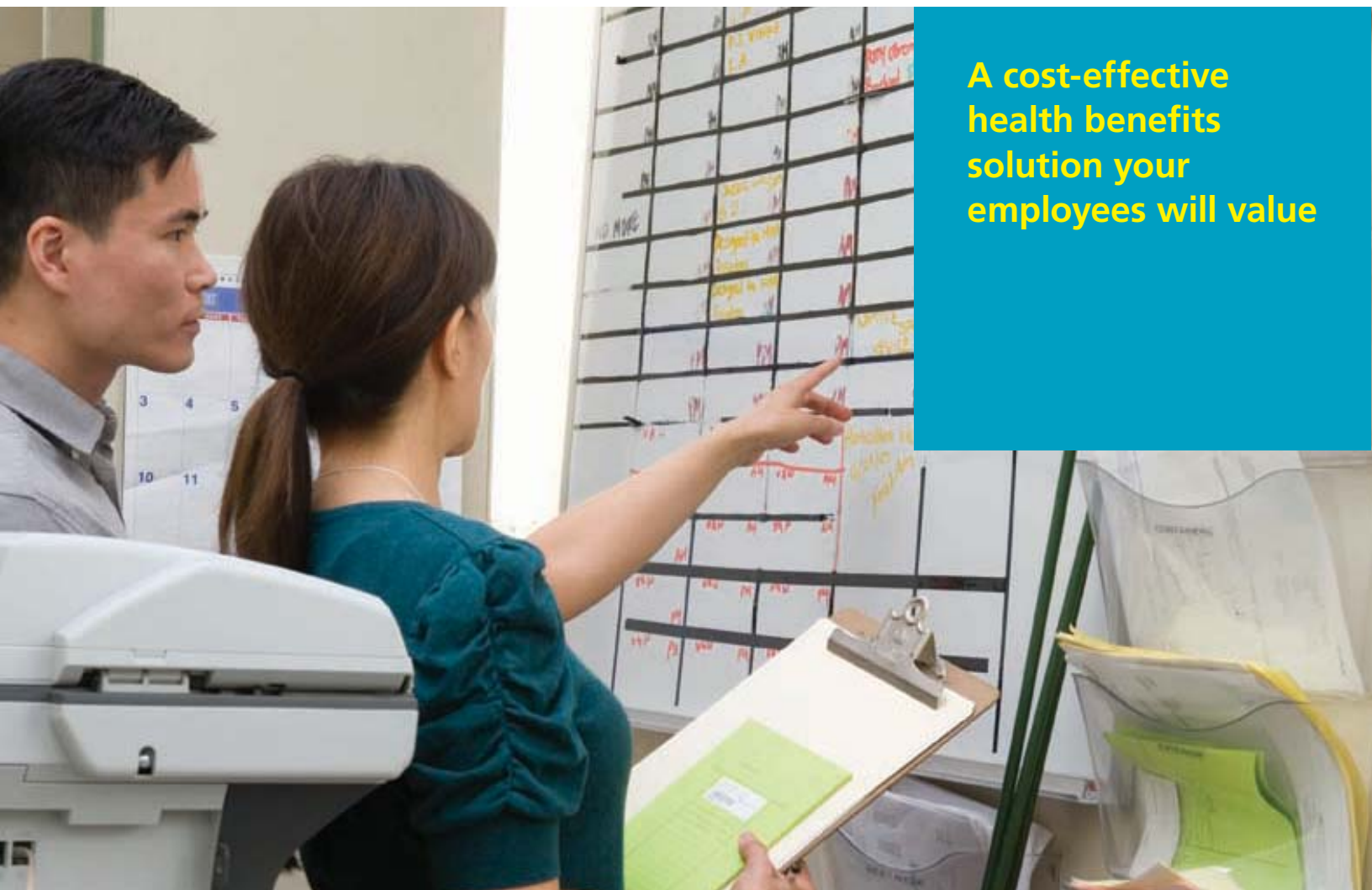


A flexible health fund that you control

Aetna HealthFund® HRA
for Small Group



A cost-effective
health benefits
solution your
employees will value

We want you to know®



A great solution in your fight against rising health care costs



Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies. The Aetna companies that offer, underwrite or administer benefits coverage include Aetna Life Insurance Company.

Did you know?

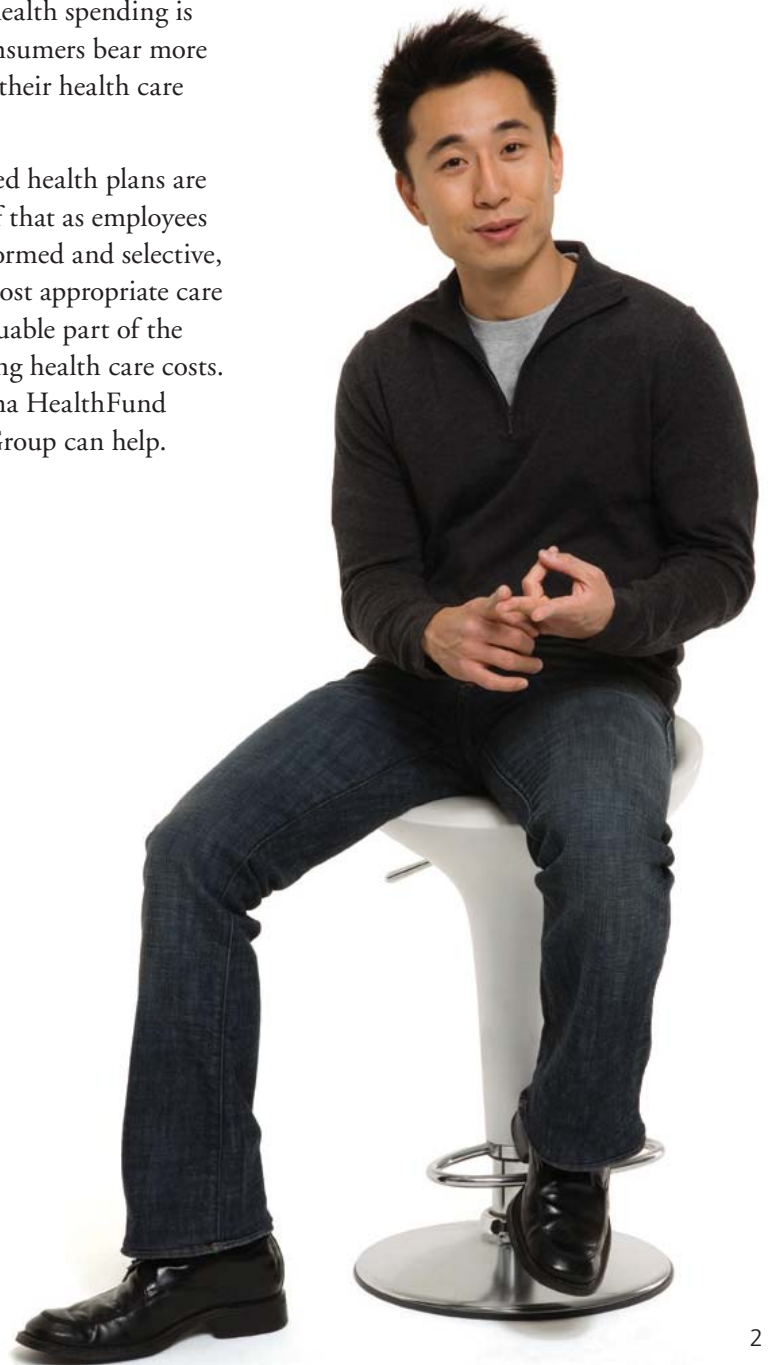
Enrollment in health spending account-type plans and HRAs more than doubled in 2006 to 13.4 million Americans. It is estimated that the number of employers offering this coverage more than doubled, too.²

²Gratzer, David. A Health-Care Bargain. *The Wall Street Journal*. January 31, 2007; Page A12.

You're well aware of rising health care costs. You're looking for new ways to manage your company's health benefits dollars. And you're looking for cost-effective, quality health benefits and health insurance plans to offer your employees and their families. We have a solution. It's called Aetna HealthFund Health Reimbursement Arrangement (HRA) for Small Group. It's a fund your employees can use to help pay for eligible *health care, dental and prescription expenses*. Pair it with your high-deductible medical plan. The fund can help your employees pay their out-of-pocket medical costs — deductibles, coinsurance and more.

The fund gives employees more control in how they spend their health care dollars. And research shows that total health spending is reduced when consumers bear more responsibility for their health care expenses.¹

Consumer-directed health plans are built on the belief that as employees become more informed and selective, they'll seek the most appropriate care and become a valuable part of the battle against rising health care costs. That's where Aetna HealthFund HRA for Small Group can help.



¹Consumer-directed Health Plans and the RAND Health Insurance Experience. *Journal of Health Affairs*. November/December 2004; Volume 26; Number 6: Pages 107-113.



Designed for your business

Help protect your bottom line while helping your employees pay for health care. Sign up for the Aetna HealthFund HRA. It's designed for small businesses like yours. It's one of a full suite of consumer-directed health plans we offer. Here's how it works:

- Each year, you establish a fund for single or family enrollment. The fund is used by your employees to help them pay for eligible health care expenses.*
- The fund can work with your employees' health benefits plans to help them pay their out-of-pocket costs — deductibles, coinsurance and more!
- *Great news!* When a claim is paid under your Aetna medical plan, the out-of-pocket claim amount is automatically submitted by our medical claim system to the employee's HRA for reimbursement. The employee is then reimbursed from the HRA without filing any paperwork! Reimbursements are typically paid through direct deposits into employee bank accounts.
- If you're offering a medical plan that covers preventive care without a deductible for eligible routine physicals, health screenings and immunizations, that's great news, too.** It means there will be more remaining in the fund to cover less predictable employee medical costs.
- *More great news!* Aetna health plan members with an out-of-network option have lower out-of-pocket costs when they get care within the network. That's because network providers have agreed to offer their services at a discounted rate. That means fewer dollars are used from the fund, leaving a greater balance to use for other eligible health expenses.

You'll welcome the advantages

There are many reasons to consider an Aetna HealthFund HRA:

- **It's tax deductible.** The amount you pay out in reimbursements is *100 percent tax deductible* — and the fund benefits your employees receive are *tax free*.
- **It's cost-effective.** There's no need to fund claims until they are actually submitted. This can help improve your cash flow.

- **It's flexible.** Want the fund to reimburse for deductibles only? Want employees to meet their deductibles before the fund pays? It's your choice.
- **It's seamless.** If you're sponsoring both an Aetna HealthFund HRA and an Aetna Flexible Spending Account (FSA), we'll manage the payments so your employees will be reimbursed automatically by each fund when eligible.***
- **It's in your control.** Leftover funds at the end of the year? You can allow unused funds to rollover to the next year. You can also limit the amount that employees can roll over. It's your fund and your choice.

*Eligible expenses include those generally defined in section 213(d) of the Internal Revenue Code.

**Depending on your medical plan, employees may be responsible for a copay or coinsurance amount for eligible services.

***The Aetna Flexible Spending Account (FSA) lets employees direct some of their pretax salary into an account they can draw from to pay eligible expenses throughout the year. Employers can also contribute.

You'll get great flexibility with an HRA ... Design a plan that's right for you

Pick from three plan design options

Option 1 — HRA pays the first dollar

The Aetna HealthFund HRA is offered with an Aetna high-deductible medical insurance plan. The fund reimburses a portion of the deductible, giving the employee first-dollar coverage.

Option 2 — Employee pays deductible first

Also offered with a high-deductible health plan, but with this option, the employee must pay the first portion of the health plan deductible before the fund can be used.

Option 3 — Limited-scope HRA

This option can be used as a standalone fund, helping to reimburse three eligible expenses: vision, dental and preventive care. You decide which of the three you want the fund to help cover. It's your choice. Pick one, two or all three if you'd like!

You'll get personalized service and more

- **Designated service representatives** — Looking for a service team who understands your specific business needs? Look no further. We are here.
- **Ongoing plan management** — As your workforce moves beyond their first HRA plan year, your needs may change. Perhaps you just want to explore a different plan design. We'll help you find options just right for your business.
- **Customized plan documents** — All HRAs require plan documents, but don't worry. We can prepare for them for you, using information specific to your plan for your review and approval.
- **Employee communications** — It's easy to tell employees how their HRA plan works with brochures that explain the details. We'll supply them.
- **HRA website** — Log on to www.myaetnafunds.com. It's updated daily. There you can check your fund balance, access a link to an Internal Revenue Service website, find useful forms and more. Your employees can log on to check their fund balance, get forms and more, too!
- **Customized reports** — We can run reports specific to date ranges, individual employees and individual benefit amounts. You can also visit our www.myaetnafunds.com website to generate your own custom reports.



Using the fund is easy

Pick from two reimbursement options ... the choice is yours:

1. We can automatically reimburse your employees through direct deposits into their bank accounts.
2. Or we can send you the reimbursement checks to distribute to your employees.
 - Generally, claims received by the 5th of each month are paid by the 15th of each month, and claims received between the 6th and 20th are paid on the last day of the month.

- Look for a detailed report from us bimonthly or visit our secure website at www.myaetnafunds.com. You'll find fund information that's updated daily.

And remember: With Aetna's streamline feature, employees can enjoy automatic HRA payment processing without the need to file a paper claim form.

Here's how the HRA typically reimburses

Medical reimbursements

1. Employee visits a doctor for care.
2. Doctor submits a bill to Aetna.
3. We adjust pricing to reflect our *network* discount rate, and we mail the member's Explanation of Benefits (EOB) to the doctor and employee.
4. Our medical claim system provides out-of-pocket information to the HRA.
5. If funds are available, the HRA automatically sends the out-of-pocket reimbursement to the employee. That means no claim form!

Prescription reimbursements

1. Employee visits a pharmacist to fill a prescription.
2. Pharmacist electronically processes the claim and readjusts pricing to reflect negotiated rates.
3. Employee pays discounted prescription cost to the pharmacy.
4. Our pharmacy claim system provides out-of-pocket information to the HRA.
5. If funds are available, the HRA automatically sends the out-of-pocket reimbursement to the employee. Again, there's no claim form!

Models of consumer-driven health care — either the employer-funded health reimbursement arrangements (HRA) or employee- and employer-funded health savings accounts (HSA) — can offer unique opportunities to improve health of patients, the effectiveness and efficiency of the health care system, and the patient-physician relationship.”³

³Parkinson, Michael D. Consumer-Driven Health Care Done Right: Prevention, Evidence-Based Care, and Supportive Patient-Physician Relationships. *Journal of the American Medical Association*. March 2006; Volume 8; Number 3: Page 170.



COMPARE THE AETNA HEALTHFUND HRA TO OTHER FUND ACCOUNTS

	Health Reimbursement Arrangement (HRA)	Health Savings Account (HSA)	Flexible Spending Account (FSA)
Who's eligible?	All employees as designated by employer Self-employed ineligible	Any individual covered by a high-deductible health plan, who is not entitled to Medicare and cannot be claimed as a tax dependent, and who does not have other, non-HSA-compatible health coverage	All employees as designated by employer Spouse and dependents are not "participants" Self-employed are ineligible
Who can contribute?	Employer only	Employer, employee or other individual	Employer and/or employee
Does the fund balance roll over from year to year?	Yes — you can define or limit rollover amount	Yes	No — with limited exception for an FSA with a grace period
Can the fund balance roll over to another account type?	Yes — one-time rollover directly from HRA to HSA is allowed for a qualified HSA distribution HRA balance can be transferred to a Retiree Reimbursement Account	No — HSA balance can roll over only to another HSA	Generally no However, a rollover directly from an FSA to an HSA may be available on a once-per-lifetime basis
Can the account accept roll-overs and transfers from other accounts?	No	Yes — can accept rollover contributions from another HSA or Archer Medical Savings Account (MSA) Also, a one-time rollover from an FSA/HRA/IRA is permitted	No
Is the fund account portable?	No	Yes	No
Are there interest or investment earnings?	No	Yes	No
What are the tax advantages?	Employers may deduct reimbursed member medical expenses as a business expense HRA reimbursements to participants are not taxable income	Employer contributions via a cafeteria plan are not subject to federal income/withholding tax Contributions by account holder are tax deductible up to annual limit Qualified withdrawals are not taxed, but non-qualified withdrawals are subject to income tax and a 10% penalty	Employer contributions are not subject to federal income/withholding tax Employee salary reduction amounts are pretax FSA reimbursements to participants are not taxable income

Count on us

We helped shape the evolution of health care benefits with cutting-edge, member-focused programs and services. We know what makes consumer-directed plans successful. Our industry experience has helped us lead the charge in health care consumerism. We did it by introducing member self-service tools like our secure Aetna Navigator® member website at www.aetna.com. They'll get reliable information and online tools to help them make educated and cost-effective decisions about their care.

It's easier to make better decisions with the right information!

Do your employees want to learn the average cost of a medical procedure or service? It's easy with our secure Aetna Navigator member website. They can log on to:

- Compare hospitals in their area or anywhere in the country.
- See medical costs, dental costs and prescription prices.
- Help stay well by making healthy lifestyle changes.
- Read health information from Harvard Medical School.
- Look through our online encyclopedia for information about hundreds of health conditions.



Offer your workforce an affordable choice that's good for them ... and your business. Sign up for the Aetna HealthFund HRA today!

Not all health services are eligible. See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by location and are subject to change. Providers are independent contractors and are not agents of Aetna. Provider participation may change without notice. Aetna does not provide care or guarantee access to health services. Health benefits and health insurance plans contain exclusions and limitations. Aetna HealthFund HRAs are subject to employer-defined use and forfeiture rules. Health information programs provide general health information and are not a substitute for diagnosis or treatment by a physician or other health care professional. Information subject to change. For more information about Aetna plans, refer to www.aetna.com.

Policy forms issued in Oklahoma include: HMO/OK COC-4 09/02, HMO/OK GA-3 11/01, CHI/OK GP-3 02/02, CHI/OK INSCT-4 01/02, GR-23 and/or GR-29.

We want you to know®



www.aetna.com