

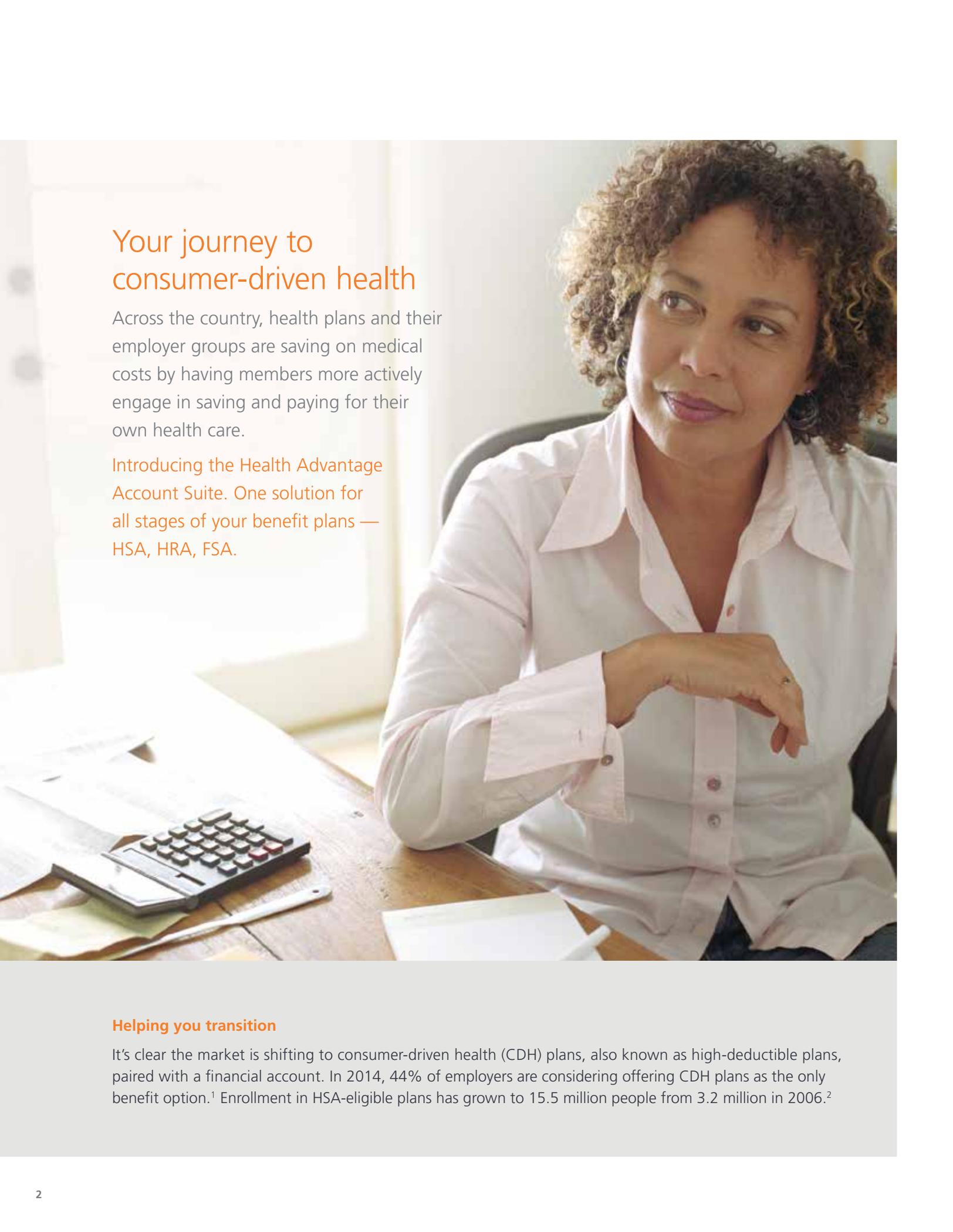


Encouraging better decisions, healthier members

with health savings and spending accounts

Introducing the Health Advantage Account Suite from Optum — HSA, FSA, HRA



A woman with curly hair, wearing a white button-down shirt, is sitting at a wooden desk. She is looking off to the side with a thoughtful expression. On the desk in front of her is a calculator, some papers, and a pen. The background is a bright, slightly out-of-focus office setting.

Your journey to consumer-driven health

Across the country, health plans and their employer groups are saving on medical costs by having members more actively engage in saving and paying for their own health care.

Introducing the Health Advantage Account Suite. One solution for all stages of your benefit plans — HSA, HRA, FSA.

Helping you transition

It's clear the market is shifting to consumer-driven health (CDH) plans, also known as high-deductible plans, paired with a financial account. In 2014, 44% of employers are considering offering CDH plans as the only benefit option.¹ Enrollment in HSA-eligible plans has grown to 15.5 million people from 3.2 million in 2006.²

Health care benefits as unique as your members

You want to help make health care affordable by offering the right accounts and the right solutions so your members are prepared to cover their deductibles and out-of-pocket costs. Having the ability to pay for health care often drives better decisions and may lead to healthier members.

For example, high-deductible health plans paired with a health savings and spending account, such as an HSA, HRA or FSA, can help your members prepare to pay for their health care. Another way you can help members engage in saving is to offer a limited-purpose FSA with the HSA, so members can pay dental and vision expenses with pre-tax dollars through their FSA without having to use HSA funds.

Optum can bring multiple accounts together into one, easy-to-use offering through our Health Advantage accounts. Your Optum team simplifies the process for your members. If you are looking for an HRA/FSA combination; an HSA account coupled with a limited purpose FSA or HRA; an HSA as a single solution; or a rewards account, Optum Health Advantage accounts are the best choice.

Acronym refresher

CDH — Consumer-driven health

HSA — Health savings account

HRA — Health reimbursement arrangement

FSA — Flexible spending account

RRA — Retiree reimbursement account

HIA — Health incentives account

LPFSA — Limited purpose flexible spending account

THE HEALTH ADVANTAGE AT OPTUM

- We were among the first to offer combinations of HSA, FSA, HRA and RRA accounts.
- Optum Bank;SM Member FDIC, is the market share leader in HSAs with more than 1.3 million accounts and \$2.6 billion in assets.³
- Optum is a leader in HRA and FSA administration with 1.6 million members.
- Optum Bank was formed in 2003 and is the #1 health savings account bank in the country. Optum Bank is solely dedicated to health care banking.
- Optum Bank holds your assets so you always know where to find your money.

A cohesive experience for your members

Optum can deliver a multi-account suite in which a member can have a Health Advantage HRA that is paired with a Health Advantage FSA in one single platform experience — or move to a Health Advantage HSA.

The advantage of a single solution with easy administration

In the past, finding a single solution to support the administration of several different health care accounts was a challenge. Not any longer. The Health Advantage Account Suite is a complete health care accounts administration platform delivered in the cloud. It effectively administers all of your various health account options, including HSAs, FSAs and HRAs, and our innovative HRA variants such as the HIA for wellness programs and the RRA for employer-sponsored retiree plans. And you can do it all in one single, simplified solution.

The Health Advantage Account Suite offers:

- **Easy-to-use Web portals** that allow your members to track expenses, manage payments and plan and budget for future health care needs 24/7
 - **Payment card** complete with multi-account stacking — the ability to access more than one account on the same card and draw funds from the appropriate account(s) at the point of sale — providing members with easy access to health care funds and easy claims administration
 - **Mobile application** for complete health care account access from virtually anywhere. View account balances and detail, submit health care claims, and capture and send receipts any time, anywhere on your iPhone®, Android™ mobile or tablet device
 - Powerful **reporting solutions** for quick, easy access to data
 - Rapid **implementation and data migration services** so you can get up and running quickly and at a low cost
- A **cloud-based computing model** that helps keep your IT costs to a minimum
 - **World-class security** specifications and monitoring on high-availability servers that provide sub-second response times and trusted, secure custody of data — allowing you to focus on effective plan administration rather than IT

THE HEALTH ADVANTAGE AT OPTUM

Did you know that an HSA is an efficient retirement vehicle?

An HSA is a lifetime account and the money belongs to the members. They don't lose the account if they change jobs or carriers.

For members with an HSA, Optum offers an experience that makes investing easy through a diverse group of mutual funds.*

Once the account reaches a certain dollar amount (usually around \$2,000), the members may open a self-directed investment account online and invest in mutual funds for the long term, including through retirement.

*Investments are not FDIC-insured, are not guaranteed by Optum Bank, and may lose value.

Moving toward consumer-driven health care

Your employer customers can adjust benefit offerings as their employee base or business needs change. Many employers start with a PPO, often paired with an FSA, and then switch or add a high-deductible health plan with an HSA. As they get more experience with the plan, they add features and migrate toward a full replacement CDH strategy. As consumers are empowered to pay for their own health care, they make better decisions for a healthier lifestyle.

The employer journey



ONE PLATFORM • PORTAL • LOGIN • CARD • DATA SOURCE • CALL CENTER • EXPERIENCE

As you move through this journey, Optum can facilitate seamless conversions across all Health Advantage accounts. You'll have one fully integrated solution that can adapt and change as your offerings evolve. That means: **one platform, one portal, one login, one card** and **one data source** through all the stages of your benefit offerings. And, most importantly, it means **one end-to-end user experience** to drive increased efficiency and reduce costs.



An easy-to-use online portal accessible via the Web or a mobile device lets members view everything they need to know about their account — from contributions and distributions to expense tracking. They can even pay bills, download tax documents and review payments. Once they open an investment account, members can buy and sell mutual funds and track their performance.

The payment card automatically verifies eligibility of a health care purchase according to IRS rules. The card can be set up to draw funds from multiple accounts, in the right order, at the point of sale with no extra work on the part of the merchant or cardholder. It's the most convenient way to pay for health care.

*With the mobile app, members can manage accounts from their phone and even file claims with camera-based receipt imaging. **Any time, anywhere, anyplace, they can manage health care expenses.***

Health Advantage Accounts: Engaging members in health care

Members may not be accustomed to saving for health care. As more organizations offer CDH plans, members need to understand how and why to save and manage health care dollars for medical costs. Optum research showed that people save for vacations, new TVs, furniture and retirement. But, saving for health care is not something they think about or make a priority. Fortunately, Optum knows how to engage your members and educate them on preparing to pay for their health care.

Which profiles describe your members?

Optum conducted extensive research to understand consumers and their financial habits — including how they save and pay for health care. We identified four distinct profiles:



Traditionalists



Active Families



Stretched Singles



Achievers

Each group is different in terms of:

- Finances
- Demographics
- Attitudes toward finances and health
- Credit scores
- Health and wellness beliefs
- Investments behavior
- Buying behaviors
- Paying for health care

Optum uses this information to shape how we talk to each group about their needs and opportunities. Optum can help identify where your members fall in these segments to advise you on the best ways to engage them.

This information may also help you identify which accounts are best suited for your members. Whether it is an HRA, FSA, HSA or a combination of accounts, you will understand how best to help your members stay healthy and productive. And the Health Advantage Accounts will easily accommodate your product offering as it changes and expands.

Where are your members on their health care journey are your members?

Through our research, we identified five stages of health savings and spending that people go through. Some of the stages apply to all health accounts, including HRAs, FSAs and HSAs. Knowing which stage your members are on determines the best way to talk to them to help them move along the continuum to a point where they are optimizing their health savings.

Optum can provide information, tools and support based on where each person is in their individual journey across these five stages. The result? Engaged and prepared members who are ready to pay for higher deductibles, out-of-pocket maximums and prescriptions without having a financial crisis or increasing their credit card debt. Having the money to pay for health care helps drive better decisions and may help people be healthier.

Proprietary to Optum: the Five Stages of Health Savings and Spending

Stages	Decide		Open		Use		Manage		Optimize	
Goals	Go/no go for HSA, HRA, FSA		Get account up and running		Get basic value from the account		Keep up to date with account responsibilities		Get the most value from the account	
Mindsets	Negative Mindset Intimidated, confused, skeptical, resistant to change	Positive Mindset Anticipation, enthusiasm	Negative Mindset Uncertain, anxious	Positive Mindset Straight-forward, familiar	Negative Mindset Overwhelmed, irritated, cynical	Positive Mindset Confident, in control	Negative Mindset Burdened	Positive Mindset Straight-forward, familiar	Negative Mindset Intimidated, anxious	Positive Mindset Proactive
Activities	Become Aware Attend benefits meeting Talk to peers Research online Learn Learn how it works Scenario planning Make decision to proceed		Enroll Forecast health care spend Determine elections Go through enrollment process Establish online user ID and password Prepare Review account materials Activate debit card Review education materials Contact call center or employer, if assistance needed		Save Employer contribution Personal contribution Rollover contribution Confirm deposits Make payments Pay for service onsite Pay bills, online or mail Purchase prescriptions, products, services Compare to EOB Schedule a future payment Manage discrepancies Save payment receipts		Reimburse Calculate amount Transfer funds (check online) Confirm deposits Pay yourself back Maintain account Review monthly statement Reconcile account Track inflows/outflows Handle taxes Evaluate health care finances Access forms online Make changes Change account settings Change product Change payroll deduction		Invest Set up investment account and choose mutual funds Rebalance portfolio, as needed Review statements, performance Leverage Deduction vs. employer Reimbursement value Improved forecasting Factor into financial planning	

THE HEALTH ADVANTAGE AT OPTUM

- We provide a consultative approach.
- We offer personal support every step of the way.
- You can expect a smooth integration and implementation.
- Optum owns their own bank, located in Salt Lake City, Utah.

THREE QUICK STEPS FOR HEALTH PLANS TO GET STARTED

1. Contact your local Optum sales representative at 1-800-765-6807 or empower@optum.com
2. Start planning with Optum to design plans that fit your member needs and think about where they are on their health savings and spending journey.
3. Work with your Optum implementation manager throughout the implementation, employer sales and member enrollment process.

Wherever you are on your journey to consumer-driven health, Optum has the solutions, experience and expertise to help.

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Accounts that make health care more affordable and accessible

Optum offers every kind of account for every kind of health plan.

	Health Advantage HSA	Health Advantage HRA	Health Advantage FSA
Definition	An HSA is a tax-advantaged savings account that is used in combination with a high-deductible health plan (HDHP). Consumers use the HSA funds to cover qualified medical expenses.	An HRA is an employer-funded plan that may be used to reimburse members for qualified medical expenses.	An employer-established, tax-advantaged account funded by the employee and/or the employer to pay for qualified medical expenses with pre-tax dollars.
Who "owns" account?	Individual/member	Employer customer	Employer customer
Who can contribute to the account?	Individual/member Employer customer	Employer customer only	Employee and employer customer
Where are the funds held?	In HSA deposit account — Qualified financial institution and mutual funds	By employer customer	By employer customer
Pre-tax payroll deductions allowed?	Yes	No	Yes
Annual maximum limit on contributions? [www.irs.gov]	Yes ⁵	No ⁶	Yes ⁷
Entire election available for reimbursement at start of plan year?	No	Depends on plan design	Yes
What distributions are allowed?	Payment card Request for distribution or bill pay Online/paper	Payment card ⁸ "Claim" — Request for reimbursement or bill pay Online/mobile/paper	Payment card ⁸ "Claim" — Request for reimbursement or bill pay Online/mobile/paper
<p>Retiree Reimbursement Arrangements (RRAs) are HRAs designed for retirees and used primarily to reimburse Medicare Supplement premiums. A Health Incentive Arrangement (HIA) is designed to provide active employees with incentive contributions for completing wellness programs.</p>			

References:

1. 2013 PwC Touchstone survey of major U.S. companies.
2. AHIP Health Savings Alliance September 1, 2013.
3. As of March 31, 2014.
4. Devenir year-end report 2013.
5. IRS-imposed HSA limits for 2014: Annual limit of \$3,300 for single coverage and \$6,550 for family coverage if HDHP coverage begins by December 1. Annual catch-up contributions for those 55 and over: \$1,000.
6. IRS does not impose HRA limits, limits set by employer.
7. In 2014, employee contributions for an FSA cannot exceed \$2,500 per IRS Rules. Employer contributions are not subject to limits, but may not discriminate in favor of highly compensated individuals. If employer contributions exceed \$500, additional compliance obligations apply.
8. HRA and FSA debit card transactions are automatically restricted for use with medical service providers and for items purchased at retail that are identified as qualified medical expenses based on electronic inventory control codes.

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