

CIGNA Senior & Retiree Services

Information
for
Plan Sponsors



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Between 2010 and 2030, the age 65-plus population will increase by more than 31 million people.¹ This growth will be driven by the Baby Boomer generation. As the first Baby Boomers begin turning 65 in 2011, 10,000 people will turn 65 every day – and continue to do so for the next for 20 years.²

For plan sponsors, this means that more and more retirement-ready employees will be looking for help with their health coverage – whether they plan to retire before or after they become eligible for Medicare.

CIGNA takes an innovative approach to retiree health care coverage. Our consultative style allows us to tailor coverage solutions to meet each plan sponsor's unique needs. When you choose CIGNA, you get an experienced advisor that:

- Is committed to helping manage the rising cost of health care by providing plan design, network and risk management options to support group plan coverage philosophies.
- Balances the coverage levels and clinical programs needed to help improve individuals' health, well-being and sense of security throughout their lives.
- Engages individuals to become more aware of their current health status and take actions to maintain and improve their health.
- Offers competitive plans with a full range of funding options, including fully insured plans with predictable annual costs.
- Delivers dedicated, seniors-focused service.
- Understands the challenges and responsibilities of retiree benefit administration, and offers alternatives to ease the plan sponsor burden.

¹ U.S. Census Bureau Projected Population Change in the United States – 2004.

² Alliance for Aging Research – Preparing for the Silver Tsunami – Summer, 2006.

As plan sponsors continue to face rising health care costs, CIGNA continues to offer a variety of solutions to help address their needs. With a broad suite of available retiree plan options, we can develop the retiree health care strategy that is right for you.

If you want to work with one company that offers flexible plans with superior service, contact your CIGNA representative.



An Experienced and Committed Leader



CIGNA's proven retiree experience includes:

- 2.3 million medical customers aged 50 and over
- 690,000 customers in our retiree medical plans
- J.D. Power and Associates recognizes CIGNA Call Centers for providing "An Outstanding Customer Service Experience"*
- 500,000 Part D plan customers
- 40 years as a Medicare payer
 - Medicare Part B payer for over 17 million beneficiaries in 18 states and territories
 - Nearly 82 million claims processed each year on behalf of Medicare Part B and DME contracts

*For J.D. Power and Associates Call Center Certification ProgramSM information, visit www.jdpower.com.

Health Care Costs and Coverage for Seniors

The estimated total lifetime cost of retiree health benefit coverage for the average husband and wife turning age 65 in 2010 is approximately \$750,000. Medicare covers just over one-half of this cost; the remaining out-of-pocket costs are the responsibility of the family.

So even with Medicare coverage, the cost of health care can be a significant challenge for America's seniors:

- The average married couple with group-subsidized retiree benefits will need personal savings of approximately \$165,000-\$256,000 to cover what is not paid for by Medicare.
- Those with unsubsidized retiree benefits will need even more – between \$268,000 and \$414,000.

For those reaching age 65 in 2019 (aged 55 today), the numbers increase dramatically:

- A married couple with group-subsidized benefits will need between \$277,000 and \$429,000 at retirement.
- Those without subsidies will need between \$449,000 and \$694,000.

As a result, among workers ages 40 and older who expect to retire before age 65 and receive retiree health benefits, two-thirds say they would not retire early if retiree health benefits were suddenly not available through their former employer or union.

Source: EBRI.org Notes – April 2010 - Vol. 31, No. 4
EBRI.org Notes – June 2009 - Vol. 30, No. 6
EBRI Issue Brief – May 2008 - No. 317

CIGNA Delivers

CIGNA Senior & Retiree Services is ideal for plan sponsors who want one set of solutions for all covered employees and retirees. As one of the only health service companies with its own pharmacy, behavioral, dental, vision and disability businesses, CIGNA is able to provide industry-leading coverage to individuals at every stage of life – from active employee, to early retiree, to Medicare-eligible retiree. And because we deliver industry-leading care management programs, we help drive improved outcomes for the individuals we serve, and help with overall costs for everyone.

Our experience has taught us to offer plans that are not only comprehensive, but also simple and easy to use for retirees.

- National health and wellness programs that provide discounts and savings on services including fitness, vision, hearing and much more.
- Holistic health advocacy programs, including chronic condition management.
- A 24-Hour Health Information Line provides around-the-clock access to speak with a nurse or listen to information from a vast library of health topics.
- Easy-to-understand plan designs with coverage clearly defined in advance.
- Toll-free telephone access to customer service and bilingual support.



Pre-Medicare

- Our customized pre-65 solutions allow you to choose from a variety of networks, funding options and coverage levels to help manage your costs and retiree obligations.
- Our consultative solutions address your unique subsidy, coverage and funding needs.
- Our comprehensive care management programs, including the CIGNA Well Aware for Better Health® disease management program, offer a proven track record of reducing costs and maintaining the long-term health of individuals dealing with multiple chronic conditions.

Medicare

- Our suite of post-65 medical and prescription drug plans offer flexible product and benefit design options.
- Our medical plans can replace, supplement or coordinate with Medicare.
- Our funding options range from plans with predictable fully insured premiums to the flexibility of self-funded plans.

Medicare Advantage Alliance

Brought to you by CIGNA and Humana

- Broad-based network coverage includes PPO and HMO solutions
- An integrated approach to improve health outcomes and quality of life



HUMANA
Guidance when you need it most

CIGNA Senior & Retiree Services plans at-a-glance

With our wide variety of senior and retiree products and services, CIGNA can help you find the plan options that best align with your current and future coverage strategies – making employees' transition to retirement easier for everyone.

Name	Type	Highlights
CIGNA Early Retiree Solutions	Comprehensive suite of medical plans providing pre-Medicare retiree coverage	<ul style="list-style-type: none"> ■ Traditional and account-based plans available ■ Flexibility to offer lean to rich coverage ■ Full range of funding options (ASO to fully insured) ■ Focus on health advocacy, active customer participation, transparency and medical management to help reduce costs by continuing behavior patterns developed by individuals as active employees
Medicare Advantage Alliance Brought to you by CIGNA and Humana	Medicare Advantage Regional PPO, Local PPO, and HMO ¹ plans with or without prescription drug coverage ²	<ul style="list-style-type: none"> ■ Replaces Original Medicare and provides additional benefits such as: preventive care, out-of-pocket maximums, worldwide emergency coverage ■ Broad networks of efficient, cost-effective health care professionals ■ Effectively manage acute episodic events through the post-acute phase and guide individuals to appropriate market leading care management solutions ■ Focus on wellness and chronic condition management to ensure savings over long term ■ Plan design options featuring lean to rich coverage ■ Extensive formulary and pharmacy network ■ Award winning SmartSummary, a record of recent activity with both medical and pharmacy information ■ Customer Service team dedicated to Group Medicare customers ■ Competitively priced, fully-insured plan offering maximum risk protection <p>For PPOs:</p> <ul style="list-style-type: none"> ■ Local and Regional Medicare Advantage PPOs allow customers to obtain covered services from any health care professional who accepts Medicare assignment, with or without equivalent in- and out-of-network benefits ■ Positions plan for easier transition to true network-based plans (e.g., Passive PPO)
CIGNA Medicare Select® (HMO) CIGNA Medicare Select Plus Rx® (HMO)	Medicare Advantage HMO plan with or without prescription drug coverage (Available in Maricopa County and certain zip codes within Apache Junction and Queen Creek, Arizona only)	<ul style="list-style-type: none"> ■ Replaces Original Medicare plus provides additional coverage, such as routine physicals and health and wellness programs ■ Familiar and simple plan designs ■ Extensive network of health care professionals and pharmacies through CIGNA Medical Group, and a comprehensive formulary ■ Premium reduced by government contribution ■ Fully insured

¹ Medicare Advantage Alliance HMO is not available in Arizona.

² If prescription drug coverage is not integrated in the Medicare Advantage plan, Group Part D coverage must be offered to all customers (Individual PDP coverage can not be offered).

Name	Type	Highlights
CIGNA Medicare Expand®	Medical plans that coordinate with Medicare	<ul style="list-style-type: none"> ■ Coordinates coverage with Medicare Part A and Part B ■ Can mirror active medical plans ■ Full range of funding options (ASO to fully insured) ■ Medicare remains primary, CIGNA pays as secondary
CIGNA Medicare Surround®	Medical plans that supplement Medicare	<ul style="list-style-type: none"> ■ Supplements Medicare Part A and Part B similar to Medigap coverage ■ May include additional benefits not covered by Original Medicare ■ Flexibility to offer lean to rich coverage ■ Full range of funding options (ASO to fully insured) ■ Medicare remains primary, CIGNA pays as secondary
CIGNA Medicare Rx® (PDP)	Medicare Part D prescription drug plans	<ul style="list-style-type: none"> ■ Predictable costs, reduced risk ■ Flexible plan options, coverage through the coverage gap ■ Extensive formulary ■ Premium reduced by government contribution ■ Fully insured ■ More than 60,000 participating pharmacies nationwide
CIGNA Retiree Drug Subsidy Support Services	Assistance with the administrative requirements of the Retiree Drug Subsidy program	<ul style="list-style-type: none"> ■ Submission of initial and ongoing retiree list eligibility reports ■ Submission of monthly and annual cost reconciliation reports ■ Providing reporting in the appropriate formats based on program guidance ■ Additional services also available
CIGNA Healthy Future Account	Alternative defined contribution account designed to support future health care-related expenses	<ul style="list-style-type: none"> ■ Works in conjunction with CIGNA Choice Fund® Health Reimbursement Accounts (HRAs) ■ A portion of the unused funds from the HRA is allocated to the Healthy Future Account® ■ Employees accumulate dollars and save for health care-related expenses in future years ■ Funds can be used to purchase individual or group-sponsored plans, or to reimburse out-of-pocket expenses ■ Supports a defined contribution strategy – to cap costs ■ Aligns with complete consumerism strategy
Retiree Administration	Comprehensive range of administrative services offered through a preferred vendor arrangement with Marsh ConsumerConnexions	<ul style="list-style-type: none"> ■ Provides plan sponsors a “turn-key” solution for retiree administration ■ Structured step-by-step implementation process ■ “Best in class” customer service center with representatives experienced in retiree coverage ■ Expertise to create effective communications that maximize retiree satisfaction ■ Accurate and timely eligibility and enrollment processing ■ Flexible billing capabilities to meet the contribution strategies of each plan sponsor

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