

33rd Annual J.P. Morgan Healthcare Conference

San Francisco, CA
January 13, 2015

Humana.

Bruce Broussard

President and Chief Executive Officer

Humana.

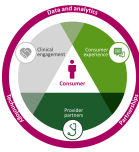
Cautionary statement

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in investor presentations, press releases, Securities and Exchange Commission (SEC) filings, and in oral statements made by or with the approval of one of our executive officers, the words or phrases like "expects," "anticipates," "believes," "intends," "likely will result," "estimates," "projects" or variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and assumptions, including, among other things, information set forth in the "Risk Factors" section of our SEC filings, as listed below.

In making these statements, Humana is not undertaking to address or update these statements in future filings or communications regarding its business or results. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur. There also may be other risks that we are unable to predict at this time. Any of these risks and uncertainties may cause actual results to differ materially from the results discussed in the forward-looking statements.

Humana advises investors to read the following documents as filed by the company with the SEC:

1. Form 10-K for the year ended December 31, 2013
2. Form 10-Qs for the quarters ended March 31, 2014, June 30, 2014, and September 30, 2014 and
3. Form 8-Ks filed during 2014 and 2015.



Humana's consumer-focused Integrated Care Delivery strategy and the related results drive powerful investment thesis



Robust organic membership and revenue growth



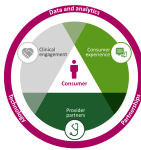
Sustainable competitive advantage



Superior clinical operating performance

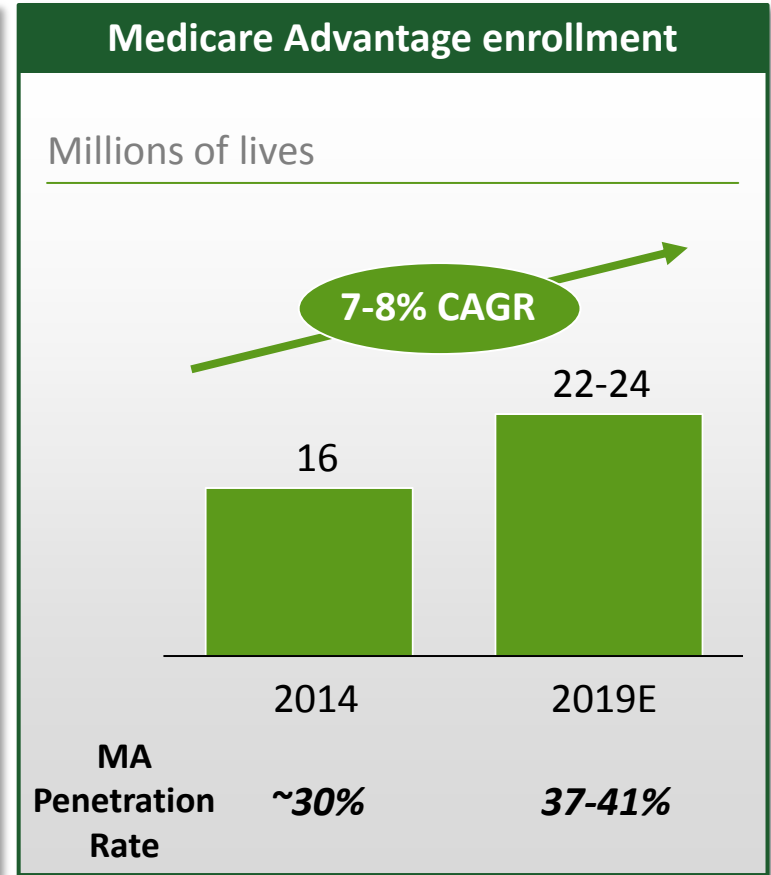
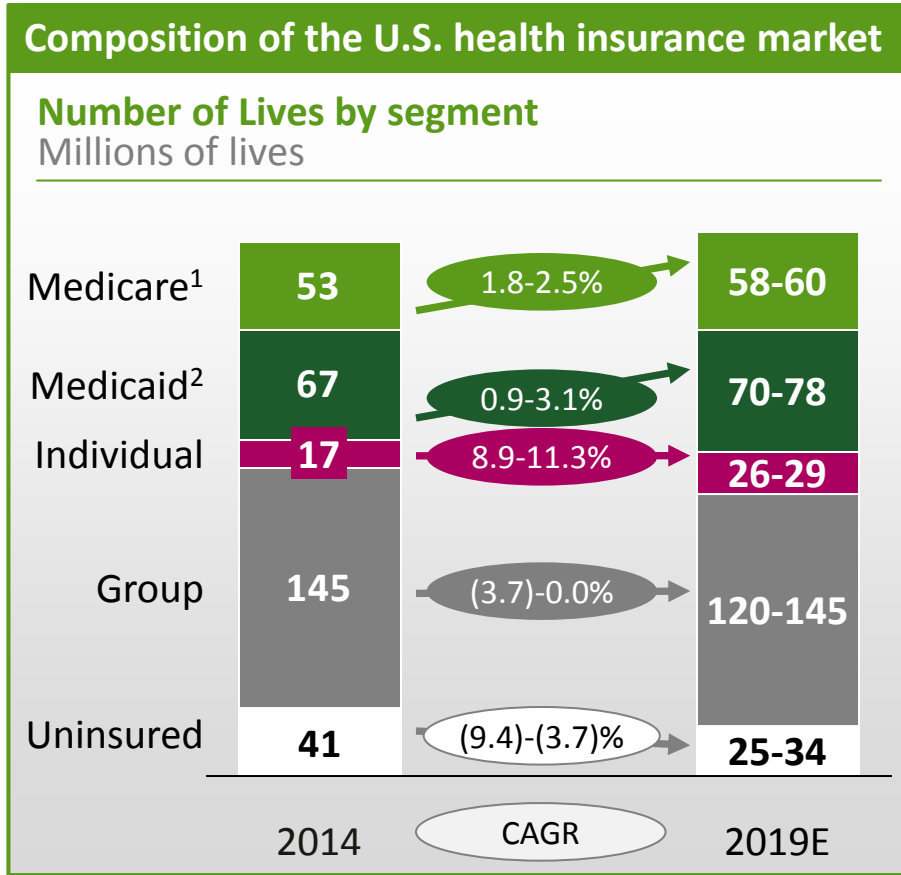


Disciplined capital allocation



Robust organic membership and revenue growth

- Demographics and reform are driving shifts in coverage and creating opportunities for growth in retail and gov't markets



1) Medicare eligible

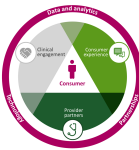
2) Includes TANF and Dual eligibles

Sources: McKinsey & Company conference presentation, 2014. Medicare Advantage enrollment data is from publicly reported sources.

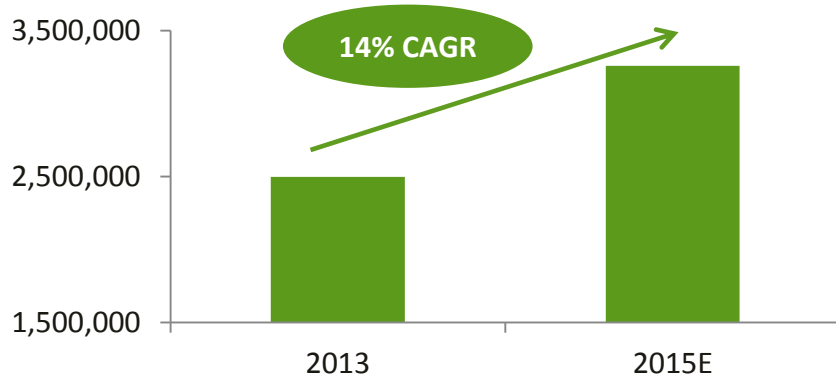


Robust organic membership and revenue growth

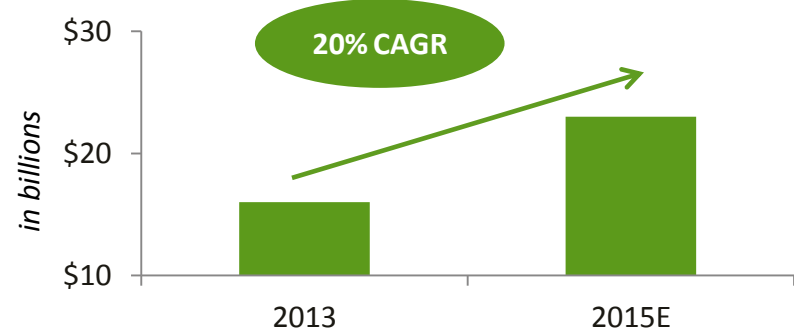
- Strong CAGRs across a number of fronts



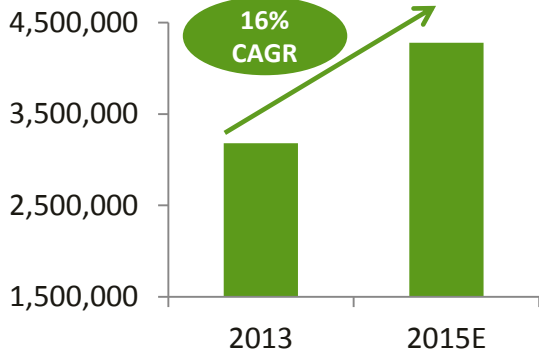
Medicare Advantage Membership¹



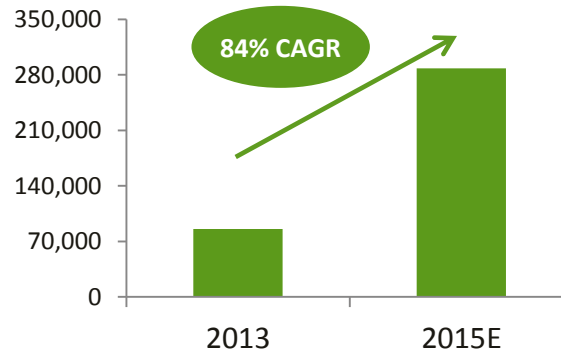
Healthcare Services Revenues



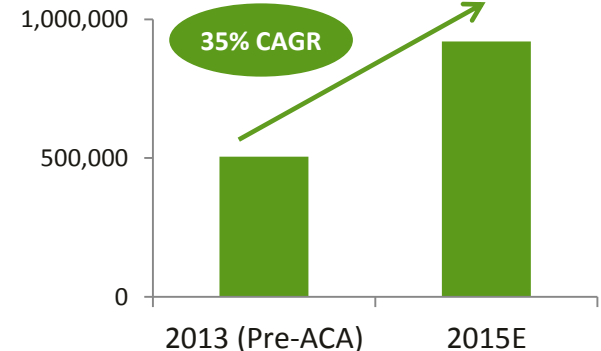
Stand-alone PDP membership²



State-based contract membership³



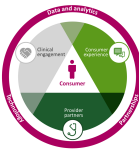
HumanaOne membership⁴



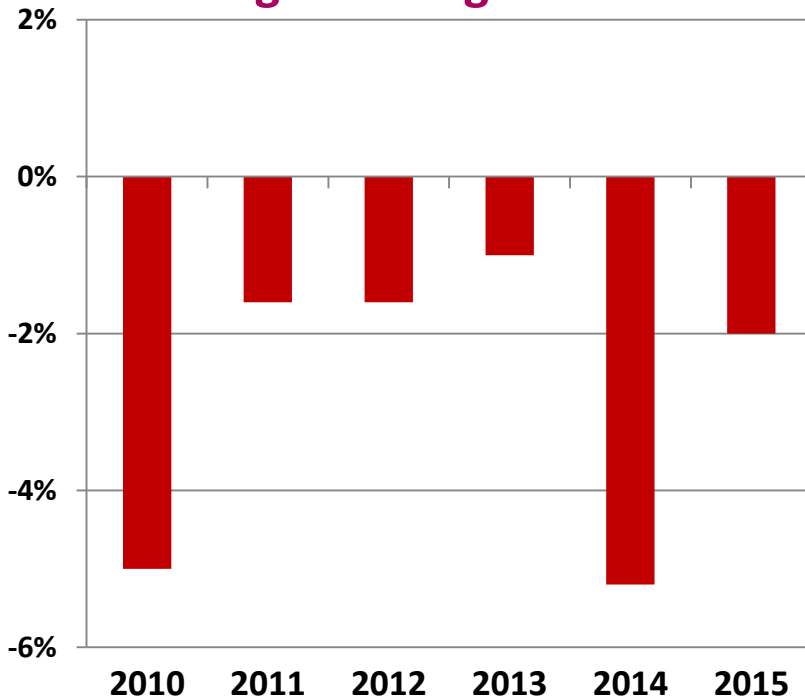


Sustainable competitive advantage

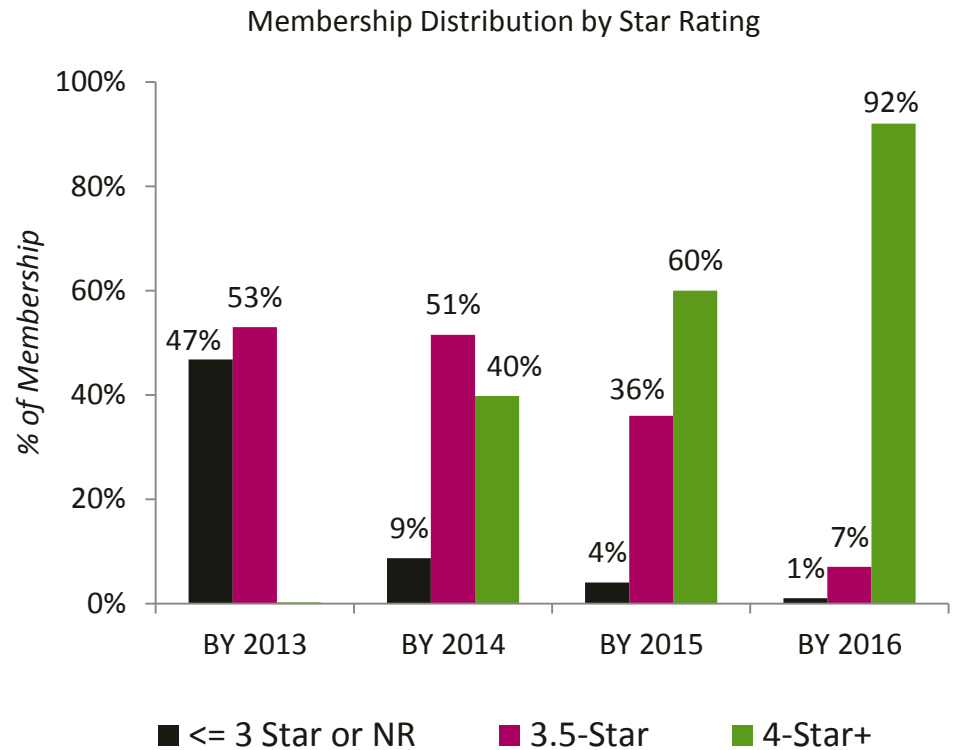
- Industry pressures creating opportunity for distinction



Annual Change in Humana Medicare Advantage funding from CMS



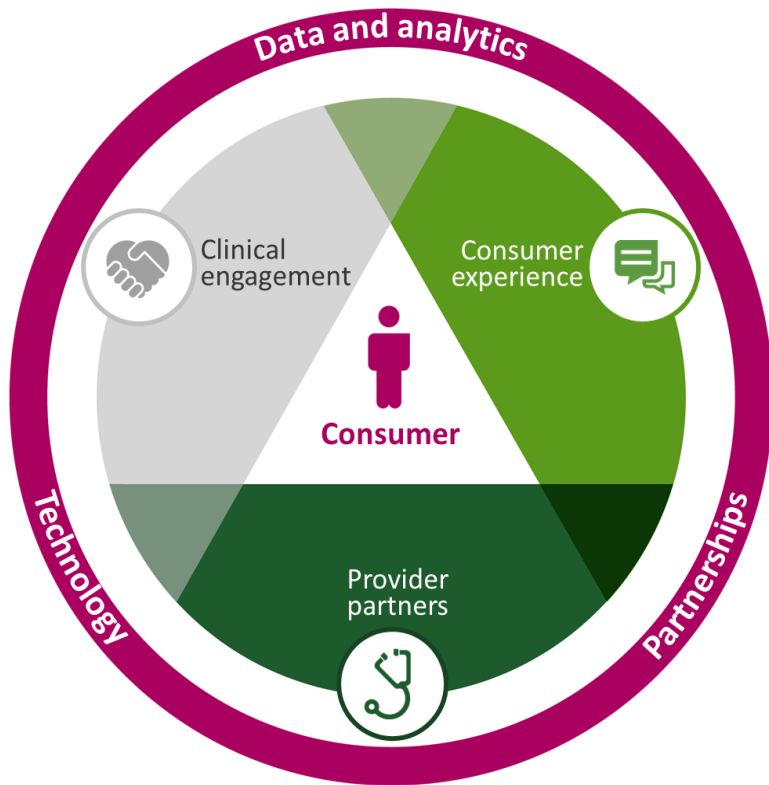
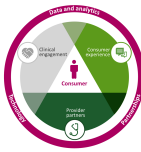
Medicare Advantage Star Ratings





Sustainable competitive advantage

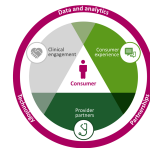
- Our integrated care delivery model drives the success of our businesses





Superior clinical operating performance

- Based on five Points of Influence . . .



Key Capabilities



Wellness & Prevention

3.8 million HumanaVitality members



Primary Care

Value-based relationships with primary care doctors

- **2,700** affiliated/joint venture
- **10,600** contracted

Extended care capabilities

- **19,600** dedicated doctors and nurses



Pharmacy

Fifth-largest Pharmacy Benefits Manager

- Approx. **300 million** prescriptions processed
- Approx. **30 million** prescriptions dispensed



Home Health

379,900 members in chronic care program



Informatics

4.1 million gaps in care closed through messaging

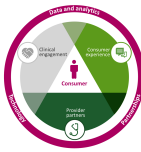
1.6 million high risk members identified through predictive models

Data as of Q3 2014 or FY 2013



Superior clinical operating performance

- Multiple touch points focus on preventive care and wellness



Clinician Outreach

- Clinical program identification and outreach



Member Communications

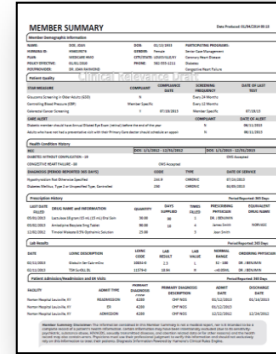


- Direct Mail
- Email
- SmartSummary
- VAT Calls
- Text Messaging



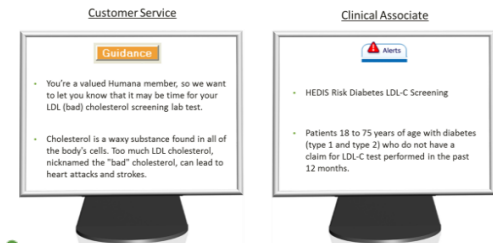
Provider Alerts

- Member Summary
- Automatically put into provider's EMR system



Guidance Alerts

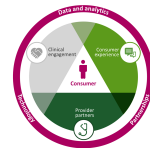
- Customer Service Alerts
- Nurse Alerts





Superior clinical operating performance

- We are supporting providers as they transition from episodic care to population health



Population Health

+ Physician Engagement

- Information & transparency tools
- Value-based care
- Physician engagement model
- Aligned incentives
- Performance management

♥ Care Management

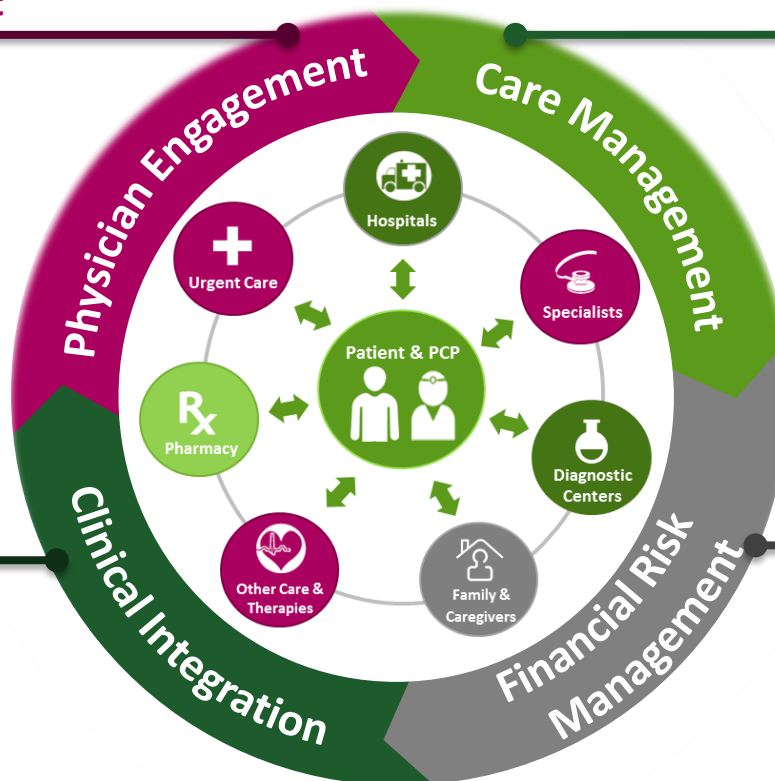
- Data aggregation & analytics
- Quality focus
- Provider reporting
- Wellness & prevention programs
- Pharmacy services
- Chronic & acute care management

🔗 Clinical Integration

- Strategy and governance
- IT enablement tools
- Clinical best practices
- Community-wide patient view

\$ Financial Risk Management

- Financial support, analytics and reporting
- Contract management
- Accurate documentation
- Risk aggregation & Stop-Loss



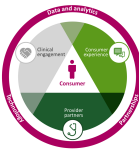
RESULT:

Patient-focused. Primary care-centric. Proactive.

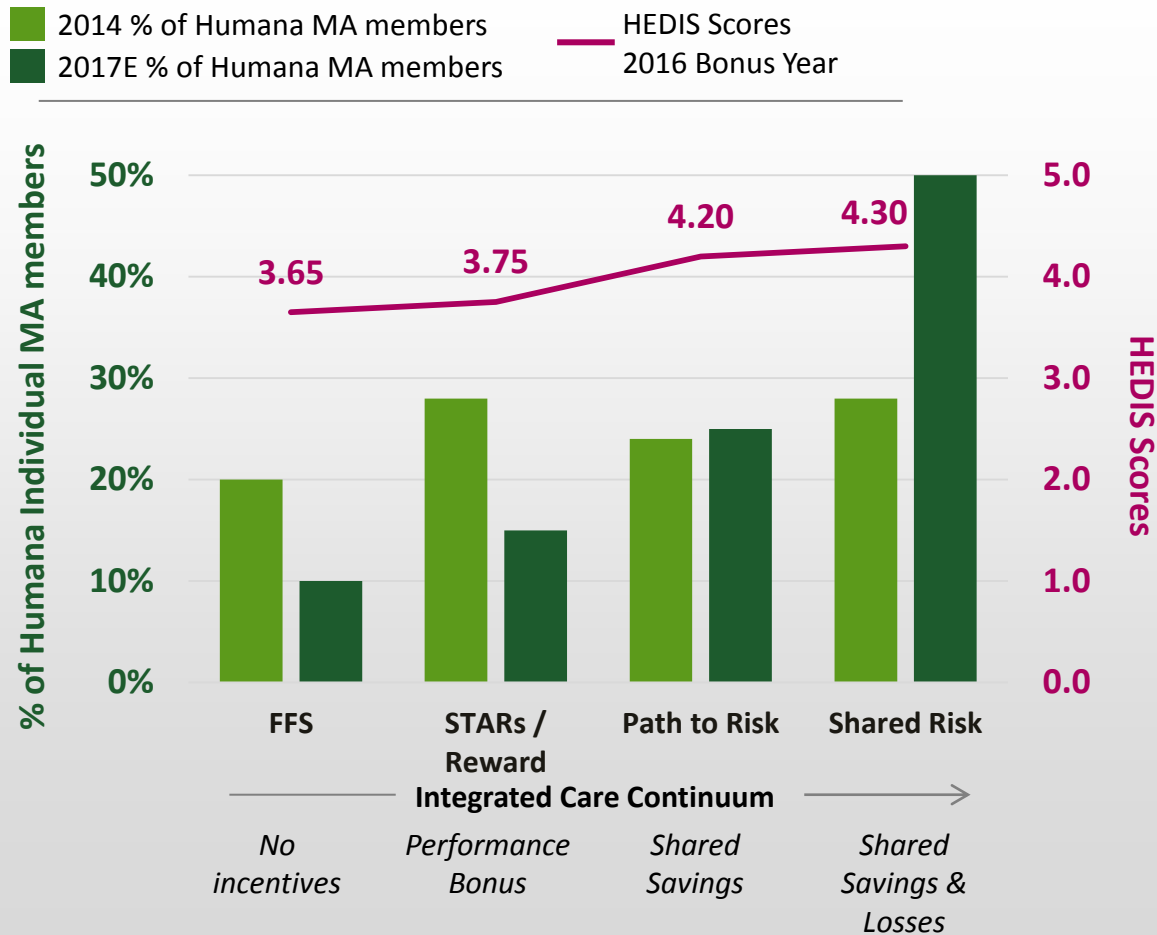


Superior clinical operating performance

- Higher levels of provider integration across the integrated care continuum result in improved quality and lower costs



Humana experience with PCPs moving to value-based relationships¹



16%

Improvement in HEDIS scores for Humana providers in value-based relationships vs. FFS with no incentives

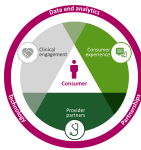
19%

Lower medical costs for providers in value-based relationships relative to Original Medicare



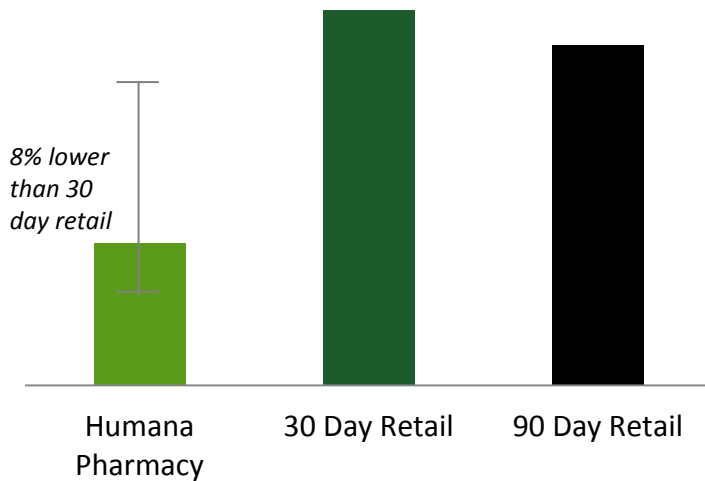
Superior clinical operating performance

- Pharmacy mail order use improves consumer experience and clinical outcomes



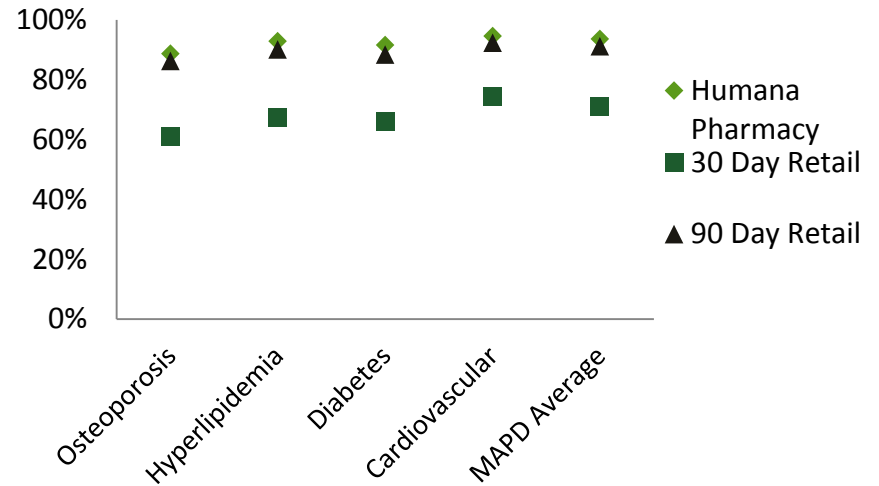
Consumer Experience

MAPD Disenrollment Rate¹



Clinical Outcomes

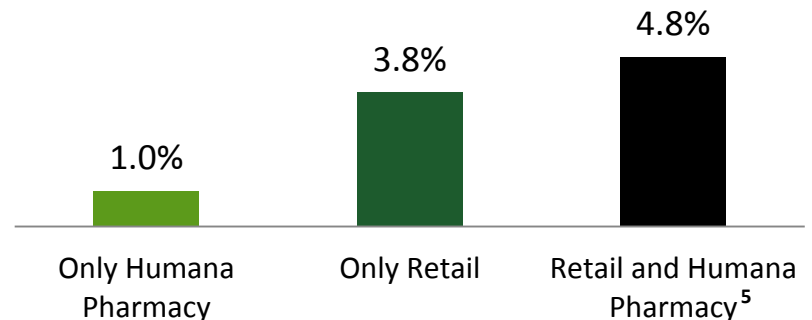
MAPD Medication Adherence²



Recognized as an industry leader

- Ranked #1 mail order pharmacy in customer service by JD Power in 2014
- Ranked #2 overall mail order pharmacy by JD Power 4 consecutive years (2011-2014) and narrowed gap with leader to within 3 points
- Investing heavily in web and mobile experience

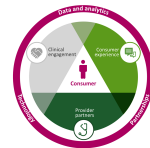
MAPD Adverse Event by Utilizing Channel^{3,4}





Superior clinical operating performance

- Humana At Home has demonstrated an ability to achieve favorable results through coordinating care in the home



2014 Humana Chronic Care Program (HCCP) Impact

Consumer experience



75% HCCP engagement rate

74% In-home HCCP Net Promoter Score

Improved outcomes¹



471k

more days at home

Reduced costs¹



45%

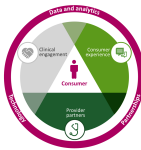
reduction in hospital admissions

1) Clinical Information and Analytics. 235k Newly Managed Participants as of August 2014.



Superior clinical operating performance

- The process of advanced analytics focuses on insights that are actionable and drive value



BIG DATA



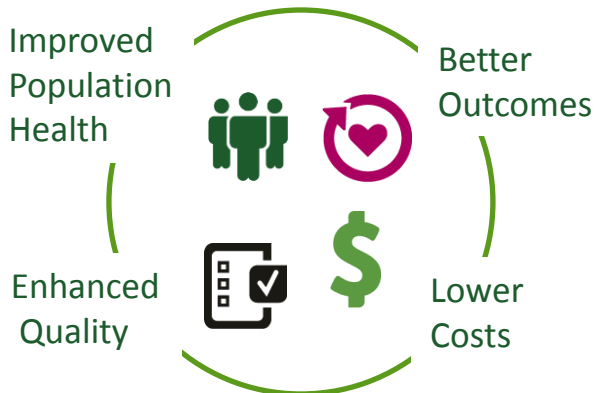
ANALYTICS



ENGAGEMENT



RESULTS



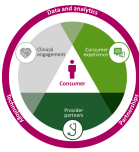
INSIGHTS





Superior clinical operating performance










- Closing the gap



Insights

YTD 3Q14 Actions



-  67K new members engaged in clinical programs
-  530K members clinically engaged on our integrated platform
-  3.2M gaps in care closed
-  Over 1M members with no care gaps
-  557K drug safety alerts resulted in discontinued scripts
-  40% reduction in readmission rates for patients with high risk of readmission
-  Over 5M hospital authorizations powered by clinical analytics processed real-time
-  73K face-to-face visits with PCPS reviewing population health results (Pods)
-  4.2 Average Star Score for Bonus Year 2016

Brian Kane

*Senior Vice President
and Chief Financial Officer*

Humana.

Disciplined capital allocation

- 2015 earnings guidance updates

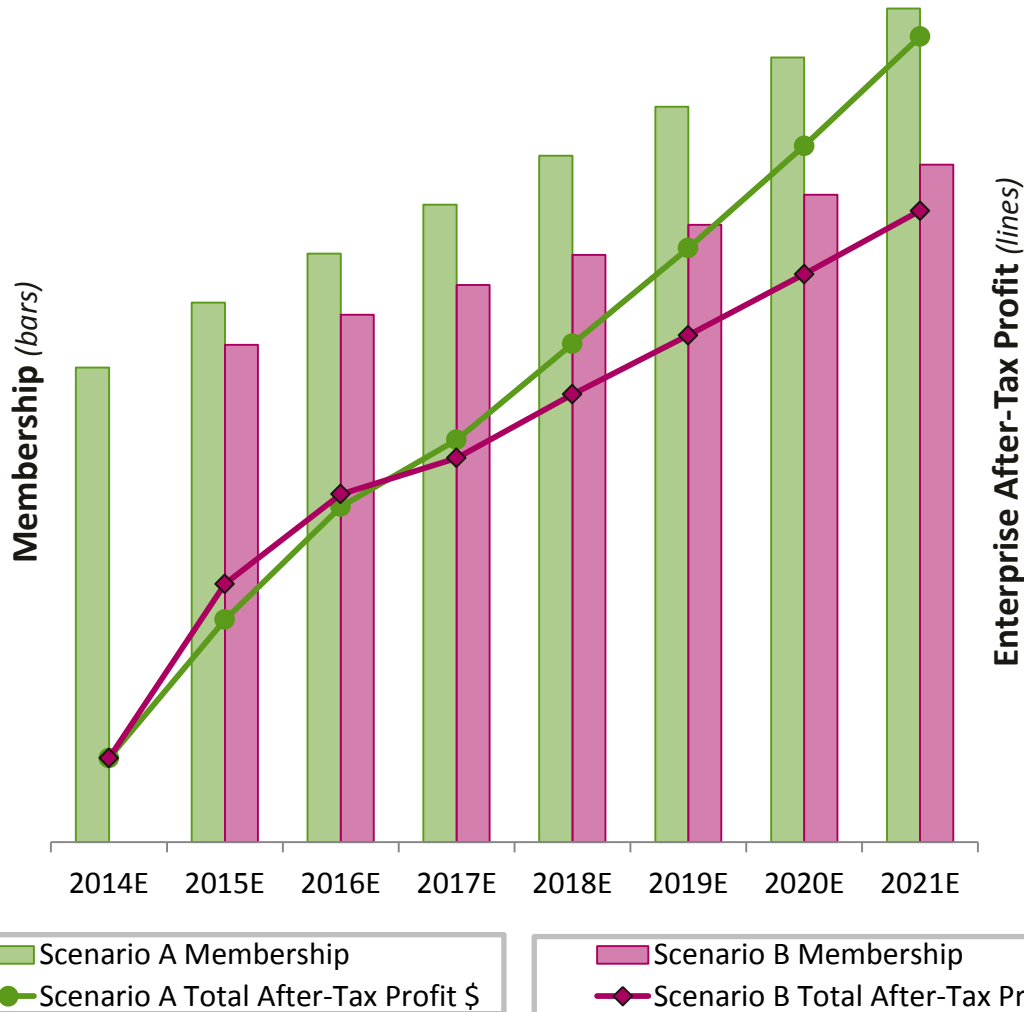
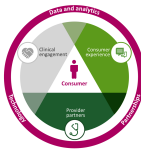
Humana is reaffirming its 2015 earnings guidance of \$8.50 to \$9.00 per diluted common share. 4Q14 earnings release scheduled for February 4, 2015.

Recent Developments		Previous 2015 Guidance	Updated 2015 Guidance
2015 Medicare Annual Election Period now completed	Individual Medicare Advantage net membership growth	Up 235k to 255k	Up 300k to 350k <i>(increase in guidance of 80k at midpoint)</i>
	Stand-alone PDP net membership change	Up 475k to 525k	Up 400k to 450k <i>(decrease in guidance of 75k at midpoint)</i>
2015 Healthcare Exchange open enrollment period in process	Individual commercial net membership change <i>(includes both on- and off-exchange membership)</i>	Down 80k to 90k	Down 80k to 90k <i>(no change in guidance)</i>



Disciplined capital allocation

- Taking the Enterprise view



Key Assumptions

- Scenario A: Current pretax margin**
 - Growth at midpoint of guidance for simplicity in 2015 and after
 - Modest scale benefits in HCS business over time
- Scenario B: Historical 5% pretax margin plus pass-through of Health Insurance Industry Fee non-deductibility**
 - Significant terminations and reduced sales in 2015
 - Reduced sales thereafter
 - Diminished scale benefits in Healthcare Services

Additional benefits from Enterprise Growth

- Specialty products sales
- Local market depth benefits to Exchange, State-Based Contracts, and Group businesses



Disciplined capital allocation

- Parent company cash and capital deployment (illustrative, \$ in millions)



Major Sources

- Statutory dividends from regulated entities
- Earnings from Healthcare Services Segment

Annual Statutory Dividend Capacity	~	\$900 - \$1,100
Healthcare Services Segment After-Tax Earnings	~	\$500
Parent Company Sources ¹	~	\$1,400 - \$1,600

Available for organic growth, acquisitions, and capital return

Capital Priorities

- Organic Growth
- Strategic Acquisitions
- Capital Return to Shareholders

Major Uses

- Capital to support organic premium growth
- Capital expenditures, interest expense

Capital to Support Business Growth	~	(\$450)
Parent Company Capital Expenditures ²	~	(\$300)
Tax-Effectuated Interest Expense	~	(\$115)
Available Capital for Deployment ¹	~	\$535 - \$735
Shareholder Dividends ³	~	(\$170)

Available for Share Repurchase & Acquisitions⁴

~ \$365 - \$565



Disciplined capital allocation

- *Deployment through strategic acquisitions*



Targeted and disciplined acquisitions criteria

- Disciplined purchase prices / multiples
- Enhances core business
- Fits the strategy: quickly integrate and drive scale through the acquired asset
- Compelling and quickly achievable ROIs
- Drives shareholder value

Examples



- Foundational piece of our Humana At Home and chronic care management platform



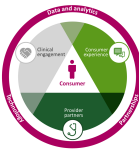
- Aggregates and analyzes “big data” in real time to identify actionable care gaps and support accurate diagnoses



- Two-way payor-agnostic connector of clinical data sources (HIE)

- Combined purchase price of approximately \$350M
- ROI of greater than 100% within 2 years and rapidly growing

We will continue to be disciplined and look for value-enhancing acquisitions



Humana's investment thesis exhibits strong potential for short and long term EPS growth



Robust organic membership and revenue growth

- Growing retail marketplace
- Expanding aging and chronic population
- Three decades of successful Medicare experience
- Top line growing faster than industry average



Sustainable competitive advantage

- Medicare brand strength and market depth
- Differentiated integrated care delivery
- Integration of data-driven consumer experience and clinical model magnifies effectiveness
- Individual consumer distribution capability



Superior clinical operating performance

- Improving health outcomes result in stable member benefits
- Proven provider partnerships
- Tailored to specific engagement models for the people we serve
- Clinical capabilities are leveraged across all membership populations
- Demonstrated execution



Disciplined capital allocation

- Strong focus on ROIC and optimizing portfolio
- Balanced capital structure preserving flexibility while returning capital to stockholders

Humana®