan she chose –

HRA Deposit: $950
Member Responsibility: $550
Health Coverage: 80% / 60%
Sharon’s Single Coverage Plan
Year One

Preventive Care Expenses
1 physical exam $ 250

Non-Preventive Expenses
Lower Back Pain/Sciatica
MRI, Hospital, Drugs
Total $ 22,750

HRA Pays
Balance of PCA $ 1,000

Member Pays
Member Resp. $ 550
Coinsurance (OOPM) 1,500
Total $ 2,050

Health Coverage Pays
Balance of Bill $21,200

Rollover
To Year Two $ 0

Plan $21,200
HEALTH COVERAGE
80% / 60%
$1,500 / $8,500

MEMBER RESPONSIBILITY
$550

HRA $1,000

PREVENTIVE CARE 100%

1 In-/ Out-of-network coinsurance.
2 In-/ Out-of-network coinsurance out-of-pocket maximum (excludes Member Responsibility).

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Sharon’s Single Coverage Plan
Year Two

Preventive Care Expenses
1 well-woman exam $ 250

Routine Care
Physical therapy $ 350
3 prescriptions 150
2 doctor visits 150
Total $ 650

Out-of-Pocket Expense
None $ 0

Rollover
To Year Three $ 300
Examples of How It Works – How to Access Care

- Confirm that doctor is in our network
- Present Definity Health I.D. card at the time of service
- Cost of services will be paid by plan
- If you owe money you will be notified by your provider or Definity Health
- Definity Health Networks
  - UHC Options PPO - California
  - UHC Options PPO - Nationwide
  - Medco - Pharmacy
  - UBH - Behavioral Health

Call toll-free 1.866.DEFINITY (1.866.333.4648) for customer service, 24-hour Health Coaching and eligibility confirmation, or visit www.definityhealth.com

For UBH benefits call 1-888-440-8225, reference Group #11280

MEMBER NUMBER

JOHN Q MEMBER 123 456 789
JANE G MEMBER 234 567 890
CINDY L MEMBER 345 678 901
ROY T MEMBER 456 789 012
STEPHANIE T MEMBER 567 890 123

University of California
Group #
Rx BIN 610014
Office/ER/Urgent care copay: $0
Rxgrp DHP7777
mbrs

Medco Health (PAID Rx)

Printed on 9/17/02
Mental Health and Substance Abuse Benefits
United Behavioral Health

- Administered as a separate program by UBH
- “Carve-out” plan
- None of the Definity Health “HRA” dollars or other plan benefits can be used to pay for behavioral health care
- In-network" and an "out-of-network" provider options
- Co-pay for each in-network office visit
- Deductible and coinsurance for out-of-network care, lower costs with notification
Examples of How It Works – Additional HRA-Eligible Services

- Amounts in excess of any Health Coverage plan limits
- Amounts over usual and customary
- Infertility treatments
- Rx buy-up (Brand vs. Generic)
- Smoking cessation programs
- Weight loss program to treat an existing condition

(covered by HRA but do not apply toward Health Coverage deductible)
Welcome to Definity Health, Jim Johnson

My Account
- Claim and account details
- What I owe
- Submit a claim for reimbursement

My Benefits
- Get an ID card
- My plan
- My network

Doctors & Hospitals
- Find a doctor or hospital
- Compare care
- Hospital quality information

Pharmacy
- Mail order prescriptions
- Drug information
- Check drug interactions

Healthcare Prices
- Cost of typical office visit
- Pay less for prescriptions
- Costs for medical conditions

Health Resources
- Health Coaching website
- Health information database
- Learn how to be a healthcare consumer

Announcements
- Receive messages from a Health Coach
- Depression is a mood disorder, not a character flaw.
- Information to share with your doctor about...

Your Messages - (1 message)
11/1/03  Saving Opportunity on Prescription Drugs

Manage my Messages
Free Information and Advice – Manage Your Health and Benefits

Consumer awareness
- Save money
  - Prescriptions drugs
  - Provider selection
  - Repeat non-urgent ER
- Get better care
  - Preventive care reminders
  - Gaps-in-care
- Manage your account
  - HRA approaching $0
  - Met deductible
  - Statement posted

Example: Save over $700 per year on just one prescription!

<table>
<thead>
<tr>
<th>Drug Price Estimates:</th>
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<tbody>
<tr>
<td>Drug description</td>
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<tr>
<td></td>
</tr>
<tr>
<td>Brand Name</td>
</tr>
<tr>
<td>Lipitor 20mg Tablet</td>
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<tr>
<td>Generic Equivalent</td>
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</tbody>
</table>

Save an estimated $137.38 annually by choosing mail order over retail!

<table>
<thead>
<tr>
<th>Pill-Splitting Options</th>
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<tbody>
<tr>
<td>Lipitor 40mg Tablet</td>
</tr>
</tbody>
</table>

Save an estimated $650.44 annually by splitting your pills!
Free Information and Advice – Health Coaching

• Support and assistance
  — One-to-one, ongoing relationship
  — How can I take better care of my diabetes?
  — Is surgery the best option?
  — Should I be concerned?
  — What are my options?
• Completely confidential
• Totally free
• Any time, day or night
Free Information and Advice – Compare Cost and Quality

New for 2005 – Doctor and Hospital “Buyer’s Guide”

- At-a-glance facility and procedure cost and quality comparison tool
- Compare facilities in local and greater area markets
- Compare the specific facilities that you’re interested in

Example procedure comparisons
- Back surgery
- MRI
- Hysterectomy
Free Information and Advice – Member Health Statements

All of this in one convenient, informative statement

- Account information and balances
- Recent transactions
- Member-specific messages
- Informational and educational opportunities
- Payment coupons
Check Out Your Pre-Member Website to Learn More
Why You Should Consider Definity Health

- Focus on member education and satisfaction
- More freedom in how you spend healthcare dollars
- First $950–$1,900 of healthcare expenses covered 100%, based on coverage tier
- Tools and resources to support your healthcare decisions
- Roll over of HRA funds

“I just wanted to let you know how thrilled we are with your plan. I appreciate you treating me as a responsible, educated consumer that can make reasonable choices concerning the healthcare of my family.” – Laurie S.
Ways to Learn More

Go to our website
www.definityhealth.com

Login Name: UofCA
Password: choice

Call us toll-free
1.866.UDEFINE (1.866.833.3463)