

# National High Deductible Health Plan Market Report & Atlas™

A Vimo Research Group™ Report

Expert, independent and objective health care industry analysis

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## Introduction and Objectives

Welcome to Vimo’s first National High Deductible Health Plan Market Report & Atlas™. The nationwide Atlas provides a snapshot of the HDHP market with independent statistics, and allows viewers to interactively navigate around the country to see currently available prices, premiums and HDHP product features. Additionally, this report distills useful information from various government and private research sources, including usage trends, product feature trends, and legal regulations. We plan to update the Atlas periodically. We invite consumers and insurers to comment on, blog, report errors and updates, and contribute additional information to the report by visiting the report’s companion website at [www.vimo.com/atlas/hdhp](http://www.vimo.com/atlas/hdhp).

**The nationwide Atlas provides a snapshot of the HDHP market with independent statistics, and allows viewers to interactively navigate around the country to see currently available prices, premiums and HDHP product features.**

## Background

The previous Vimo Reports “HSA Funding” (1) and “HSA Custodians” (2) describe several types of personal accounts that may accompany Consumer Directed Health Plans (CDHPs). These include: Health Savings Accounts (HSAs), Health Reimbursement Arrangements (HRAs), and Flexible Spending Accounts (FSAs). A “qualified” high deductible health plan is also known as an “HSA-compatible” health plan. Current regulations require consumers to have an HDHP in order to open a HSA. See Table One below for a comparison of HSAs, HRAs and FSAs:

**Table One: Types and Characteristics of Consumer-Directed Health Plans**

|  | Health Savings Account   | Health Reimbursement Arrangement  | Flexible Spending Account   |
|--|--|---|---|
| Eligibility                                | Anyone enrolled in an HSA-qualified health plan, with no other first-dollar coverage   | Depends on employer   | Depends on employer   |
| Requirements for Associated Health Plan    | Minimum deductible (2007): \$1,100/\$2,200;<br>Maximum OOP limit (2007): \$5,500 / \$11,000  | None  | None  |
| Contribution Sources and Annual Limits     | Employer or individual; combined maximum is the lesser of the deductible or \$2,850/\$5,650 in 2007  | Employer sets amount  | Generally, individual specifies salary reduction at the beginning of the year (the employer may set an upper limit)   |
| Tax Treatment of Contributions             | Employer's contribution: free of all income and payroll taxes and deducted as a business expense; individual's contribution: may be taken as an above-the-line income tax deduction or tax-free through payroll deduction. | Employer's contribution: free of all income and payroll taxes and deducted as a business expense as OOP costs are incurred; individual's contribution: not applicable | Employer's contribution: permitted but unusual; individual's contribution: free of all income and payroll taxes       |
| Limits on and Tax Treatment of Withdrawals | Funds may be used for any qualified health care costs tax-free, and a 10% penalty applies if under age 65; funds used for other purposes taxed as income   | Funds may be used for any health care costs permitted by the employer, tax-free, but may not be used for other purposes   | Funds may be used for any health care costs permitted by the employer tax-free but may not be used for other purposes |
| Annual Rollover and Portability            | Unused funds may be rolled over and are portable   | Unused funds may be rolled over and employer decides whether or not the funds are portable  | At the end of the year plus a grace period (if offered by employer), unused funds are forfeited                       |
| Year Authorized                            | 2003   | 2002  | 1978  |
| Most Recent Estimate of Enrollment         | As of January 2007, 4.5 million policyholders and dependents   | In January 2006, 2.9 million policyholders and dependents   | In 2004, about 10 million to 12 million accounts (estimates)  |

Source: Congressional Budget Office, Notes: When two numbers are separated by a slash, the first is for an individual policy, the second for a family policy. OOP = out of pocket.

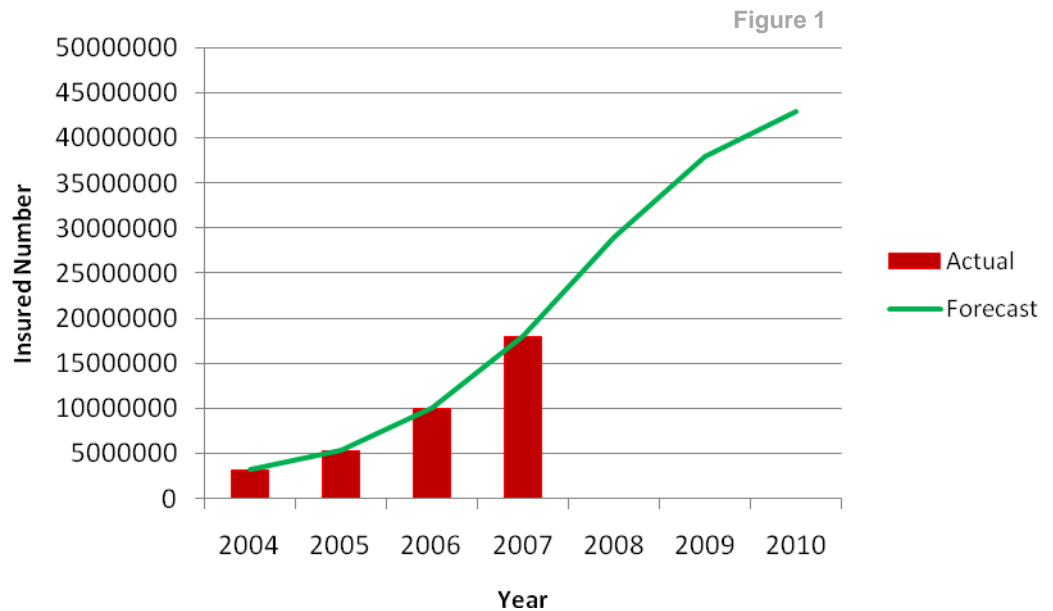
**Vimo Research forecasts that by 2010, between 50 and 55 million Americans will directly purchase health insurance fueling the proliferation of HDHP plans.**

This Vimo Report focuses on the individual “qualified” HDHP market, where insurance policies are purchased directly by individuals for themselves or their families. This report does not encompass employer-purchased plans.

According to current government estimates there are seventeen million individuals who purchase their own health insurance - up from ten million in 2004 (3). Many of these individually purchased plans include HDHPs. Specifically, a study by America’s Health Insurance Plans (AHIP) in January 2007 (4) showed 4,532,000 persons enrolled in HDHPs, up from 1,031,000 in 2005. Out of these, individual HDHPs numbered 1,106,000.

Vimo Research forecasts that by 2010, between 50 and 55 million Americans will directly purchase health insurance fueling the proliferation of HDHP plans - see Figure 1 below. This is based on the following: online search trends, US Census, published AHIP data (4), and various polls including Harris Interactive (5). Also see Table Two, Health Insurance Direct Purchase in 2005, and Appendix 4.

### Vimo Forecast for the Individual Market



Source : Vimo Research Group. 2007

**Table Two - Americans Purchasing Health Insurance Directly in 2005**

|   | TOTAL       | AGE        |            |            |            |            |
|---|-------------|------------|------------|------------|------------|------------|
|   |             | 00 to 17   | 18 to 24   | 25 to 44   | 45 to 64   | 65 to 80+  |
| 2005 Census Population                    | 293,834,358 | 73,984,917 | 27,965,189 | 82,601,685 | 73,777,776 | 35,504,791 |
| Health Insurance: Direct-purchase in 2005 | 26,781,411  | 4,032,632  | 1,553,409  | 5,033,737  | 6,511,796  | 9,649,838  |

Source: U.S. Census

**Factors driving the move toward HDHPs include: the increasing number of self-employed Americans; an increasing number of employers who do not offer health insurance, and; strong public needs to set health care cost boundaries.**

### What is a “Qualified” HDHP?

In this report, HDHP refers to a “qualified” or HSA compatible high deductible health plan. The term qualified simply refers to the fact that the health plan may be purchased to accompany a Health Savings Account (HSA). For 2007, federal law requires a qualified HDHP to have the following:

- 1) A deductible of at least \$1,100 for an individual and \$2,200 for a family.
- 2) For individuals, the plan must have a \$5,500 maximum out-of-pocket limit. For a family, the maximum out of pocket limit is \$11,000.

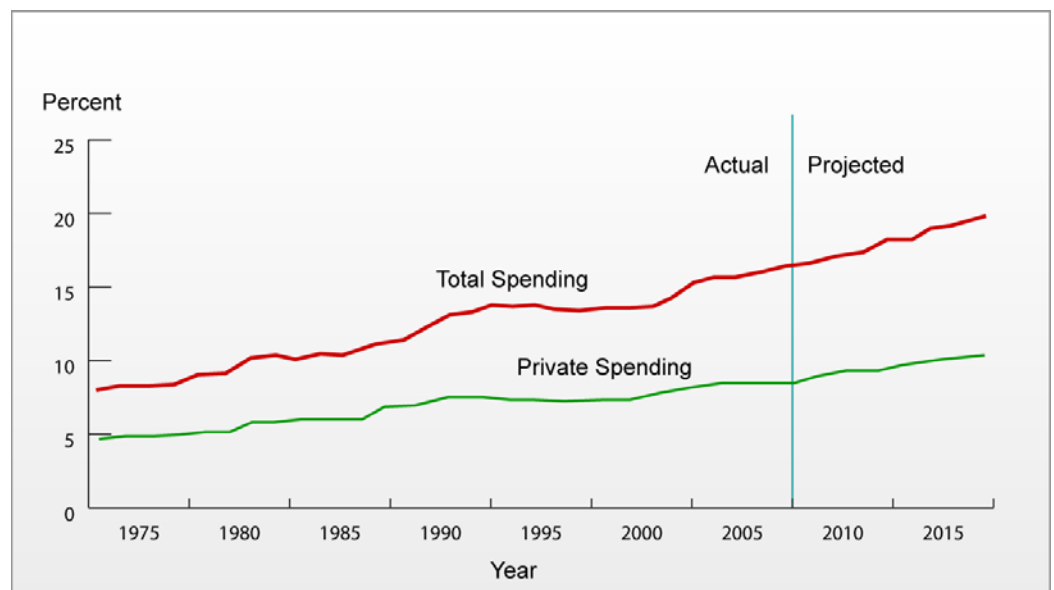
### Why is HDHP Enrollment Rising?

In December 2006, the Congressional Budget Office released a study confirming that consumers are migrating towards HDHPs as a result of two primary factors: price and quality. Other factors driving the move toward HDHPs include: the increasing number of self-employed Americans; an increasing number of employers who do not offer health insurance, and; strong public needs to set health care cost boundaries. Healthcare spending as a share of Gross Domestic Product has increased approximately 8.4% a year since 2000 and is expected to account for 20% of GDP by 2015. This average increase is twice the yearly inflation rate (see Figure 2 below). In 2005, the Centers for Medicare & Medicaid Services indicated

that the rate of health care spending increases was 6.9 percent. Total health spending on a nationwide basis was \$1.988 trillion or \$6,697 per person.

## US Healthcare Spending as a Share of Gross Domestic Product

Figure 2



Source : Congressional Budget Office based on National Health Data compiled by the Department of Health and Human Services.

HDHPs typically offer lower premiums and more personal control over healthcare spending. HDHPs often cost less than traditional health plans because insurers cover fewer routine medical costs and do not have the high overhead costs associated with processing and paying low-dollar-amount claims.

The HDHP market is evolving quickly to meet consumer demand. HDHPs were introduced through the Medicare Modernization Act that went into effect in January 2004. As indicated in the Atlas, the HDHP market has grown rapidly from a standing start in January 2004. The Atlas indicates that there are 71 insurance carriers offering 3,987 distinct plan offerings across the country.

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## Methodology

The HDHP Atlas is national in scope. The Atlas presents findings from 71 insurance companies who, on a combined basis, offer 3,987 individual health plans. For the purposes of consistency and comparison, the data set for all health plans is based upon the following hypothetical enrollee profile:

|                              |
|------------------------------|
| Gender: Male                 |
| Age: 36                      |
| Date of Birth: December 1970 |
| Height: 6 feet               |
| Weight: 170 lbs              |
| Status: Single               |
| No Dependents                |
| No Health conditions         |
| Non-Tobacco User             |

Future versions of the HDHP Atlas will present analysis from profiles with varying profiles (i.e. age, gender, zip code).

## Results & Findings

The charts and graphs below provide a high-level summary of some select results, statistics and findings.

### SAMPLE PLAN

For an HDHP with a \$1,100 deductible and \$5,000 out of pocket maximum, the monthly premium statistics for the studied profile are:

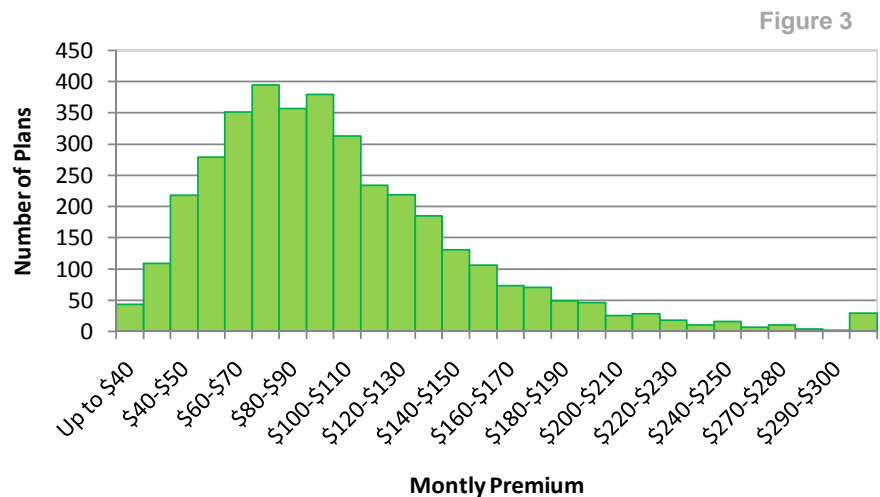
|                              |       |
|------------------------------|-------|
| Lowest monthly premium       | \$66  |
| Average monthly premium      | \$168 |
| Mid (median) monthly premium | \$155 |
| Highest monthly premium      | \$401 |

## FINDINGS

Vimo calculates that for states without guaranteed issue, the average annual health insurance premium in 2006 was \$2,558. In contrast, for states with guaranteed issue mandates, the average annual premium was \$3,404.

- There are seventy one carriers offering qualified HDHPs across the United States.
- There are 297 general plans with plan features that can be adjusted to produce 3,987 distinct health plan offerings.
- American National Life Insurance Company offers the most plans, followed by United Health Care, World Insurance, and Time Insurance.
- States with over ten carriers include: Arizona, Illinois, Nebraska, Missouri and Michigan.
- Nearly half of studied plans have no coinsurance requirement (see Table Three definitions).
- 23% of the plans have deductibles of \$1,100, making it the most frequent or “typical” deductible.
- 29% of the plans have an out of pocket maximum that exceeds \$5,000. 18% have an out of pocket maximum of approximately \$3,000.
- 30% of the monthly plan premiums are between \$80 and \$110. This particular price range contains the largest concentration of plans (see Figure 3).
- Nearly one quarter of the plans have a deductible of \$1,500.

### US Health Plan Pricing Distribution



Source : Vimo Research Group. 2007

## The Impact of Regulation

In states that are regulated by what is referred to as “guaranteed issue”, insurers are required to accept all health insurance applicants regardless of their health status. As a result, individuals are able to purchase health insurance without having their application for insurance subject to additional review and analysis (i.e. “medical underwriting”) by the insurance company.

Adopting rich data resources provided by CAHI (The Council for Affordable Health Insurance - [www.cahi.org](http://www.cahi.org)), Vimo calculates that for states without guaranteed issue, the average annual health insurance premium in 2006 was \$2,558. In contract, for states with guaranteed issue mandates, the average annual premium was \$3,404.

CAHI has created a robust set of indexes that rate each state on the extent to which that state regulates the health insurance market. The CAHI index includes factors such as whether that state requires guaranteed issue and how many other mandates are incumbent upon the industry (6, 7, 8, and 9). The following tables provide high level information on levels of health insurance regulation. Readers are encouraged to visit CAHI ([www.cahi.org](http://www.cahi.org)) to explore the issue of health insurance regulation in much greater detail.

| Top State Mandates    |                                    |
|-----------------------|------------------------------------|
| Mandate               | Number of States with this Mandate |
| Alcoholism Treatment  | 44                                 |
| Breast Reconstruction | 47                                 |
| Diabetic Supplies     | 46                                 |
| Emergency Services    | 42                                 |
| Mammograms            | 49                                 |
| Maternity Stays       | 49                                 |
| Mental Health Parity  | 41                                 |

| States with Guaranteed Issue |                                  |
|------------------------------|----------------------------------|
| State                        | Number of Mandates in this State |
| Idaho                        | 13                               |
| Maine                        | 46                               |
| Massachusetts                | 40                               |
| New Jersey                   | 40                               |
| New York                     | 49                               |
| Rhode Island                 | 41                               |
| Vermont                      | 23                               |
| Oregon                       | 31                               |
| Washington                   | 48                               |

Source: [www.cahi.org](http://www.cahi.org)

# The Vimo HDHP Atlas

The HDHP Atlas shows detailed statistics and information for HDHP for all states with the exception of the following: Maine, Massachusetts, New Jersey, New York, Rhode Island and Vermont.

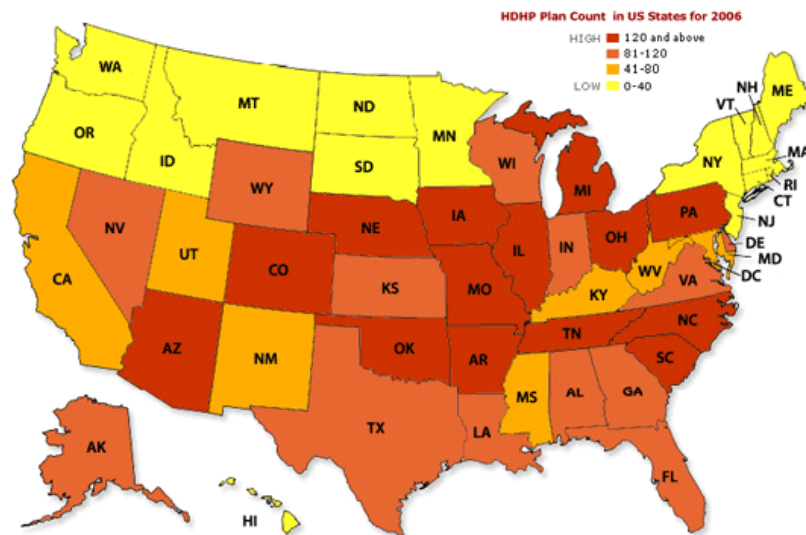
## Navigating the HDHP Atlas

STEP 1 : On the browser, go to <http://www.vimo.com/atlas/hdhp>

Figure 4

**Qualified High Deductible Health Plan (HDHP) Atlas**

Click on a state in the map or click on name of a state below to view statistics for that state including total number of carriers, total number of plans, cost ranges for deductibles, out of pocket maximum, coinsurance and monthly premiums.



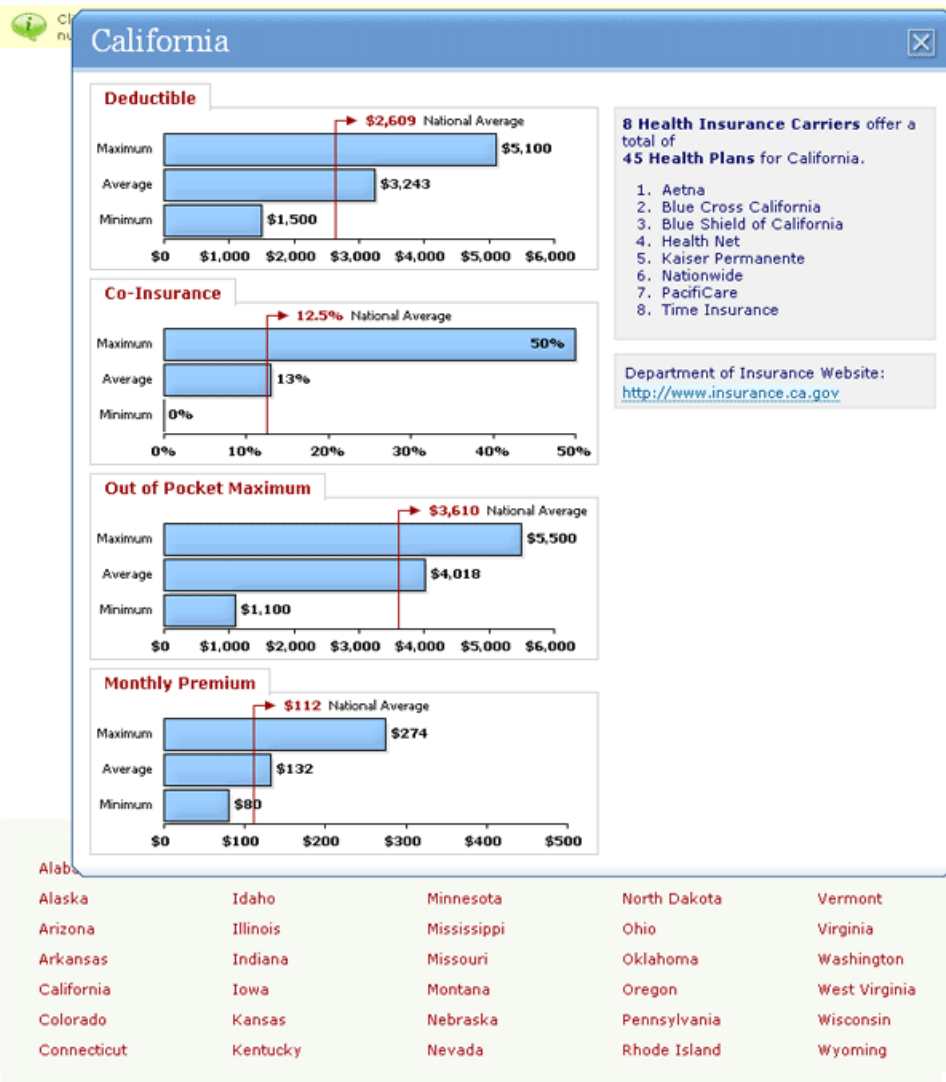
|                      |               |               |                |               |
|----------------------|---------------|---------------|----------------|---------------|
| Alabama              | Hawaii        | Michigan      | North Carolina | Utah          |
| Alaska               | Idaho         | Minnesota     | North Dakota   | Vermont       |
| Arizona              | Illinois      | Mississippi   | Ohio           | Virginia      |
| Arkansas             | Indiana       | Missouri      | Oklahoma       | Washington    |
| California           | Iowa          | Montana       | Oregon         | West Virginia |
| Colorado             | Kansas        | Nebraska      | Pennsylvania   | Wisconsin     |
| Connecticut          | Kentucky      | Nevada        | Rhode Island   | Wyoming       |
| Delaware             | Louisiana     | New Hampshire | South Carolina |               |
| District of Columbia | Maine         | New Jersey    | South Dakota   |               |
| Florida              | Maryland      | New Mexico    | Tennessee      |               |
| Georgia              | Massachusetts | New York      | Texas          |               |

**STEP 2**

Click on a state in the Atlas or double click on the name of the states below the Atlas to bring up another window as in Figure 6. Table Three shows a list of definitions referenced in the Atlas. The companion HDHP Atlas PDF document with an appendix showing information for the 44 states and the District of Columbia with HDHP availability is at <http://www.vimo.com/reports/atlas.pdf> In addition to statistics, there is a link to each state department of insurance where consumers can get further information.

Figure 5

## Qualified High Deductible Health Plan (HDHP) Atlas



## Definitions

|                    |   |
|--------------------|---|
| <b>Carrier</b>     | Also known as “Insurance Carrier”: A corporation that engages in the business of selling insurance protection to the public, either directly or through employers, unions, etc.   |
| <b>Coinsurance</b> | A form of medical cost-sharing in a health insurance plan that requires an insured person to pay a stated percentage of medical expenses after the deductible amount, if any, was paid. Once any deductible amount and coinsurance are paid, the insurer is responsible for the rest of the reimbursement for covered benefits up to allowed charges: the individual could also be responsible for any charges in excess of what the insurer determines to be “usual, customary and reasonable”. Coinsurance rates may differ if services are received from an approved provider (i.e., a provider with whom the insurer has a contract or an agreement specifying payment levels and other contract requirements) or if received by providers not on the approved list. In addition to overall coinsurance rates, rates may also differ for different types of services. |
| <b>Deductible</b>  | A fixed dollar amount during the benefit period: usually a year: that an insured person pays before the insurer starts to make payments for covered medical services. Plans may have both per individual and family deductibles. Some plans may have separate deductibles for specific services. For example, a plan may have a hospitalization deductible per admission. Deductibles may differ if services are received from an approved provider or if received from providers not on the approved list.   |

|                                    |   |
|------------------------------------|---|
| <b>Guaranteed Issue</b>            | A “guaranteed issue” state is a state that requires insurers to accept all health insurance applicants regardless of their health status.   |
| <b>Out-of-Pocket Max (OOP Max)</b> | Also known as “maximum out-of-pocket expense”: The maximum dollar amount a group member is required to pay out of pocket during a year. Until this maximum is met, the plan and group member shares in the cost of covered expenses. After the maximum is reached, the insurance carrier pays all covered expenses, often up to a lifetime maximum.   |
| <b>Monthly Premium</b>             | Agreed upon fees paid for coverage of medical benefits period. Premiums can be paid by employers, unions, employees, or shared by both the insured individual and the plan sponsor.   |
| <b>State Mandates</b>              | <p>A health insurance mandate is a requirement by a State that an insurance plan include specific health care providers, benefits and patient populations. For example, these mandate include:</p> <ul style="list-style-type: none"> <li>• Providers including chiropractors, podiatrists, social workers, acupuncturists, and massage therapists, etc.</li> <li>• Benefits such as diabetic supplies, mammograms, well-child care, and alcohol abuse treatment, etc.</li> <li>• Covered persons such as adopted and non-custodial children, handicapped dependents, etc.</li> </ul> |
| <b>Carrier</b>                     | Also known as “Insurance Carrier”: A corporation that engages in the business of selling insurance protection to the public, either directly or through employers, unions, etc.   |
| <b>Coinsurance</b>                 | A form of medical cost-sharing in a health insurance plan that requires an insured person to pay a stated percentage of medical expenses after the deductible amount, if any, was   |

paid. Once any deductible amount and coinsurance are paid, the insurer is responsible for the rest of the reimbursement for covered benefits up to allowed charges: the individual could also be responsible for any charges in excess of what the insurer determines to be “usual, customary and reasonable”. Coinsurance rates may differ if services are received from an approved provider (i.e., a provider with whom the insurer has a contract or an agreement specifying payment levels and other contract requirements) or if received by providers not on the approved list. In addition to overall coinsurance rates, rates may also differ for different types of services.

Sources: Definitions are adopted from the U.S. Department of Health and Human Services and The Council for Affordable Health Insurance ([www.cahi.org](http://www.cahi.org)).

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<http://www.kff.org/insurance/7527/upload/7527.pdf>

## Appendix 1

### Individual HDHPs - Tips & Characteristics

- Healthy individuals can buy health plans themselves for one-half to one-third of their companies' group plan.
- If you are self-employed, health insurance premiums are tax deductible.
- Nearly one million Americans are left bankrupt each year from medical bills they cannot pay.
- HSA contributions are tax deductible. To maximize HSA Tax benefits, consumers can fund the account fully as allowed by law for tax-deferred interest, pay medical bills with a non-HSA account, and then reimburse themselves tax-free. Alternatively, consumers can put money into the account right before a medical expense to make the HSA contribution tax deductible.
- Lower premium prices do not mean lower quality of health care. Better HDHP plans offer preventive medical coverage. The IRS specifies the following as qualified preventive care expenses:
  1. Annual physicals
  2. Immunizations
  3. Routine prenatal and well-child care
  4. Cancer and other degenerative diseases screening
  5. Tobacco cessation (stop smoking) programs
  6. Obesity weight-loss programs

For general information for each state and the District of Columbia, download "A Consumer Guide for Getting and Keeping Health Insurance" from Georgetown University Health Policy Institute at [www.healthinsuranceinfo.net](http://www.healthinsuranceinfo.net).

## Appendix 2

HDHP statistics in each state and the District of Columbia:

| STATE                | Average Deductible | Average Co-Insurance (%) | Average OOP Max | Average Monthly Premium |
|----------------------|--------------------|--------------------------|-----------------|-------------------------|
| Alabama              | \$2,847            | 7                        | \$3,161         | \$117                   |
| Alaska               | \$2,390            | 17                       | \$3,529         | \$149                   |
| Arizona              | \$2,548            | 13                       | \$3,472         | \$105                   |
| Arkansas             | \$2,492            | 13                       | \$3,426         | \$104                   |
| California           | \$3,243            | 13                       | \$4,018         | \$132                   |
| Colorado             | \$2,750            | 9                        | \$3,539         | \$116                   |
| Connecticut          | \$2,638            | 10                       | \$2,918         | \$106                   |
| Delaware             | \$2,474            | 14                       | \$3,403         | \$104                   |
| District of Columbia | \$3,076            | 11                       | \$4,241         | \$94                    |
| Florida              | \$2,838            | 8                        | \$3,406         | \$121                   |
| Georgia              | \$2,823            | 7                        | \$3,550         | \$120                   |
| Hawaii               | \$2,020            | 2                        | \$3,273         | \$137                   |
| Idaho                | \$3,113            | 15                       | \$4,352         | \$90                    |
| Illinois             | \$2,606            | 12                       | \$3,513         | \$127                   |
| Indiana              | \$2,744            | 8                        | \$3,505         | \$111                   |
| Iowa                 | \$2,555            | 13                       | \$3,394         | \$95                    |
| Kansas               | \$2,292            | 17                       | \$3,232         | \$136                   |
| Kentucky             | \$2,655            | 6                        | \$3,098         | \$91                    |
| Louisiana            | \$2,390            | 16                       | \$3,566         | \$131                   |
| Maine                | No data            | No data                  | No data         | No data                 |
| Maryland             | \$2,874            | 6                        | \$3,499         | \$105                   |
| Massachusetts        | No data            | No data                  | No data         | No data                 |
| Michigan             | \$2,574            | 13                       | \$3,670         | \$100                   |
| Minnesota            | \$2,597            | 15                       | \$3,595         | \$115                   |
| Mississippi          | \$2,625            | 6                        | \$2,997         | \$133                   |
| Missouri             | \$2,469            | 13                       | \$3,253         | \$103                   |
| Montana              | \$3,329            | 13                       | \$5,095         | \$119                   |
| Nebraska             | \$2,462            | 13                       | \$3,452         | \$98                    |
| Nevada               | \$2,295            | 19                       | \$3,606         | \$119                   |
| New Hampshire        | \$2,824            | 13                       | \$4,180         | \$149                   |
| New Jersey           | No data            | No data                  | No data         | No data                 |
| New Mexico           | \$2,662            | 14                       | \$3,327         | \$121                   |

|                |         |         |         |         |
|----------------|---------|---------|---------|---------|
| New York       | No data | No data | No data | No data |
| North Carolina | \$1,560 | 12      | \$3,044 | \$129   |
| North Dakota   | \$3,273 | 14      | \$4,141 | \$63    |
| Ohio           | \$2,562 | 13      | \$3,552 | \$80    |
| Oklahoma       | \$2,484 | 14      | \$3,546 | \$113   |
| Oregon         | \$2,871 | 18      | \$4,628 | \$121   |
| Pennsylvania   | \$2,566 | 15      | \$3,709 | \$103   |
| Rhode Island   | No data | No data | No data | No data |
| South Carolina | \$2,433 | 14      | \$3,437 | \$117   |
| South Dakota   | \$2,698 | 12      | \$3,603 | \$106   |
| Tennessee      | \$2,453 | 13      | \$3,340 | \$108   |
| Texas          | \$2,598 | 9       | \$3,426 | \$126   |
| Utah           | \$2,344 | 19      | \$3,525 | \$85    |
| Vermont        | No data | No data | No data | No data |
| Virginia       | \$2,660 | 11      | \$3,535 | \$110   |
| Washington     | \$2,237 | 20      | \$4,993 | \$103   |
| West Virginia  | \$2,481 | 17      | \$3,678 | \$115   |
| Wisconsin      | \$2,573 | 6       | \$3,162 | \$109   |
| Wyoming        | \$2,409 | 20      | \$3,858 | \$99    |

Source: Vimo Research Group

## Appendix 3

Number of Insurance Companies (“Carriers”) Offering Qualified High Deductible Health Plans (“HDHPs”) and the Associated Plan Counts:

| STATE                | Carrier Count | Listed Carriers   | HDHP Count |
|----------------------|---------------|---|------------|
| Alabama              | 5             | Celtic, Humana, Time Insurance, United Health Care, World Insurance   | 86         |
| Alaska               | 5             | American National Life Insurance, Celtic, Premera, Time Insurance, United Health Care   | 92         |
| Arizona              | 13            | Aetna, American Medical Security, American National Life Insurance Company, BlueCross BlueShield of Arizona, Celtic, CGI, Health Net, Humana, Lifewise, Time Insurance, United Health Care, United Security Life & Health, World Insurance, | 173        |
| Arkansas             | 8             | American National Life Insurance Company, Arkansas Blue Cross and Blue Shield, Celtic, Humana, Time Insurance, United Health Care, United Security Life & Health, World Insurance   | 147        |
| California           | 8             | Aetna, BC Life & Health Insurance Company, Blue Cross California, Blue Shield of California , Health Net, Kaiser Permanente , Nationwide, PacifiCare, Time Insurance  | 45         |
| Colorado             | 9             | Aetna, American Medical Security, Anthem BlueCross BlueShield , Celtic, Humana, Rocky Mountain Health Plans, Time Insurance, United Health Care, World Insurance,   | 122        |
| Connecticut          | 4             | Aetna, Celtic, Time Insurance, United Health Care   | 32         |
| Delaware             | 5             | American Medical Security, American National Life Insurance Company, Celtic, Time Insurance , United Health Care  | 108        |
| District of Columbia | 5             | Aetna, CareFirst BlueChoice, Celtic, Kaiser Permanente , Time Insurance   | 39         |
| Florida              | 7             | Aetna, American Medical Security, Celtic, Humana, Time Insurance, United Health Care, World Insurance   | 102        |
| Georgia              | 8             | Aetna, American Medical Security, Blue Cross Blue Shield of Georgia, Celtic, Humana, Kaiser Permanente, Time Insurance, United Health Care, World Insurance   | 114        |
| Hawaii               | 1             | American National Life Insurance Company  | 30         |
| Idaho                | 3             | Blue Cross of Idaho, Regence BlueShield of Idaho, Time Insurance  | 23         |
| Illinois             | 12            | Aetna, American Medical Security, American  | 162        |

|               |    |   |     |
|---------------|----|---|-----|
|               |    | National Life Insurance Company, BlueCross BlueShield of Illinois, Celtic, CGI, Humana, Time Insurance, Unicare, United Health Care, United Security Life and Health, World Insurance   |     |
| Indiana       | 10 | American Community Mutual Insurance Company, American Medical Security, Celtic, Consumers Life Insurance Company, Humana, Time Insurance, Unicare, United Health Care, United Security Life and Health, World Insurance                           | 114 |
| Iowa          | 7  | American Community Mutual Insurance Company, American National Life Insurance Company, Celtic, Humana, Time Insurance, United Health Care, World Insurance  | 122 |
| Kansas        | 7  | American Medical Security, American National Life Insurance Company, Celtic, CoventryOne, Humana, Time Insurance, World Insurance   | 94  |
| Kentucky      | 3  | Humana, Time Insurance, United Health Care  | 53  |
| Louisiana     | 8  | American National Life Insurance Company, BlueCross BlueShield of Louisiana, Celtic, CoventryOne, Humana, Time Insurance, United Health Care, World Insurance   | 114 |
| Maine         | 0  |   |     |
| Maryland      | 5  | Aetna, CareFirst BlueCross BlueShield, Kaiser Permanente, Time Insurance, United Health Care  | 55  |
| Massachusetts | 0  |   |     |
| Michigan      | 11 | Aetna, Alliance Health and Life Insurance Company, American Community Mutual Insurance Company, American Medical Security, American National Life Insurance Company, Celtic, Humana, Time Insurance, Unicare, United Health Care, World Insurance | 170 |
| Minnesota     | 4  | Blue Cross and Blue Shield of Minnesota, HealthPartners, Medica of Minnesota, Time Insurance  | 22  |
| Mississippi   | 5  | Celtic, Humana, Time Insurance, United Health Care, World Insurance   | 72  |
| Missouri      | 11 | Aetna, American Community Mutual Insurance Company, American Medical Security, American National Life Insurance Company, Anthem BlueCross BlueShield, Celtic, CGI, Humana, Time Insurance, United Health Care, World Insurance                    | 169 |
| Montana       | 3  | Blue Cross Blue shield of Montana, Celtic, Time Insurance   | 27  |
| Nebraska      | 11 | ACMIC, American Medical Security, American National Life Insurance Company, Blue Cross Blue shield of Nebraska, Celtic, Coventry, Humana, Time Insurance, United Health Care, United Security Life And Health, World                              | 149 |

|                |    | Insurance  |     |
|----------------|----|--|-----|
| Nevada         | 5  | American National Life Insurance Company, Anthem, Humana, Time Insurance, World Insurance  | 82  |
| New Hampshire  | 2  | Celtic, Time Insurance   | 21  |
| New Jersey     | 0  |  |     |
| New Mexico     | 4  | Blue Cross Blue Shield of New Mexico, Celtic, Time Insurance, World Insurance  | 48  |
| New York       | 0  |  |     |
| North Carolina | 7  | American Medical Security, American National Life Insurance Company, Celtic, Humana, Time Insurance, United Health Care, World Insurance   | 123 |
| North Dakota   | 1  | Time Insurance   | 15  |
| Ohio           | 10 | Aetna, American Community Mutual Insurance Company, American Medical Security, American National Life Insurance Company, Celtic, Humana, Medical Mutual, Time Insurance, United Health Care, World Insurance | 155 |
| Oklahoma       | 7  | American Medical Security Life Insurance Company, American National Life Insurance Company, Celtic, Humana, Time Insurance, United Health Care, World Insurance  | 123 |
| Oregon         | 6  | Health Net of Oregon, LifeWise Health Plan of Oregon, ODS, Pacific Source Health Plans, Regence BlueCross BlueShield of Oregon, Time Insurance   | 26  |
| Pennsylvania   | 8  | Aetna, American Medical Security, American National Life Insurance Company, Celtic, HealthAmerica, Time Insurance, United Health Care, World Insurance   | 134 |
| Rhode Island   | 0  |  |     |
| South Carolina | 7  | American National Life Insurance Company, Blue Cross and Blue Shield of South Carolina, Celtic, Humana, Time Insurance, United Health Care, World Insurance  | 130 |
| South Dakota   | 3  | Celtic, Medica, Time Insurance   | 25  |
| Tennessee      | 9  | Aetna, American Medical Security, American National Life Insurance Company, BlueCross BlueShield of Tennessee, Celtic, Humana, Time Insurance, United Health Care, World Insurance                           | 125 |
| Texas          | 8  | Aetna, American Medical Security, American National Life Insurance Company, Blue Cross and Blue Shield of Texas, Celtic, Humana, Unicare, United Health Care   | 83  |
| Utah           | 5  | American National Life Insurance Company, Humana, Regence BlueCross BlueShield of Utah, SELECT HEALTH, Time Insurance  | 74  |
| Vermont        | 0  |  |     |

|               |   |  |     |
|---------------|---|--|-----|
| Virginia      | 9 | Aetna, American National Life Insurance Company, Anthem Blue Cross and Blue Shield, Humana, Kaiser Permanente, Time Insurance, Unicare, United Health Care, World Insurance Group Health Cooperative, KPS Health Plans, LifeWise Health Plan of Washington, Regence BlueShield | 114 |
| Washington    | 4 | American National Life Insurance Company, Celtic, Time Insurance, World Insurance  | 69  |
| West Virginia | 4 | American Medical Security, American National Life Insurance Company, Anthem, Celtic, Humana, Time Insurance, United Health Care, World Insurance   | 110 |
| Wisconsin     | 8 | American National Life Insurance Company, Celtic, Time Insurance, World Insurance  | 86  |
| Wyoming       | 4 |  |     |

Source: Vimo Research Group

## Appendix 4

Summarizing the information in Appendix 3 above, the following table lists the carriers in the HDHP Atlas in alphabetical order:

| CARRIERS   |
|--|
| ACMIC  |
| Aetna  |
| Alliance Health and Life Insurance Company       |
| American Community Mutual Insurance Company      |
| American Medical Security                        |
| American Medical Security Life Insurance Company |
| American National Life Insurance Company         |
| Anthem   |
| Arkansas Blue Cross and Blue Shield              |
| Assurant Health                                  |
| BC Life & Health Insurance Company               |
| Blue Cross and Blue Shield of Minnesota          |
| Blue Cross and Blue Shield of South Carolina     |
| Blue Cross and Blue Shield of Texas              |
| Blue Cross Blue Shield of Georgia                |
| Blue Cross Blue shield of Montana                |
| Blue Cross Blue shield of Nebraska               |
| Blue Cross Blue Shield of New Mexico             |
| Blue Cross of California                         |
| Blue Cross of Idaho                              |
| Blue Shield of California                        |
| BlueCross BlueShield of Arizona                  |
| BlueCross BlueShield of Illinois                 |
| BlueCross BlueShield of Louisiana                |
| BlueCross BlueShield of Tennessee                |
| CareFirst BlueChoice                             |
| CareFirst BlueCross BlueShield                   |
| Celtic   |
| CGI  |
| Consumers Life Insurance Company                 |
| Coventry   |
| CoventryOne                                      |
| Group Health Cooperative                         |
| Health Net                                       |
| Health Net of Oregon                             |

|  |
|--|
| HealthAmerica                          |
| HealthPartners                         |
| Humana                                 |
| Kaiser Permanente                      |
| KPS Health Plans                       |
| Lifewise                               |
| LifeWise Health Plan of Oregon         |
| LifeWise Health Plan of Washington     |
| Medica                                 |
| Medica of Minnesota                    |
| Medical Mutual                         |
| Medical Mutual of Ohio                 |
| Nationwide                             |
| ODS                                    |
| Pacific Source Health Plans            |
| PacifiCare                             |
| Premera                                |
| Regence BlueCross BlueShield of Oregon |
| Regence BlueCross BlueShield of Utah   |
| Regence BlueShield                     |
| Regence BlueShield of Idaho            |
| Rocky Mountain Health Plans            |
| Select Health                          |
| Time Insurance (Assurant Health)       |
| Unicare                                |
| United Health Care                     |
| United Security Life & Health          |
| United Security Life and Health        |
| World Insurance                        |

Source: Vimo Research Group

## Appendix 5

The following table provides a summary of the number of health insurance policies “purchased directly” (i.e. health insurance that is not obtained through an employer sponsored plan) in 2005:

| State | Census Population | Direct Purchase of Health Insurance in 2005 |
|-------|-------------------|---|
| AL    | 4,524,295         | 331,388                                     |
| AK    | 658,758           | 34,917                                      |
| AZ    | 6,047,213         | 449,348                                     |
| AR    | 2,759,934         | 284,267                                     |
| CA    | 35,939,668        | 3,711,807                                   |
| CO    | 4,640,517         | 461,913                                     |
| CT    | 3,486,676         | 371,738                                     |
| DE    | 844,437           | 49,390                                      |
| DC    | 539,620           | 42,310                                      |
| FL    | 17,885,620        | 2,006,981                                   |
| GA    | 9,044,837         | 625,475                                     |
| HI    | 1,279,003         | 106,203                                     |
| ID    | 1,442,263         | 173,262                                     |
| IL    | 12,607,996        | 1,049,645                                   |
| IN    | 6,140,761         | 556,277                                     |
| IA    | 2,908,756         | 398,959                                     |
| KS    | 2,694,731         | 367,590                                     |
| KY    | 4,052,044         | 278,215                                     |
| LA    | 4,088,262         | 361,421                                     |
| ME    | 1,320,244         | 114,703                                     |
| MD    | 5,568,836         | 426,232                                     |
| MA    | 6,327,811         | 435,565                                     |
| MI    | 9,981,846         | 703,305                                     |
| MN    | 5,129,280         | 639,837                                     |
| MS    | 2,853,620         | 257,998                                     |
| MO    | 5,709,542         | 668,727                                     |
| MT    | 928,137           | 132,888                                     |
| NE    | 1,765,883         | 230,796                                     |
| NV    | 2,447,622         | 178,038                                     |
| NH    | 1,300,979         | 125,416                                     |
| NJ    | 8,725,273         | 629,778                                     |

|            |            |            |
|------------|------------|------------|
| NM         | 1,938,215  | 115,893    |
| NY         | 19,022,205 | 1,527,276  |
| NC         | 8,561,103  | 846,926    |
| ND         | 626,120    | 101,494    |
| OH         | 11,334,079 | 844,012    |
| OK         | 3,505,021  | 292,977    |
| OR         | 3,627,458  | 421,949    |
| PA         | 12,280,598 | 1,395,986  |
| RI         | 1,053,826  | 79,353     |
| SC         | 4,180,680  | 309,079    |
| SD         | 768,137    | 145,661    |
| TN         | 5,867,031  | 540,666    |
| TX         | 22,819,486 | 1,623,582  |
| UT         | 2,523,518  | 218,994    |
| VT         | 621,767    | 53,801     |
| VA         | 7,453,830  | 645,279    |
| WA         | 6,249,888  | 607,408    |
| WV         | 1,799,060  | 103,687    |
| WI         | 5,447,054  | 633,065    |
| WY         | 510,817    | 69,934     |
| ALL STATES |            | 26,781,411 |

Source: Vimo Research Group

## About Vimo

Vimo is the nation's first integrated comparison-shopping portal for healthcare products and services. On January 24, 2006 we launched a website that allows businesses and consumers to research, rate and purchase health insurance plans and Health Savings Accounts (HSAs), and choose doctors from across the country. Vimo brings together a variety of private and public data sources so that shoppers can find a physician and compare hospital prices for medical procedures. Vimo users can read and post reviews about any of the services or products available.