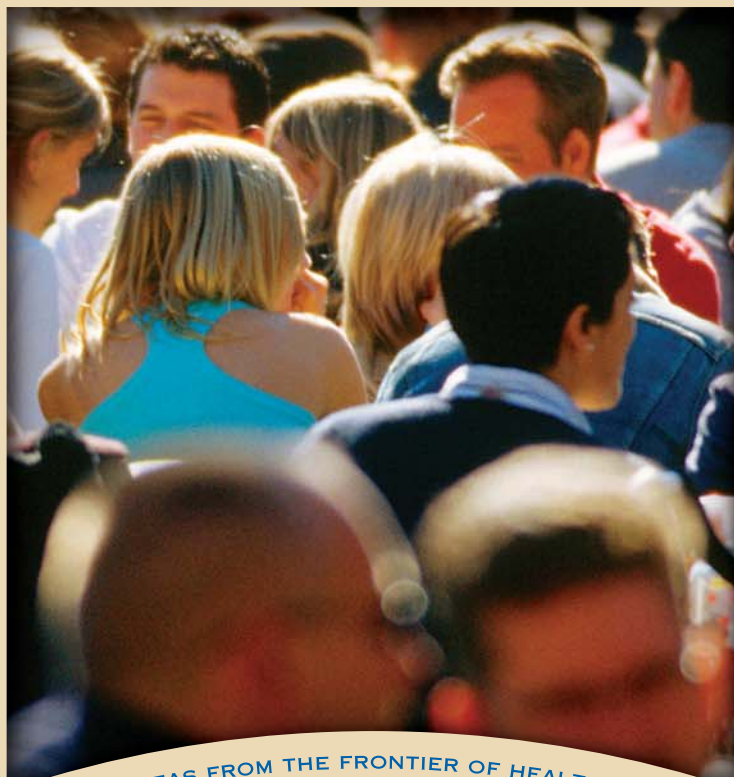


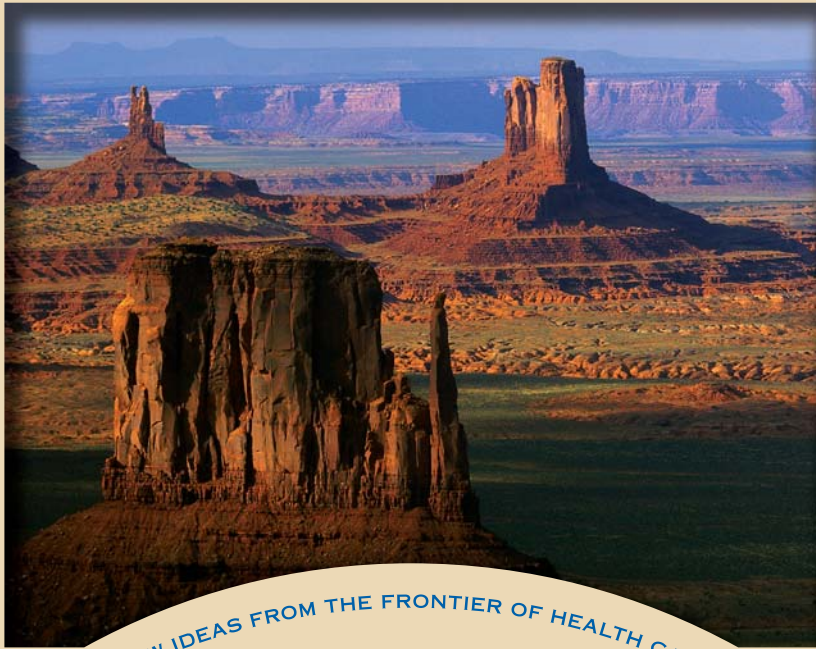
2006 CONSUMER ATTITUDES SURVEY

*An independently conducted
national survey of consumer
attitudes toward health care*



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SURVEY OVERVIEW

Great-West Healthcare commissioned Q&A Research to conduct a survey gauging public attitudes about the health care system, consumer-driven health care (CDHC) and wellness. The findings are aimed at helping employers and brokers understand the challenges and opportunities present.

OBJECTIVES

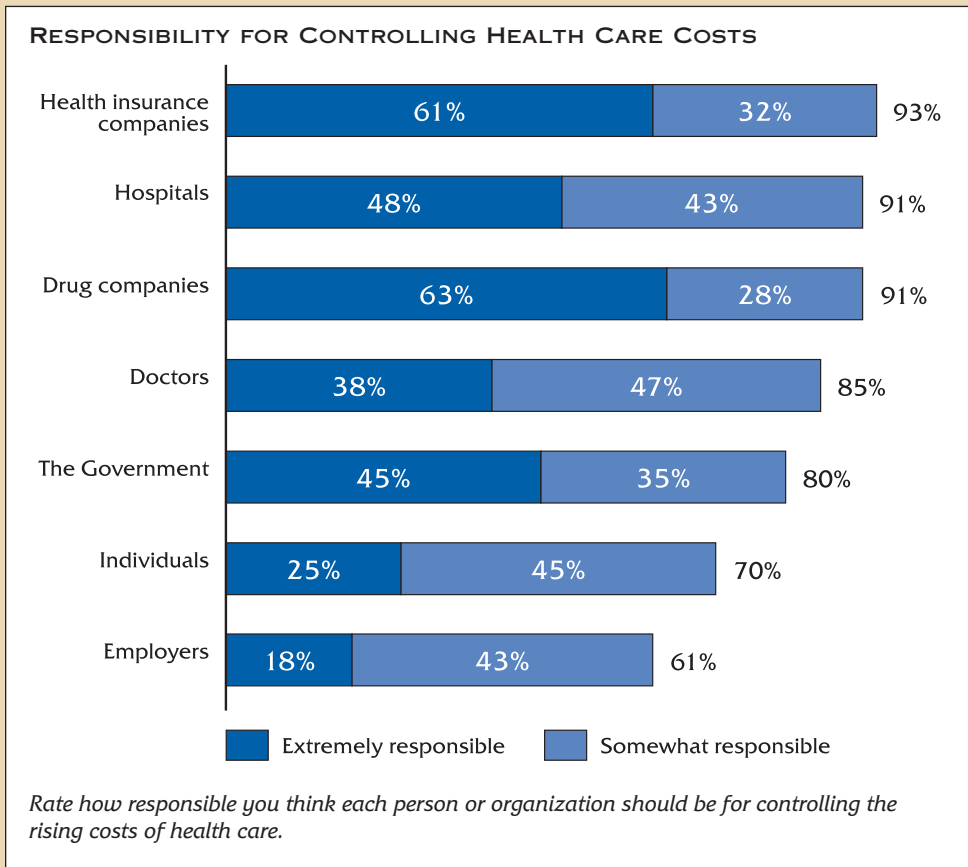
- Understand consumer attitudes toward health care
- Understand how well prepared consumers are for CDHC plans

METHODOLOGY

- Conducted by Q&A Research, Inc. from Jan. 9 to Jan. 26, 2006
- Survey results reflect responses of 1,000 individuals with existing employer-sponsored health coverage
- Ages ranged from 18 to 64 years of age
- Online survey, lasting approximately 20 minutes
- Surveyed individuals who are key decision makers about health insurance in their households

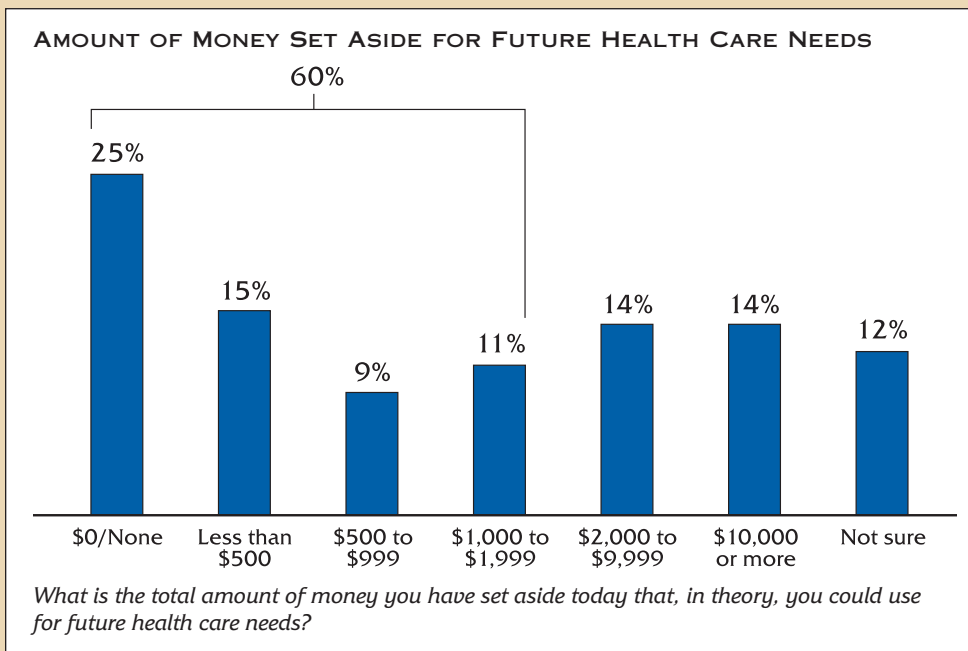
GENDER	
Male	49%
Female	51%
AGE	
18 to 24	1%
25 to 34	13%
35 to 44	22%
45 to 54	29%
55 to 64	35%
HOUSEHOLD INCOME	
Less than \$25,000	6%
\$25,000 to \$49,999 ..	28%
\$50,000 to \$74,999 ..	29%
\$75,000 to \$99,999 ..	20%
\$100,000 or more	17%

CONSUMERS DON'T FEEL RESPONSIBLE FOR HEALTH CARE COSTS



Only 1 in 4 respondents thinks individuals are extremely responsible for controlling costs

- 60% prefer to have their employer provide 1 to 3 health plan options from which to choose
- 40% prefer to create their own health plan from an unlimited number of options



1 in 4 consumers has set aside NO money for future health care needs

- 60% have saved less than \$2,000, while the minimum family deductible for a Health Savings Account (HSA) is \$2,100 in 2006
- 25% say they are extremely likely or very likely to forgo planned purchases to meet health care expenses

CONSUMERS CONTINUE TO HAVE A LIMITED UNDERSTANDING OF HEALTH CARE COSTS

Consumers can guess the price of a Honda Accord within \$1,000 of the cost but they're off by \$12,000 for a four-day hospital stay

ESTIMATED AVERAGE COST FOR VARIOUS CONSUMER PRODUCTS AND SERVICES

PRODUCT/SERVICE	CONSUMER PERCEPTIONS*	ACTUAL COST	DIFFERENCE	PERCENT DIFFERENCE
New Honda Accord	\$20,420	\$21,500	- \$1,080	5%
Automobile oil change	\$28	\$25	+ \$3	11%
Bose music system	\$530	\$500	+ \$30	6%

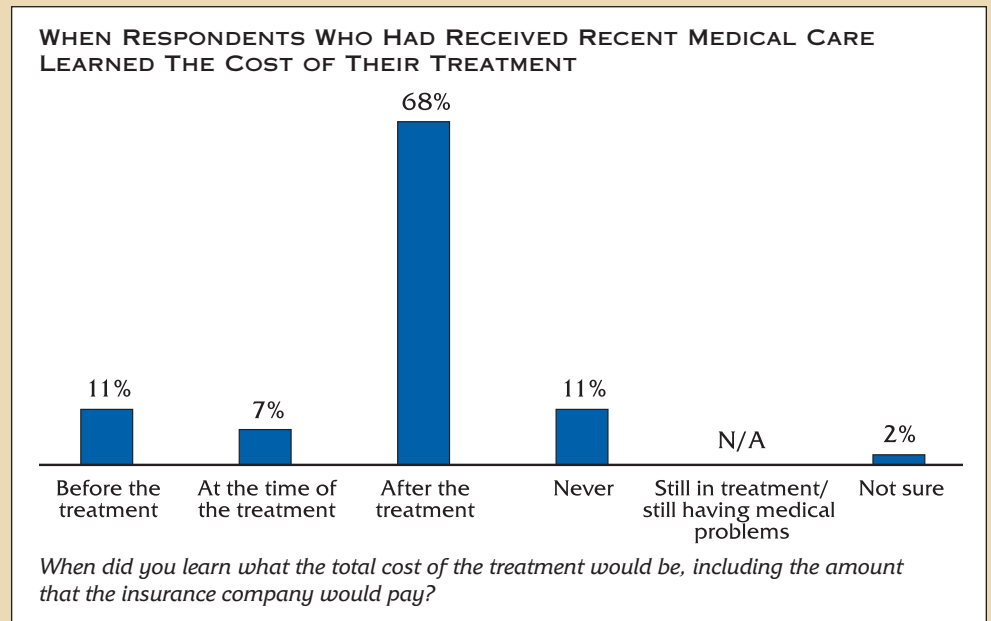
Sources: www.honda.com, www.bose.com, www.diynetwork.com

ESTIMATED AVERAGE COST FOR VARIOUS MEDICAL SERVICES

PRODUCT/SERVICE	CONSUMER PERCEPTIONS*	ACTUAL COST	DIFFERENCE	PERCENT DIFFERENCE
A routine doctor's office visit	\$95	\$200	- \$105	52%
An emergency room visit	\$680	\$400	+ \$280	70%
An average 4-day stay at a hospital	\$7,762	\$20,000	- \$12,238	61%

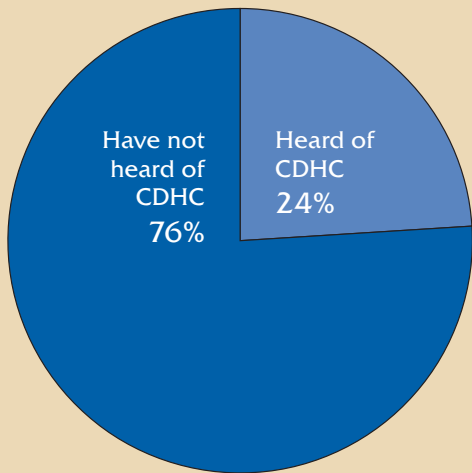
Sources: Great-West Healthcare research, 2005

68% don't know the treatment costs until the medical bill arrives, 11% never know the cost



* Mean estimated cost

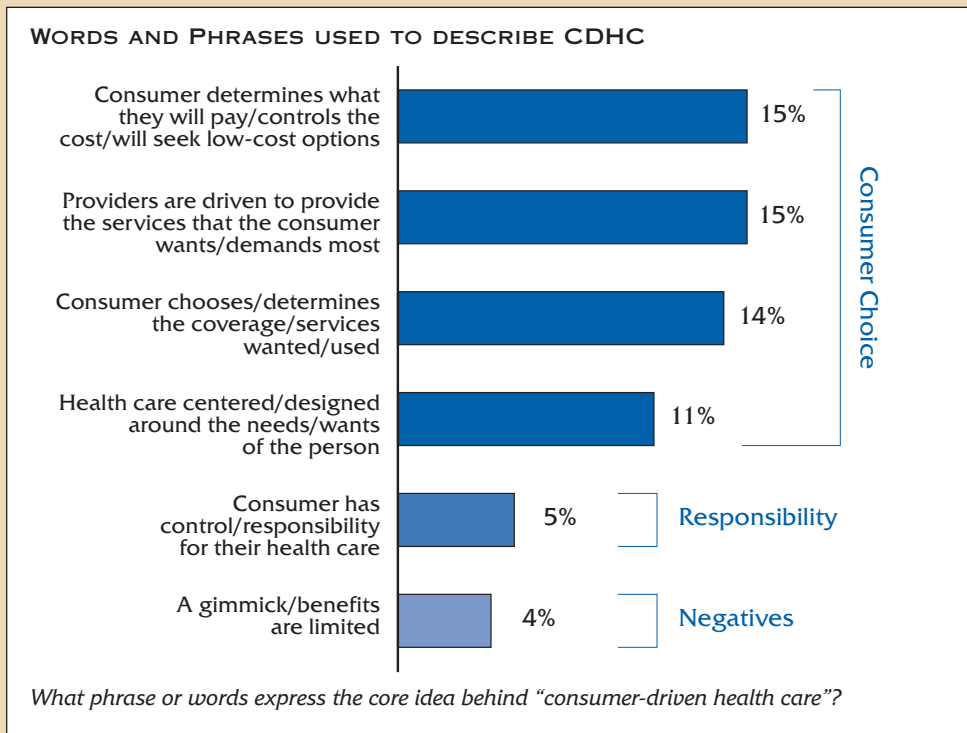
RELATIVELY FEW CONSUMERS KNOW OR UNDERSTAND THE CONCEPT OF CONSUMER-DRIVEN HEALTH CARE



FAMILIARITY WITH THE CDHC CONCEPT

Have you ever heard of the term “consumer-driven health care”?

Only one-fourth of respondents were familiar with the term “consumer-driven health care”



Of the consumers who’ve heard of CDHC, many (55%) understand it to be “consumer choice.” However, very few (5%) mention the trade-off of “responsibility.”

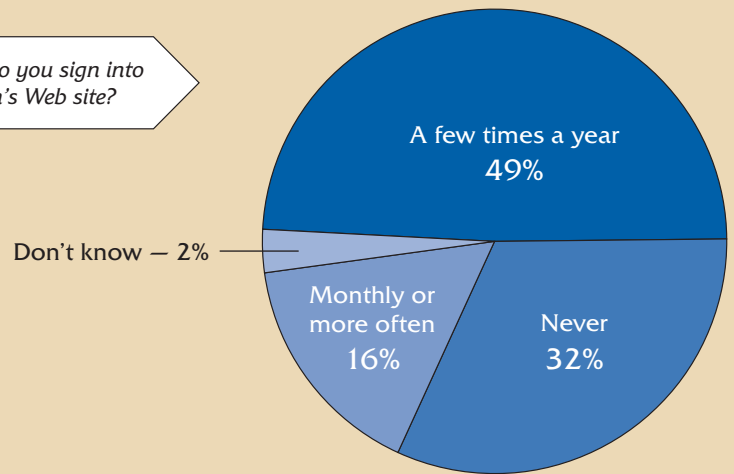
- One-third of respondents used favorable terms, such as progressive and proactive, to describe employers who offer CDHC plans

AND, THEY HAVE A LONG WAY TO GO BEFORE THEY FULLY ENGAGE WITH AVAILABLE TOOLS AND ONLINE RESOURCES

FREQUENCY OF SIGNING IN TO THE HEALTH PLAN'S WEB SITE

- Half of respondents sign in to their health plan's Web site only a few times per year
- An additional 32% never sign in
- A small number of consumers are using their health plan's Web site to get benefit information (9%) or to check claims status (11%)
- Only 14% of consumers have seen or used a provider search tool on their health plan's Web site

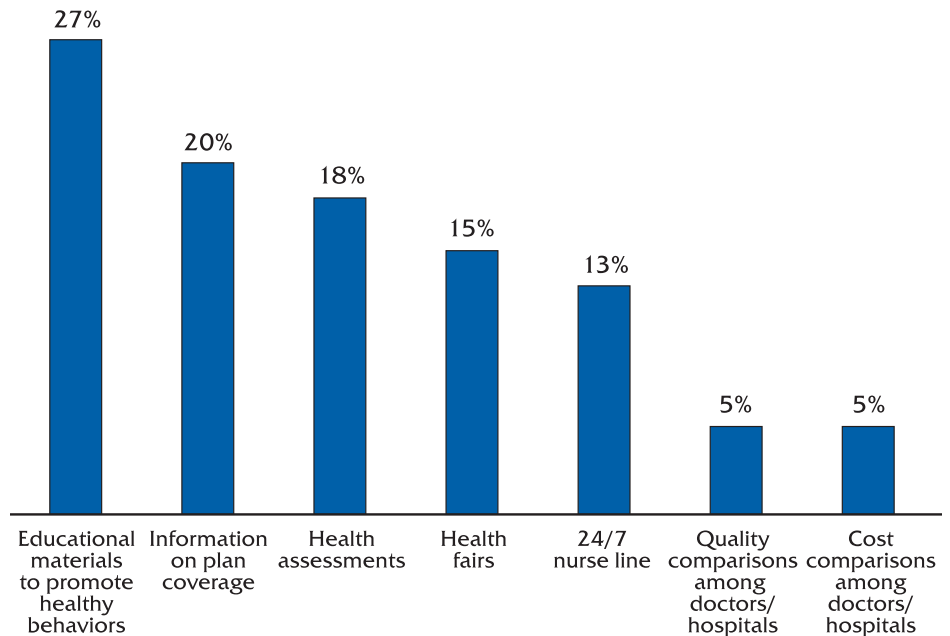
About how often do you sign into your health plan's Web site?



64% of consumers say their employer provides educational materials, yet only 27% have used them

- Half of respondents say their employer offers information on plan coverage, but only 20% have used it
- 47% say their employer offers a 24/7 nurse line phone number, but just 13% have used the service
- One-fourth say their employer offers online quality comparisons among doctors/hospitals, yet a sparse 5% have used the tool

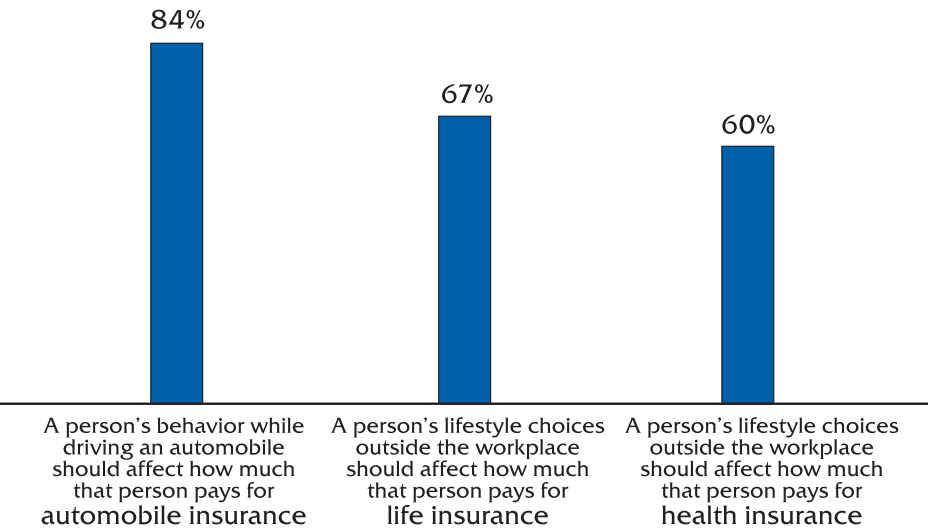
USAGE OF SERVICES/ONLINE TOOLS OFFERED BY EMPLOYERS



Which of these services that your employer offers, if any, have you used in the past year?

CONSUMERS ARE WILLING TO ACCEPT HIGHER INSURANCE PREMIUMS FOR CERTAIN BEHAVIORS

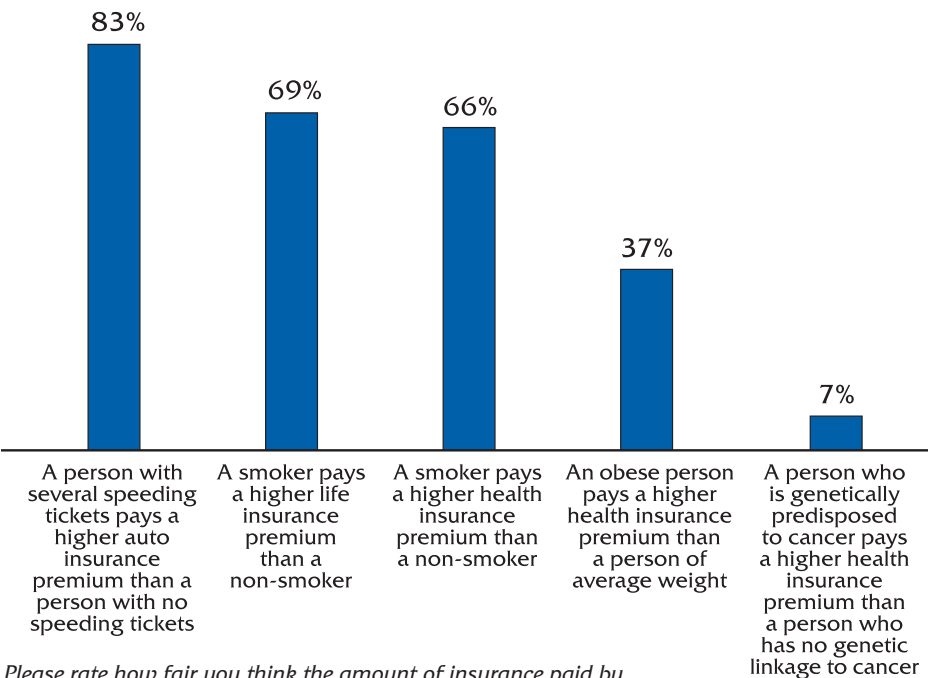
AGREEMENT WITH BEHAVIOR, LIFESTYLE AND INSURANCE STATEMENTS



Please rate your agreement with the following statements...

Consumers are more willing to penalize a person who drives carelessly than one who uses questionable judgment in lifestyle choices

RATINGS OF FAIRNESS OF SITUATIONS AND INSURANCE AMOUNTS PAID



Please rate how fair you think the amount of insurance paid by people in different kinds of situations is.

83% say a person with several speeding tickets should pay a higher automobile insurance premium

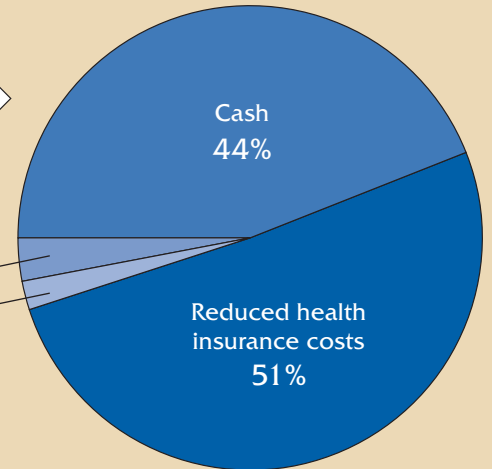
- Two-thirds said it's fair to charge smokers more for health insurance than non-smokers
- However, only 37% said it's fair to charge an obese person more for health insurance than someone of average weight

CONSUMERS ARE CRYSTAL CLEAR ABOUT HOW EMPLOYERS CAN REWARD HEALTH-CONSCIOUS BEHAVIORS

Nearly all consumers (95%) prefer premium reductions or cash as an incentive

If your employer offered an incentive worth \$100 for engaging in more health-conscious behavior, what form of this incentive would be most appealing to you?

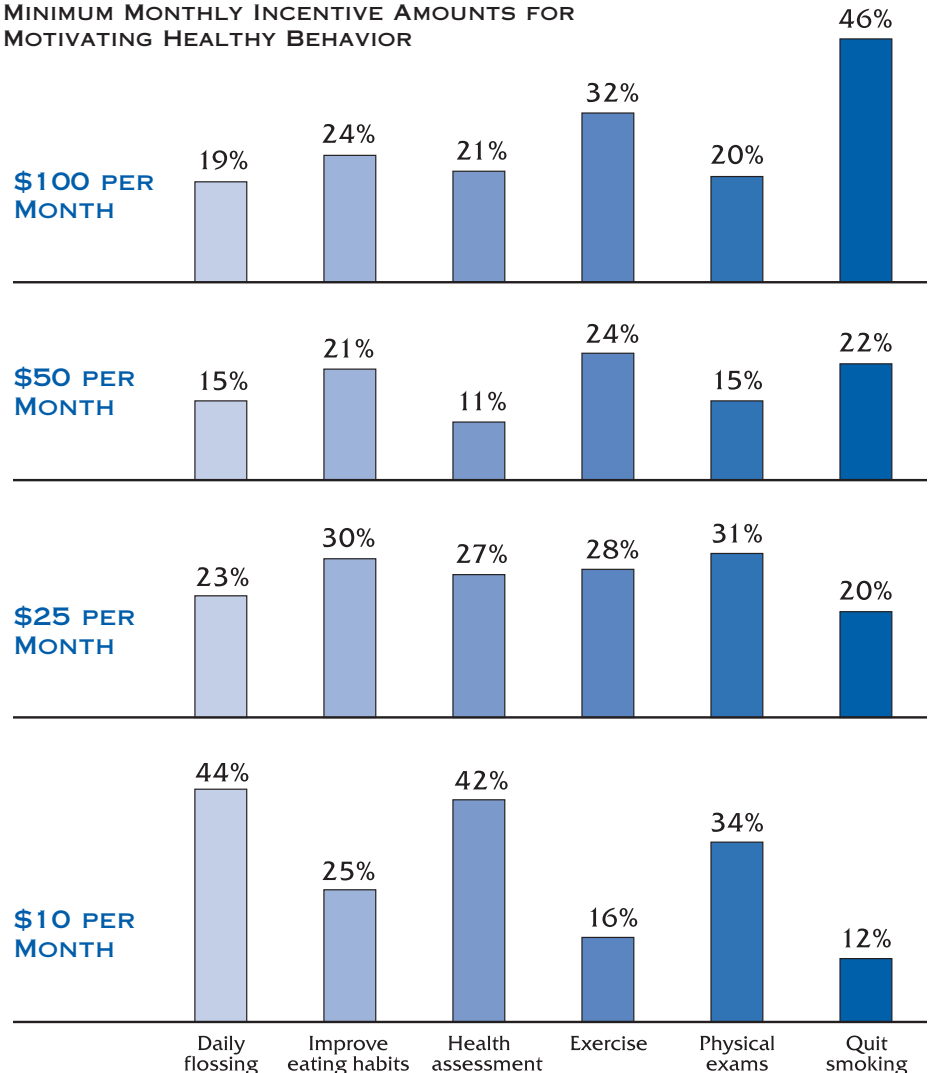
A gift valued at \$100 – 2%
Other – 3%



42% of consumers would require only \$10 per month to complete a health assessment

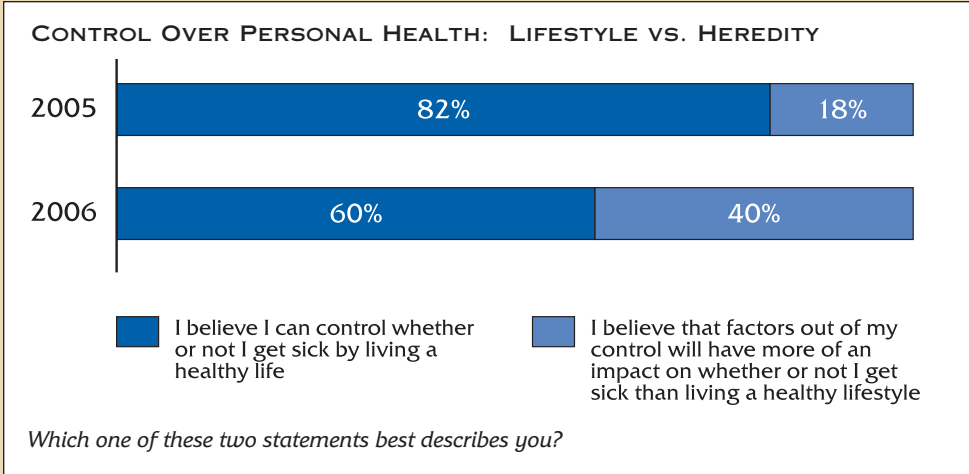
- Daily flossing is one of the least costly behaviors to incentivize – 44% would adopt the behavior for \$10 per month
- Smoking cessation is one of the most costly behaviors to incentivize – nearly half (46%) said it would require at least \$100 per month to quit

MINIMUM MONTHLY INCENTIVE AMOUNTS FOR MOTIVATING HEALTHY BEHAVIOR



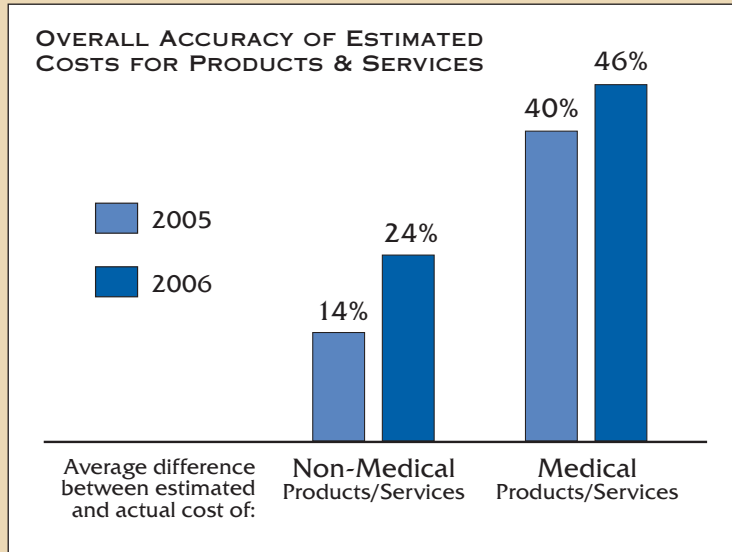
What would be the minimum monthly incentive that would motivate you to change your behavior?

SURVEY COMPARISONS: 2005 VERSUS 2006

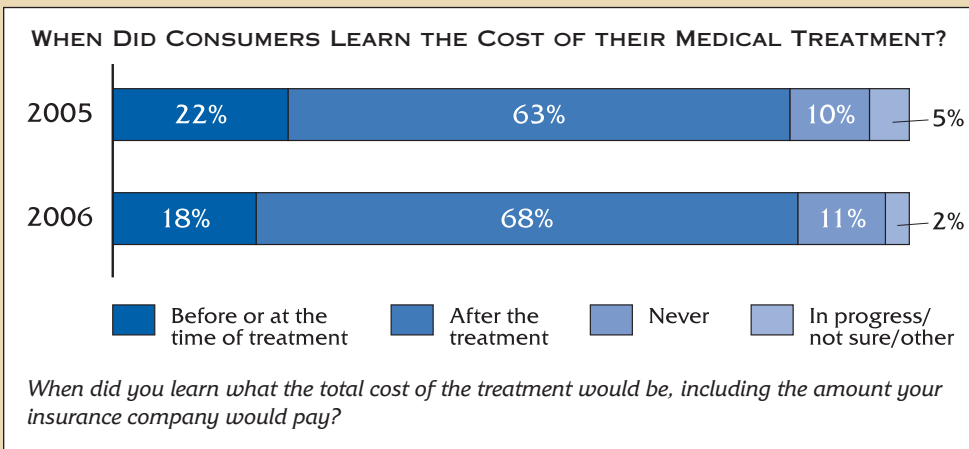


The number of people who felt factors beyond their control have more impact on their health more than doubled

- In 2005, 20% of respondents thought that individuals were extremely responsible for controlling costs. In this year's survey, 25% said individuals were extremely responsible



Both the 2005 and 2006 surveys showed that consumers are far more accurate in estimating the cost of non-medical products and services than medical ones



Consistent in both surveys, nearly two-thirds of consumers learned their treatment cost after they received treatment, and 1 in 10 never learned the cost

CONCLUSIONS

Consumers continue to be removed from the cost of health care. They are unaware of true costs for common medical services and do not hold themselves accountable for rising costs. Because of this insulation, many consumers do not feel an urgency to save for future health care needs. Many who have saved money have saved too little to meet the out-of-pocket costs typical of account based consumer-driven health care (CDHC) plans.

While CDHC has received much attention in the health care industry and even mainstream media, most consumers are unfamiliar with the concept. Some understand that CDHC is a new type of health plan that involves choice, but a mere 5 percent equate CDHC with more responsibility for managing their care and the associated delivery costs. Survey findings also suggest that consumers still have a way to go in fully using online and other resources to make informed health care decisions.

The majority of respondents have received basic preventive care (i.e., physical exams), yet 40% do not believe they can control whether or not they get sick by living a healthy lifestyle. They are less supportive of making people pay higher health insurance premiums based on lifestyle choices outside the workplace than for life or car insurance.

When it comes to providing incentives for healthy lifestyle choices, nearly all consumers prefer that employers reduce their monthly payroll deduction, or pay cash. As expected, the more difficult the behavior (e.g., smoking cessation or exercise) the higher the financial incentive needs to be.

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