

About this special section

Matt Kempf, SPEEA senior director of compensation and retirement, and **Jason Collette**, SPEEA contract administrator and benefits coordinator, produced the content for this special section to highlight changes to benefits starting in 2018.

Health Savings Accounts

A Health Savings Account (HSA) is a tax-exempt account you set up with an HSA custodian to reimburse yourself for certain medical expenses you incur. HSAs are individually owned (similar to an IRA), portable if you change employers and are 100% vested at all times.

HSAs are commonly referred to as a “triple-tax-advantaged” method to pay for health-care expenses. Contributions are pre-tax, the funds can grow income-tax deferred, and if funds are spent on eligible medical expenses, they are completely income-tax free.

Restrictions apply

Not everyone is eligible to establish and contribute to an HSA. There are many restrictions. Some are listed below.

- An individual must be covered by a HSA-qualified High Deductible Health Plan (HDHP). Boeing’s Advantage+ medical plan is a qualified HDHP.
- You may not have other health coverage except what is permitted (such as dental and vision). If you are “double covered” by your spouse’s non-HDHP medical plan, you are not eligible to contribute to an HSA.
- If you are enrolled in Medicare, or if you can be claimed as a dependent on someone else’s tax return, then you are not eligible to contribute to an HSA.

HSA funds may be used for eligible medical expenses for you or any of your IRS tax dependents, even if they are not covered by the HDHP. The IRS determines which medical expenses qualify, but they include all the items subject to the HDHP medical plan deductible, as well as dental and vision expenses. In addition to eligible medical expenses, HSA funds may also be used to pay for Medicare Part B and D premiums income-tax free.

“Someone should not blindly enroll in the Advantage+ plan assuming they are eligible,” said **Matt Kempf**, SPEEA senior director of compensation and retirement. “Health Savings Accounts are a personal relationship between the employee and the IRS, but because they can be used at any time for future eligible medical expenses, they can be a powerful part of a comprehensive retirement plan.”

Learn more

Individuals interested in HSAs should read IRS Publication 969 and the material available on www.healthequity.com/boeing.

Open enrollment

Changes and new options available for medical coverage at Boeing in 2018

Open enrollment, the time period each year when employees can change their medical plans, is Nov. 7 - 28 at The Boeing Company.

For the first time in nine years, the medical plans available to SPEEA-represented individuals are changing in 2018. Open enrollment is your opportunity to review the changed plans and choose which plan provides the best coverage for you and your family. Most of the changes to the plans are limited to the “highly visible items” such as deductibles, co-pays, coinsurance and premiums. The underlying plan benefits and administrators are largely the same.

When reviewing the annual open enrollment information from The Boeing Company, keep the following in mind:

- **Routine changes** – This is the only time of the year you can make routine changes to your health care coverage. If you opt for a different plan, changes take effect Jan. 1, 2018. The good news is any change you make for this year is only locked in for a single year. If you’re unhappy with a change you made for 2018, you can make a change for the following year during open enrollment for 2019.
- **Deadline for correcting mistakes** – Even if you don’t change your benefits package, you will receive a confirmation letter in the mail. You have a limited amount of time to request a correction. Make sure your home address is correct in Total Access.

Compare and choose a medical plan

Advantage+ – 0% premium contribution

- Contractual improvements make this plan more attractive, and it will likely become the most popular plan. For 2018, the annual deductibles are lower and Health Savings Account (HSA) contributions by the company have been increased.
- Anyone may be covered by the Advantage+ plan. But, not everyone is eligible to establish and fund the associated Health Savings Account (HSA). Ensure you understand the rules of HSAs, online at www.healthequity.com/boeing.
- Because the Advantage+ plan uses the exact same network as the Traditional Medical Plan, and after the annual deductible is met, the plans are very similar, those eligible to make an HSA contribution will most likely enroll in the Advantage+ plan because logically, it is the *best choice for the vast majority* of individuals currently enrolled in the Traditional Medical Plan for 2018.

Traditional Medical Plan – 5% premium contribution

- Historically, more than 80% of SPEEA-represented Professional and Technical workers are in the Traditional Medical Plan (TMP). However, the plan is experiencing **the most changes for 2018**. We believe most who were covered by TMP will change to Advantage+ plan due to the lack of premiums and the tax-advantaged HSA.
- Gone are the sliding-scale deductibles and \$15 co-pays. These are replaced with a \$300 deductible and 10% medical coinsurance. After your deductible is satisfied, the more expensive your service, the more expensive your 10% share becomes.
- Additionally, employees covering themselves on the TMP are now required to pay 5% of the cost of the plan. This equals \$382 a year. Those covering themselves and a spouse or a child (or more than one child) will pay \$763 per year. Anyone covering themselves, plus a spouse and a child (or more than one child) will pay \$1,145 per year.

Continued on page 6

Frequently asked questions

What is a deductible?

The annual deductible is the amount you pay for covered services and supplies before your plan begins to pay benefits in any given calendar year. The annual deductible applies to most, but not all, services. For example, preventative care with an A or B recommendation from the United States Preventative Services Task Force (USPSTF) is not subject to the calendar-year annual deductible. On the Traditional Medical Plan, prescription drugs are not subject to the deductible but on the Advantage+ plan, non-preventative drugs are subject to the deductible.

What is coinsurance?

On the Traditional Medical Plan and the Advantage+ plan, coinsurance is the percentage you pay after you have satisfied the annual deductible. For example, the in-network coinsurance for covered medical expenses on the Traditional Medical Plan and the Advantage+ plan is 10%. For in-network services, the coinsurance is applied to the provider's negotiated-discount reimbursement amount, also known as the "allowed amount."

What is the Out-Of-Pocket maximum?

The Out-Of-Pocket maximum (OOP) is the most you or your family must pay in a calendar year for covered services. Once the annual maximum is reached, the plan will begin to pay most covered services and supplies at 100% of the allowed amount or maximum allowable cost for the rest of that calendar year. Not all items count towards the OOP max. For example, amounts above the maximum allowable cost for non-network providers do not count towards the OOP max.

How do the deductible, coinsurance and Out-Of-Pocket maximum work together?

Below is an example of a \$25,000 in-network hospitalization. This illustrates how the deductible, coinsurance and OOP maximum work together for an individual on the 2018 Traditional Medical Plan.

1) Charged	\$25,000
2) Negotiated Discount	<u>\$10,000</u>
3) Allowed Amount (#1 - #2)	\$15,000
4) Deductible	<u>\$300</u>
5) Remaining Allowable (#3 - #4)	\$14,700
6) In-Network Coinsurance (#5 x 10%)	<u>\$1,470</u>
7) Plan Paid Provider (#5 - #6)	\$13,230
8) Member Paid Provider (#4 + #6)	\$1,770

Continued on page 7

Compare and choose a medical plan Continued from page 5

- **Note:** *Instead of paying premiums, these same costs could be contributed pre-tax into your HSA, which, when combined with Boeing's HSA contribution, will more than cover your entire 2018 Advantage+ individual or family deductible.*

Select Network Plan – 12% premium contribution

- The Select Network Plan has **no network outside Washington state** and **provides no out-of-network benefits**. The only non-network claims covered are for emergency room visits.
- When comparing the Select Network medical plan to the Advantage+ plan, don't forget the annual premiums required for Select Network. For example, the annual premiums for a family (\$2,903) plus the family HSA contribution (\$2,025) is more than the entire family deductible (\$2,700) and 10% of the next \$22,000 of in-network medical expenses.
- Because of the high premiums, the lack of non-network coverage and the service area being limited to Washington state, the Select Network plan does not make sense for the vast majority of individuals.

Kaiser (formerly Group Health) – 12% premium contribution

- Kaiser is an HMO with a very limited network. Similar to Select Network, Kaiser has **no out-of-network benefits**. The only non-network claims covered by Kaiser are for emergency room visits.

Flexible Spending Account (FSA)

Once you choose a medical and dental plan for 2018, estimate the amount of out-of-pocket expenses you had in 2017 and consider enrolling in the FSA. Your entire election is generally available the first day of the year, and if you leave mid-year, you do not have to repay the amount you spent in excess of the sum of your elections.

Up to \$500 of your 2018 FSA election can roll over to 2019 (but not beyond that); this provides a small safety net for those who accidentally elect more than they need for 2018.

If you sign up for the Advantage+ plan and are eligible to make an HSA contribution, it may be beneficial to contribute the maximum to your HSA before considering putting money in the FSA. Additionally, if you are enrolled in the Advantage+ plan, the HSA and FSA work differently. Before satisfying your annual medical Advantage+ deductible, the FSA cannot be used for anything subject to the Advantage+ deductible.

Dental Plans

The SPEEA/Boeing Professional and Technical contracts provide three dental plan options for represented employees in the Puget Sound region. All three are free from premium contributions.

- **Dental Delta of Washington (DDWA) Preferred Dental** - This is recommended for the vast majority of SPEEA-represented employees. For the highest benefit, plan to use an in-network Delta Dental of Washington (DDWA) PPO dentist. Nationwide in-network coverage is available, using the National Delta Dental PPO networks. **Note:** PPO Network and Premier Network dentists are **prohibited from billing you the difference between the charged and the maximum allowable rate, known as "balance billing."**
- **DDWA Scheduled Dental Plan** - The Boeing Scheduled Dental Plan is administered by DDWA. There is still no network of providers, and covered employees can use any licensed dentist in the United States, but the reimbursable fee schedule has not changed for approximately 20 years.
- **DDWA Prepaid Dental** - The Prepaid Dental Plan is an HMO. This is a 'buyer-beware' plan, because SPEEA receives more complaints on this plan than the other two plans combined.

Mental health benefits administrator change

Beginning Jan. 1, 2018, the administration of behavioral health benefits — also referred to as mental health and substance use disorder benefits — transitions from Beacon Health Options to Blue Cross and Blue Shield of Illinois (BCBSIL) for members with BCBSIL medical coverage.

With this change, members and covered dependents access the BCBSIL provider network for in-

network care, and BCBSIL will pay claims and handle customer service inquiries. The current negotiated benefits design remains in place.

Members and covered dependents currently receiving or planning to receive behavioral health benefits should talk with their provider about whether he or she is part of the BCBSIL network, which is larger than the Beacon Health Options network. Members also can call BCBSIL for provider information at (888) 802-8776, or visit bcbsil.com/boeing.

Questions?

Send an email to benefits@speea.org if you have questions about open enrollment, medical or dental benefits.



In-network plan comparison

EE = Employee Only, ES = Employee & Spouse, EC = Employee & Child(ren), ESC = Employee, Spouse & Child(ren)

Contributions - Standard Network Option	Advantage +	Traditional Medical Plan	Select Network Plan
Premium contribution	0%	5%	12%
Annual premiums EE	\$0.00	\$381.60	\$967.80
Annual premiums ES or EC	\$0.00	\$763.20	\$1,935.60
Annual premiums ESC	\$0.00	\$1,144.80	\$2,903.40
Boeing EE HSA contribution*	\$1,013	n/a	n/a
Boeing ES, EC or ESC HSA contribution*	\$2,025	n/a	n/a
Plan Provisions - Standard Network Option	Advantage +	Traditional Medical Plan	Select Network Plan
Annual deductible	\$1,350 EE; \$2,700 ES, EC or ESC	\$300 per individual, no more than \$900 per family	n/a
Out-Of-Pocket maximum	\$2,700 EE; \$5,400 ES, EC, or ESC	\$2,000 per person, no more than \$4500 per family, medical only	\$6,850 per individual, \$13,700 per family, medical & Rx
Preventative Care (USPSTF A & B)	No cost	No cost	No cost
Primary care	10% after deductible	10% after deductible	\$20 co-pay
Specialty care	10% after deductible	10% after deductible	\$25 co-pay
Emergency room	10% after deductible	10% after deductible	\$75 co-pay
Hospital bills	10% after deductible	10% after deductible	\$250 if admitted
Tests	10% after deductible	10% after deductible	\$0
Rx Retail generic (G)	10% after deductible**	10% before ded (\$5 - \$25)	\$5
Rx Retail brand name (B)	20% after deductible	20% before ded (\$15 - \$75)	\$25
Rx Retail non-formulary brand (NFB)	30% after deductible	30% before ded (\$30 - no max)	\$40
Rx Mail order (G / B / NFB)	Same as retail	\$10 / \$40 / \$70	\$10 / \$40 / \$70
Pharmacy OOP max	Combined with medical	\$4,000 per individual, no more than \$8,000 per family, Rx only	Combined with medical

* Boeing HSA contributions are made lump sum in the first paycheck of the year

** Certain preventive drugs are not subject to annual deductible

Frequently asked questions

Continued from page 6

In this example, the member's \$300 deductible is satisfied and has also satisfied \$1,770 of his/her in-network \$2,000 OOP maximum.

How much do I pay out of my paycheck for health care?

The Advantage+ medical plan is free from premium contributions. If you enroll in the Traditional Medical Plan, employees will contribute 5% of the cost. For those employees whose coverage is with another plan, they will contribute 12% of the cost of the plan the employee chooses. The paycheck contributions are taken pre-tax from the first two paychecks of the month. For example, the 5% for the Traditional Medical Plan is \$31.80 if you are covering yourself, \$63.60 per month if you are covering yourself and a spouse or yourself and child(ren), or \$95.40 per month if you are covering your entire family.

Why are naturopaths and massage therapists now covered on the Traditional Medical Plan?

Naturopaths and licensed massage therapists will be "recognized providers" on the Traditional Medical Plan in 2018 because of the loss of grandfathered status under the Affordable Care Act.

My doctor is part of Providence-Swedish, are they now out-of-network?

It depends. The three self-funded medical plans each have the option of being selected with the standard network or the new Preferred Partnership network option. If you elect the standard network option, you will have access to the same nationwide PPO provider network as today. However, if you elect the new Preferred Partnership network option, then yes, your Providence-Swedish physician would be out-of-network.

The Advantage+ is paired with a Health Savings Account (HSA). Where can I learn more about this?

Boeing chose Health Equity as the HSA custodian. If you are enrolled in the Advantage+ plan and are eligible for an HSA contribution, Boeing's HSA contribution will be deposited lump-sum into your HSA account at Health Equity in the first paycheck in January. Visit <https://thehealthequity.com/boeing> for more information.

Preferred Partnership

A new way to cut your medical premiums

The Preferred Partnership network option is a new way in 2018 for members to potentially reduce monthly premiums they pay for any of the three self-funded medical plans.

The option is available for the Advantage+, Traditional Medical and Select Network plans. If selected, your entire network of providers is replaced with the University of Washington Accountable Care Organization (UW ACO). Find out which providers are covered in the UW ACO online at www.speeahealthpartnership.com.

The limited network is one of the only downsides with the Preferred Partnership network option. While the Advantage+ plan and Traditional Medical Plan cover non-network benefits, they are much costlier than if you stick to providers who are in-network. The Select Network has no out-of-network benefits.

Enhancements

A single enrollee in the Preferred Partnership network option receives a \$30 monthly reduction in health-care premiums. The reduction is \$60 a month for enrollees covering themselves and a spouse or child(ren). If you are covering yourself, spouse and child(ren), the monthly health-care premium is reduced by \$90. Additionally, for those enrolled in the Advantage+ plan, Boeing will increase the HSA contributions to \$1,350 for an individual or \$2,700 for the family plan (i.e. 100% of the deductible).

In addition to saving on monthly premiums, this network option should provide an enhanced health-care experience with more highly coordinated electronic health records and enhanced care coordination for complex issues or multiple diagnoses. Additionally, when the option is combined with the Traditional Medical Plan or Select Network, primary care and generic drugs are free. On the Advantage+ plan, primary care and generic drugs are free after the annual deductible is satisfied.

Limits outside of Puget Sound

The Preferred Partnership network option is best suited for people living within the UW ACO service area. People living outside the UW ACO service area, and those living inside the service area but have dependent children living outside the Puget Sound, will likely want to avoid this option because of the very limited number of service providers available outside the Puget Sound area. However, for people who currently see UW providers and/or live inside the UW ACO service area and are willing to live with the restricted provider list, the Preferred Partnership network option can reduce monthly premiums while potentially enhancing your health care experience.

Action required

Company will soon pick up tab for long-term disability benefit for Prof and Techs

SPEEA Professional and Technical Units will see a change to the long-term disability plan starting Jan. 1.

Instead of needing to “opt into” the 60% plan and paying the premium, represented employees will be automatically enrolled in the 50% base plan, and Boeing will pay the premium. While this ensures everyone in the bargaining units has long-term disability coverage, there are tradeoffs.

By law, the taxable portion of disability benefit amounts is determined by who pays the premiums. Today, when SPEEA members utilize their long-term disability coverage, the benefit is 60% of their pre-disability salary, which is paid income-tax free. After Jan. 1, the company-paid benefit is 50% of the employee’s pre-disability salary, and because the costs are paid by the company, the benefit is taxable as income.

Represented employees will have the option to buy an additional 10% coverage, which will remain income-tax free since the member will be paying the premium. Those who currently have long-term disability insurance should automatically be enrolled in the 10% additional coverage, but it is up to the employee to ensure that they are enrolled in the 10% additional plan during annual open enrollment.

Proof of insurability

Roughly one-fourth of SPEEA Prof and Tech members currently lack long-term disability insurance. Members who do not have coverage today will need to go through the evidence-of-insurability process to receive the additional 10% coverage.

Learn more at SPEEA meetings

SPEEA Council Reps at Boeing scheduled nearly 50 lunchtime meetings on the upcoming benefit changes for members to learn more and ask questions.

See the schedule at www.speea.org.

Due to the demand for open enrollment information, SPEEA is also hosting four separate after-hours presentations at the Puget Sound

halls with the option for viewing online through a webinar link.

- **SPEEA Everett** - Nov. 15 and Nov. 21 at 4 p.m. (RSVP - justinl@speea.org)
- **SPEEA Tukwila** - Nov. 15 and Nov. 21 at 5 p.m. (RSVP - sheilam@speea.org)

See the online calendar for details (including links to register for the webinars).

Changes coming to health-risk assessment process

As part of the changes to the medical benefits for the current collective bargaining agreements, SPEEA members and their covered spouses who do not complete the online health assessment will be assessed a non-compliance fee of \$20 per month per person.

Boeing encourages participation as a means for individuals to become more aware of their health-risk factors. Addressing health-risk factors early is a way to potentially lower the health-care costs for the employee and the company. In addition to raising awareness of potential illnesses, the lowered health-care costs directly affect the company’s bottom line because the majority of medical plans are self-funded.

Taking the health assessment is available through TotalAccess. Once you’ve located the health assessment link, members are redirected to a WebMD portal. Members have until the end

of open enrollment, Nov. 28, to complete the health-risk assessment.

The contract also references health screenings, but Boeing opted to waive this requirement. Members can still receive screenings from the onsite nurses, but no penalty will apply for noncompliance.

As called out in the collective bargaining agreements, the health-assessment data is collected by a third party. This data is subject to the privacy laws of the Health Insurance Portability and Accountability Act (HIPAA) at all times. Additionally, individual employee assessment results shall not be disclosed to Boeing employees.

