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Family Health Budget
www.familyhealthbudget.com

Humana, Consumer Action Unveil Family Health Budget

National Consumer Education Initiative Developed in Response to Findings of New Survey

WASHINGTON, D.C. – Sept. 27, 2005 – Humana Inc. (NYSE: HUM), in partnership with advocacy group Consumer Action, unveiled today the Family Health Budget -- a novel online resource for all Americans, designed to help families throughout the nation successfully plan for and manage their health care expenses.

Developed in response to a survey of U.S. adults commissioned by Humana and conducted by Harris Interactive[®], which revealed that two out of three Americans say they need and want help budgeting for health care, the Family Health Budget is part of a broad-based consumer education initiative developed by Humana and Consumer Action.

At the heart of the Family Health Budget is a robust but easy-to-use personal finance planning tool. The tool, called the Family Health Budget Planner, and its complementary Family Health Budget website, are designed to educate consumers nationwide on the true cost of health care for themselves and their families, guide them toward saving for future health care expenses and enable them to make better health care decisions in an environment of ever-rising costs.

During a news conference today at the National Press Club, Michael B. McCallister, president and chief executive officer of Humana, appeared with Ken McEldowney, executive director of Consumer Action, and Katherine Binns, president of the Healthcare and Public Policy Research Practice at Harris Interactive, to discuss the survey results, education initiative and the Family Health Budget.

“When Americans budget, they usually do so only for the basics – food, housing and utilities,” McCallister explained. “Our goal through the Family Health Budget is to help people understand that they need to budget for health care expenses just like they would for any other necessity, and to help them do it confidently and successfully.”

“For many, annual financial planning is daunting, so much so that they just don’t budget at all. But many don’t realize that budgeting is worth the effort, and that health care expenses should also be taken into consideration, as they can be a significant drain on a family’s finances if not properly accounted for,” McEldowney said. “Faced with increasing medical plan premiums and medical costs in general, consumers are unsure of where to turn for help. Our partnership and its broad education program will provide consumers the tools they need to help them understand their health care options and more successfully plan and budget for their family’s health care needs.”

The Family Health Budget Planner assists consumers in determining how much they spend annually on health care and how much they should be saving for future expenses. The tool 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 themselves and their families.

What the Survey Revealed

“In conducting this survey, we weren’t surprised to see that a majority of adults have seen their health care expenses increase over the past three years,” Binns said. “What we were surprised to find was how many people feel unprepared to address these increases. More than three-fourths of all adults are worried that they won’t be able to afford future health insurance expenses. This indicates a need for consumer education to help people plan and budget for their out-of-pocket health care costs.”

Some of the study’s key findings include:

- 44 percent of U.S. adults 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 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

The Need for the Family Health Budget

“Rising health care costs continue to be an issue for most consumers,” McCallister continued. “With nearly one third of adults saying their family’s health care expenses increased considerably over the past three years, you can see the immediate need for assistance among the general public. As the industry leader in health benefits consumerism, we are dedicated to guiding consumers through these difficult times.”

According to the survey, the vast majorities of consumers admit they need to be savvier about their health insurance options (95 percent) and also believe this education is their responsibility (92 percent).

“There is a paradigm shift occurring in health benefits, in which employees are taking on greater responsibility for choosing benefits and the costs associated with their selections,” McCallister said. “But first, they need to understand the differences between benefits plans – from popular

Health Savings Accounts to more traditional HMO and PPO plans – so they can choose the most appropriate coverage based on their needs.

“Humana and Consumer Action are focused on helping consumers take more control of their health care needs, which is why we designed the overall educational campaign, of which the Family Health Budget is a part. We wanted to provide in-depth information on general plan types to help consumers discern which plans meet their both their health and budgetary needs, thereby helping them make better health care decisions overall.”

The survey revealed that only 20 percent of adults knew exactly how much they spent on health care expenses last year, while one third said they’re not sure or have no idea how much they spent.

How the Family Health Budget Planner Helps

Accessible by anyone at www.familyhealthbudget.com, the Family Health Budget Planner guides consumers on just how much is spent on annual health related products, services and activities. The Planner takes consumers through the process step-by-step, asking for information such as current insurance information, how many times the family goes to the doctor, how often prescription medicines are purchased and how often the family visits the dentist, eye doctor or other specialists. It also takes into account costs like vitamins, supplements, health club memberships and weight loss programs.

The Planner then takes all that information and calculates how much the user should set aside for the entire year, thereby enabling them to better plan for annual expenses. The Family Health Budget website includes additional resources to help consumers understand their health benefits options and use them most effectively, including comparisons of plan types, a glossary and links to related web sites.

About the Humana/Consumer Action Partnership

Through their partnership, Humana and Consumer Action will develop a range of health care, multilingual educational materials, which will be distributed through Consumer Action’s national network of 7,500 community-based organizations, as well as through the organization’s Web site. In addition, meetings will be held throughout the country, during which community group staff will be trained on how best to use the materials to assist their clients with their health care questions.

Survey Methodology

Harris Interactive conducted the telephone survey in the U.S. on behalf of Humana 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 a sampling error of +/- 3 percentage points at the 95 percent confidence level. Sampling error for the various sub-sample results is higher and varies. The survey was conducted between Dec. 14, 2004, and Jan. 11, 2005. A complete copy of the report is available upon request.

About Consumer Action

Consumer Action (www.consumer-action.org) 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 our 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.

About Harris Interactive®

Harris Interactive Inc. (www.harrisinteractive.com) is the 13th largest and fastest-growing market research firm in the world, perhaps best known for *The Harris Poll*® and for pioneering and engineering Internet-based research methods. The Rochester, New York-based global research company blends premier strategic consulting with innovative and efficient methods of investigation, analysis and application, conducting proprietary and public research globally to help clients achieve clear, material and enduring results.

Blending science and art, Harris Interactive combines its intellectual capital and one of the world's largest online panels of respondents, with premier Internet survey technology and sophisticated research methods to market leadership through its US, Europe and Asia offices, its wholly owned subsidiary, Novatris in Paris, and through an independent global network of affiliate market research companies.

About Humana

Humana Inc., headquartered in Louisville, Ky., is one of the nation's largest publicly traded health benefits companies, with approximately 7 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 44-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 report to stockholders
- Securities and Exchange Commission filings;
- Most recent investor conference presentation
- Quarterly earnings news releases
- Replay of most recent earnings release conference call
- Calendar of events (includes upcoming earnings conference call dates, times, and access number, as well as planned interaction with institutional investors)
- Corporate Governance Information

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