

FOR IMMEDIATE RELEASE



Contact:

Tracey M. Budz
Great-West Healthcare
303-737-1476
tracey.budz@gwl.com

CONSUMER HEALTH CARE SURVEY REVEALS MIXED BAG OF RESULTS

*Participants average prediction price of a Honda Accord within \$300
but are off by \$8,100 on a four-day hospital stay*

GREENWOOD VILLAGE, Colo., July 28, 2005 – U.S. consumers¹ appear open to assuming a larger role in making key health care decisions, but need to be better informed about what choices are available so they can make educated choices. These are among the findings of “Consumer Attitudes Toward Health Care,” a study released today by national employee benefits provider Great-West Healthcare.

“The results point to the fact that consumers are not saving for future health care needs and do not have a solid understanding of the actual cost of care,” said Cindy Donohoe, vice president of marketing and product development at Great-West Healthcare. “It is important that employers who are planning to offer consumer-driven plans understand this reality. With the proper decision-making resources, such plans can engage people in making more informed health care choices.”

This is the first of what Great-West Healthcare plans as an annual audit of consumer attitudes toward health care and health insurance. The national study¹ was conducted in the United States via telephone by Harris Interactive[®], a Rochester, N.Y.-based leading global market research company. It reflects responses of 2,000 U.S. adults, ranging in age from 18 to 64 years old, who are covered by employer-sponsored health plans and are key decision makers about health insurance in their households. Data were weighted by age, education, gender, income and region to align them with their proportions in the population.

“The survey findings show us that with more education and decision-support tools, consumers ideally will be able to research physician and hospital costs as easily as they can car or TV costs today, and therefore become more involved,” said Katherine Binns, senior vice president of health care policy and policy research, Harris Interactive.

¹ Consumers refers to U.S. adults aged 18 to 64 who are covered by employer-sponsored health plans and are key decision makers about health insurance in their households.

Key survey findings

Consumers believe they have an opportunity to save on health care, but have limited understanding of the costs. According to the survey, 63 percent of respondents who themselves or a close family member received treatment for a serious health issue in the past two years, did not know the cost until after treatment was received and 10 percent revealed they never found out the cost. While many people research their medical conditions or treatments, they do not devote much time to selecting a health plan or doctor relative to other consumer choices. For example, more than two-thirds (67%) of consumers spend more than eight hours researching the purchase of an automobile, and fewer than four in 10 spend this amount of time researching a doctor (38%) or health plan (34%). On average, participants were able to predict the price of a Honda Accord within \$300, but were off by \$8,100 on a four-day hospital stay.

In terms of costs, consumers know they are rising, but do not feel they can control those costs. Nine out of 10 respondents (90%) believe the cost of health care is rising and more than half (52%) say that increase is greater than 10 percent annually. Just like increases in consumer goods such as gasoline and a movie ticket, 61 percent expect health care costs to increase and four out of five (80%) feel they cannot control the rise.

Quality proved more important than cost for many respondents. Only 4 percent see cost as the most important factor in selecting a hospital, while two-thirds (65%) see quality as the most important factor. Even convenience/location was seen as the most important factor by 9 percent of respondents.

In addition, the respondents noted that quality varies and is not necessarily correlated to cost. Nearly half perceived major differences in quality of hospitals (45%) and doctors (49%). Three out of four (77%) say they try to get the highest quality of care regardless of cost, yet 83 percent believe that less expensive medical treatments can be just as effective as more expensive options.

The survey also found that respondents are evenly split between wanting a higher premium and a lower deductible (50%) versus a lower premium and a higher deductible (50%). Fifty-four percent say they are likely to put aside money in the next year for future health care needs, yet 39 percent say they have no money set aside now, and in addition 17 percent have less than \$1,000 set aside for future health care needs.

Methodology

In theory, with samples of this size, one could say with 95 percent certainty that the overall results have a sampling error of plus or minus 2 percentage points. Sampling error for the sub-sample of those who themselves have had or a close family member has had treatment for a serious health problem in the past two years (1,022) is plus or minus 3 percentage points.

About Great-West Healthcare

Great-West Healthcare, a division of Great-West Life & Annuity Insurance Company, is a national employee benefits provider with expertise in self-funding and health care management solutions. Nationally, the division operates a health care network that includes more than 4,200 hospitals and 530,000 providers and provides health care coverage to nearly 2 million people. Visit www.greatwesthealthcare.com for more information.

Great-West Life & Annuity Insurance Company, headquartered in metro-Denver, serves its customers through a full range of health care plans, life and disability insurance, annuities, and retirement savings products and services. It is an indirect, wholly owned subsidiary of Great-West Lifeco Inc. and a member of the Power Financial Corporation group of companies. Great-West Life & Annuity Insurance Company is not licensed to do business in New York. Products are sold in New York by its subsidiary First Great-West Life & Annuity Insurance Company, White Plains, N.Y.

About Harris Interactive®

Harris Interactive Inc. (www.harrisinteractive.com), the 15th largest market research firm in the world, is a Rochester, NY-based global research company that blends premier strategic consulting with innovative and efficient methods of investigation, analysis and application. Known for *The Harris Poll*® and for pioneering Internet-based research methods, Harris Interactive conducts proprietary and public research to help its clients achieve clear, material and enduring results.

Harris Interactive combines its intellectual capital, databases and technology to advance market leadership through its U.S. offices and wholly owned subsidiaries, HI Europe in London (www.hieurope.com), Novatris in Paris (www.novatris.com), and through an independent global network of affiliate market research companies. EOE M/F/D/V.

###