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## Humana Inc. F1Q09 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Tom Carroll with Stifel Nicolaus Capital Markets.

#### Tom Carroll - Stifel Nicolaus Capital Markets

I have a two-part question on Medicare as it relates to your Private Fee-For-Service to network product transition. First, Private Fee declines have been fully offset by increases in network products. Is there any correlation between your current Private Fee-For-Service enrollments switching over to, so Humana Private Fee to a Humana PPO type product? Can you give us some kind of metric on that?

Secondly, how do you think about this transition in 2010? Then maybe you could give us some high level commentary on 2011 also. So, is there going to be a big push to make the transition in 2010, or is that going to be left really more to 2011?

#### Jim Murray

The net plan-to-plan changes that we experienced this past open enrollment period were around 87,000 members. We purposely try to create a product continuum that encourages folks to go from the Private Fee-For-Service to the network based options, be it regional PPO, local PPO, or HMOs. We saw some good movement this past open enrollment period and we anticipate we'll see increasing levels of movement in 2010 and 2011. We feel very well positioned for the CMS rule regarding the elimination of the Private Fee-For-Service on January 1 and we're very pleased with how this is all beginning to set up for us.

#### Tom Carroll - Stifel Nicolaus Capital Markets

So increasing levels in 2010, maybe it is too early to say right now in terms of your strategy, in terms of bidding for next year, but is it going to be more so in 2010 than 2011?

#### Jim Murray

I would anticipate that 2010 would be slightly higher than 2011. 2011, as I sit here now, we are obviously in the process of going through the market-by-market evaluation of what your benefits and premiums are going to look like. My goal and our goal will be to try to get as much done in 2010 as possible with 2011 being the finalization of that process. Again, we saw some nice movement this

past open enrollment period and as we create our product continuums market-by-market that will be a major goal.

**Tom Carroll - Stifel Nicolaus Capital Markets**

That's very helpful, thank you.

**Operator**

Your next question comes from Charles Boorady with Citi Investment Research.

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