



Family Health Budget
www.familyhealthbudget.com

FAMILY HEALTH BUDGET FREQUENTLY ASKED QUESTIONS

Family Health Budget Initiative

Q: What is the Family Health Budget?

A: Humana and Consumer Action, a consumer advocacy group, have partnered to establish the Family Health Budget, a broad-based education initiative designed to assist all consumers in understanding and planning for their health benefits needs. The initiative resulted, in part, from a Harris Interactive survey, which examined how consumers have prepared for health care costs and the direct affect these costs have on their lives.

Q: Why is there a need for this education initiative?

A: Increasingly, consumers throughout the U.S. are facing tough choices when it comes to health care. Health premiums are on the rise and employers are starting to cap the amount of money they will contribute to benefits. Because employers historically have taken care of health benefits, many consumers are ill-equipped to plan or budget for health care expenses.

Case in point, one in three people have avoided or delayed a treatment because they were unprepared to pay for medical expenses.

Ironically, many consumers are unwittingly over-insured, paying premiums for benefits they likely will not need or use during a policy period, or which could be funded through newer, tax-advantaged programs. Consumers need tools and guidance to help them understand and plan for health care expenses as well as to become educated buyers and wise users of health benefits.

Q: What are the goals of this initiative?

A: The Family Health Budget initiative is designed to educate all consumers about health benefits and available options as well as help people prepare for future health expenses.

The Family Health Budget initiative will:

- Address the need to budget for health care expenses
- Educate consumers about the true cost of health care
- Guide all consumers (not just Humana members) toward saving for future health care expenses
- Inform consumers of their insurance options, leading them to select the appropriate level of benefits coverage based on their needs
- Empower consumers to make smarter health benefits and health care decisions now and in the future

Q: How does this initiative address rising health care costs?

A: By arming consumers with the appropriate information on how to choose and use benefits, the Family Health Budget initiative can help people save money, ensure that they have the right amount of coverage and that they get the care they need when they need it.

Q: Do the education materials push consumers toward any specific health plans or companies?

A: No. All education materials are meant to educate consumers on health care, health benefits and budgeting options.

Q: Will this be an ongoing initiative?

A: Yes. As health benefits and costs fluctuate over time, consumers will need continued assistance in determining how to choose and use their benefits, as well as how to plan for future expenses. Humana and Consumer Action are dedicated to providing long-term health benefits guidance to consumers.

Q: Will Humana or any of the partners benefit financially from this initiative?

A: The Family Health Budget is available to all consumers at no charge. You do not need to be a Humana health plan member to access the Family Health Budget website and planning tool. It is educational in nature and no specific company, product or service is promoted on the site.

Partnership with Consumer Action

Q: What is Consumer Action?

A: Consumer Action is a non-profit, membership-based organization that was founded in San Francisco in 1971. Since then, Consumer Action has continued to serve consumers nationwide by advancing consumer rights, referring consumers to complaint-handling agencies through a free hotline, publishing educational materials in Chinese, English, Korean, Spanish, Vietnamese and other languages, advocating for consumers in the media and before lawmakers, and comparing prices on credit cards, bank accounts, and long distance services.

Q: Why is Consumer Action involved in this initiative?

A: Consumer Action is focused on educating people about personal finances and the issues that can dramatically affect solvency. As more companies cap the amount they contribute to health benefits, consumers must adjust household budgets to keep up with medical inflation. Consumer Action has witnessed this struggle firsthand, as many of its members are impacted by the changes occurring in the health care market. These issues have led the organization to partner with Humana in launching the Family Health Budget initiative.

Q: What is Consumer Action's role in this initiative?

A: Consumer Action will assist consumers in understanding their available health benefits and budgeting options. Consumer Action will direct consumers to the Family Health Budget Web site and the online version of the Family Health Budget Planner, a robust personal finance planning tool.

Q: What is Consumer Action's health care background?

A: Consumer Action's focus is on all personal finance issues, which makes the organization an ideal choice for participation in the Family Health Budget initiative.

Harris Survey

Q: How many people were surveyed and how was the survey conducted?

A: The survey was conducted via telephone in the U.S. between Dec. 14, 2004, and Jan. 11, 2005, among a nationwide cross section of 2,000 adults (between 18 and 64 years of age). Figures for age, sex, race/ethnicity, education, income, region and number of adults in the household were weighted, where necessary, to align with population proportions. Results for the total sample have an error range of +/- 3 percentage points at the 95 percent confidence level.

Q: What prompted you to do the survey?

A: As a leader in health benefits, Humana continually examines how families deal with the rising costs of health care, as well as how they choose their benefits packages. What the company found was that many people are sacrificing to get the care they need, even though they don't have to. Consumers must look beyond health plan co-pays and evaluate their needs to make knowledgeable health benefits choices. By commissioning this survey, we were able to identify the areas in which people need the most education and guidance to get the most out of their health care dollars. The results led us to develop the Family Health Budget initiative.

Q: What did you find in relation to health care expenses in general?

A: The survey found that a majority of adults have seen their family's health care expenses increase over the past three years, which many felt hindered their ability to accurately plan for health care expenses. In fact, nearly 80 percent worry that expenses are increasing to the point that they are no longer financially sustainable.

Q: What did you find regarding budgeting for health care expenses?

A: Overall, very few people believe they know exactly how much they spend on health care expenses (20 percent) and a much larger group is not sure/has no idea how much they spent (32 percent). Additionally, nearly half (44 percent) are not confident in their ability to predict health care expenses for the coming year.

Consumers agree on the need for education, with 95 percent noting that they need to be savvier today about their health insurance choices and 92 percent believing it is their responsibility to learn more about health benefits. Admittedly, some of these consumers

don't know where to turn, which explains why two out of three noted they would like assistance in understanding and planning for health care expenses.

Q: What are some of the survey's key findings?

A: The study's key findings include:

- 44 percent are not very or not at all confident they can predict health care expenses for the coming year
- 66 percent agree that they would like help in understanding health care expenses and planning for them
- 95 percent agree that consumers need to be savvier today about their health insurance choices
- 51 percent of those who budget specifically for health care believe that budgeting has improved their ability to get the health care they and their family need
- 42 percent of those polled who are insured said they would be interested in online self-assessment tools to help them plan for health care expenses and choose the right health care coverage; 50 percent are interested in paper workbooks with guidelines
- 30 percent of adults have avoided or delayed a doctor-recommended treatment due to cost
- 24 percent have gone into debt because they were unable to pay their portion of medical bill/expenses
- 78 percent agree that they worry that health expenses are increasing to the point that they are no longer financially sustainable

Family Health Budget Planner

Q: What is the Family Health Budget Planner?

A: The Family Health Budget Planner, a key element in the overall initiative, is a robust online personal finance planning tool designed to assist consumers in determining how much they spend annually on health care and how much they should be saving for future expenses. The planner helps consumers address the financial challenges associated with health care costs and guides them through the entire health benefits experience, including choosing the best benefits options for them.

Q: Who can use the Family Health Budget Planner?

A: The Family Health Budget Planner is available to everyone.

Q: How do you access the Family Health Budget Planner?

A: The Family Health Budget Planner can be accessed online at www.familyhealthbudget.com.

Q: How does the Family Health Budget Planner work?

A: The Family Health Budget tool takes consumers step-by-step through the site, asking for information such as current insurance information, how many times their family goes to the doctor, how often they purchase prescription medicines and how often they visit the dentist, eye doctor or other specialists. It also takes into account costs like vitamins, supplements, health club memberships and weight loss programs.

The Family Health Budget then takes all that information and shows how much each consumer should set aside for the entire year. So, based on the information the consumer enters, a tailored number is given as a guide to what that person should set aside for their health care expenses.

Q: Will consumers use this only once or can they use it multiple times?

A: Consumers can utilize the Family Health Budget Planner as many times as they'd like. If there is a financial or health care change in the family, such as a switch to a different health insurance benefits plan or a major illness in the family, or even a life-changing event like marriage, having a baby or retirement, consumers can return to the Family Health Budget Planner and re-evaluate their needs based on the new information.

Q: Is registration or a login and password required?

A: No. In order to maintain your privacy, personal information is not stored on the site. Therefore, consumers will not be required to register or login.

Q: Will you be tracking use of the tool?

A: Humana will track general use of the tool to determine what pages and sections are most beneficial to visitors. The site will not, however, collect specific user information.

Q: Will you be tracking the information consumers enter in the planner?

A: No. Humana and Consumer Action are dedicated to protecting consumers' privacy. For this reason, no personal or financial information is stored on the site or tracked in any way.

Q: What other tools/resources are available on the Web site?

A: In addition to the Family Health Budget Planner, several resources are available to consumers, including:

- The basics of health insurance, helping consumer decipher the alphabet soup of plan acronyms
- A glossary of health care terms and acronyms
- Information for all life stages, including having a baby, getting married, being self-employed and retirement
- A checklist for consumers to help prepare them for open enrollment in their insurance plan
- Relevant news alerts or updates
- Related articles of interest

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