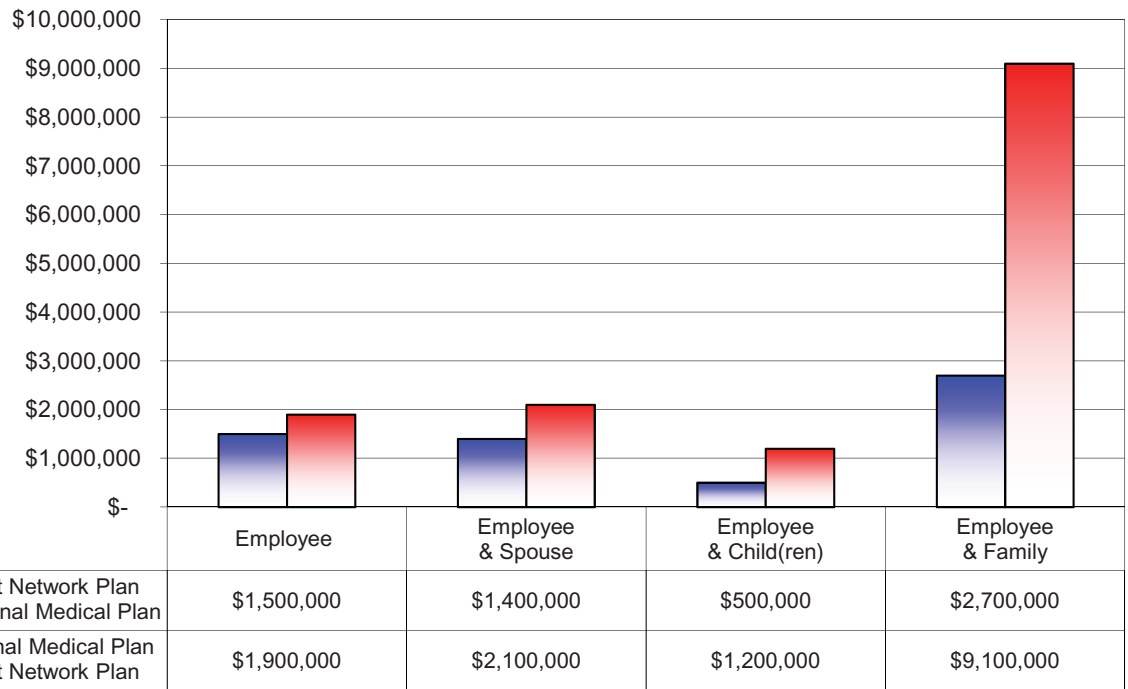


## Two Scenarios of Aggregate 2008-2009 SPEEA Annual Member Contributions (If SPEEA Members Do Not Change Medical Plans)



## Cost-shifting

# Medical plan changes hit families hard

Wanting to shift more than \$8.2 million of health care costs onto SPEEA members is at the heart of The Boeing Company's decision to make the Traditional Medical Plan (TMP) the low-cost plan and begin charging premiums for the Select Network plan.

"This change is part of a scheme to dismantle the benefits package earned by SPEEA members," said Ray Goforth, SPEEA executive director. "Boeing eliminated Early Retire Medical for new hires, is now shifting medical costs onto employees and has announced its intention to go after pensions. The company is doing this latest change because they want to sneak it through without negotiating."

During recent meetings with SPEEA, the company refused to address the cost-shifting issue or the need to negotiate their proposed change. As a result, SPEEA is taking the issue to arbitration. The shift affects employees in both Puget Sound

bargaining units.

The actual extent of the cost shift to employees depends on how many, if any, change medical coverage during this month's open enrollment from May 2 to 22. The brunt of the impact falls heavily on members with families who now are in the Select Network plan. Starting in June, they will start paying premiums of \$138 per month. Seventy-seven percent of SPEEA-represented employees with families in the Puget Sound bargaining units are in the Select Network plan. Many chose the plan because it was the no-premium option.

"A few people will pay less but the majority will see their out-of-pocket costs increase," said Matt Kempf, SPEEA benefits director. "Boeing only recently revealed the new plan rates and that's when we learned the extent of their plan to shift costs onto employees."

Using the new 2008 rates, if the Select Network were the low cost plan and every SPEEA member

stayed in the same plan they were in last year, SPEEA members would pay \$6.1 million in premium contributions for the Traditional Medical Plan over the next year (the blue column on the page one chart). However, since Boeing designated Traditional Medical Plan the low cost plan, if every SPEEA member stayed in the same plan they were in last year, SPEEA members will pay \$14.3 million in premium contributions over the next year (red column in page one chart), a total increase of \$8.2 Million to SPEEA members.

"If Boeing worked with the union instead of unilaterally implementing these changes, we may have been able to agree on a formula that benefited all SPEEA members," Kempf said.

Arbitration will not delay Boeing's forced switch in low-cost plans for SPEEA members. Comparison charts in this edition of Spotlite are designed to help members decide if they should take advantage of this month's open enrollment and switch between health care plans.