

2022 Annual Enrollment

August 2021

Agenda

- 2022 plan enhancements
- Contributions
- Annual enrollment



2022 Plan Enhancements



Program enhancements



Pharmacy CVS Health

- Transition all team members from our current Pharmacy Benefit Manager, Express Scripts to CVS Health
- CVS is a familiar retail channel to our team members due to Smart90
- Over 50% of 90 day scripts filled through CVS
- Multiple direct comms prior to Jan 1, 2022
- Holistic approach



Plus Plan Saving for retirement

- New plan with co-pays for office visits and the same contributions as the Standard option
- Team members eligible to earn \$500 in Health Reimbursement Account (HRA) credits and \$1,000 to a Retiree HRA



CoE SurgeryPlus

- High quality network of providers for surgery
- Supports spine, joint replacements, bariatric, outpatient orthopedic and other surgery needs
- Completely voluntary for team members



LGBTQ Benefits

- Enhancing gender reassignment benefit to include select cosmetic procedures
- \$30K lifetime benefit

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CoE SurgeryPlus

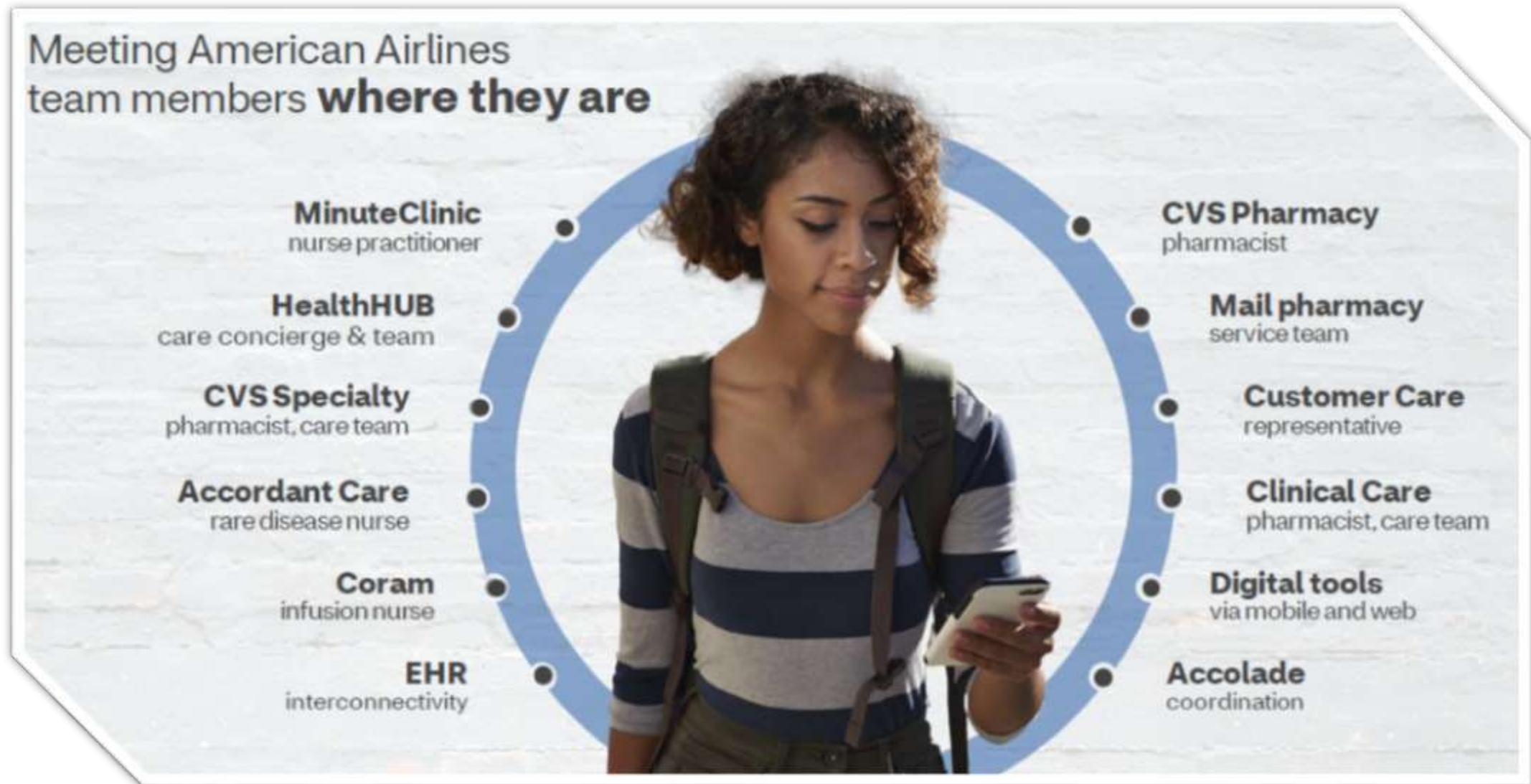
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CVS Health Ecosystem



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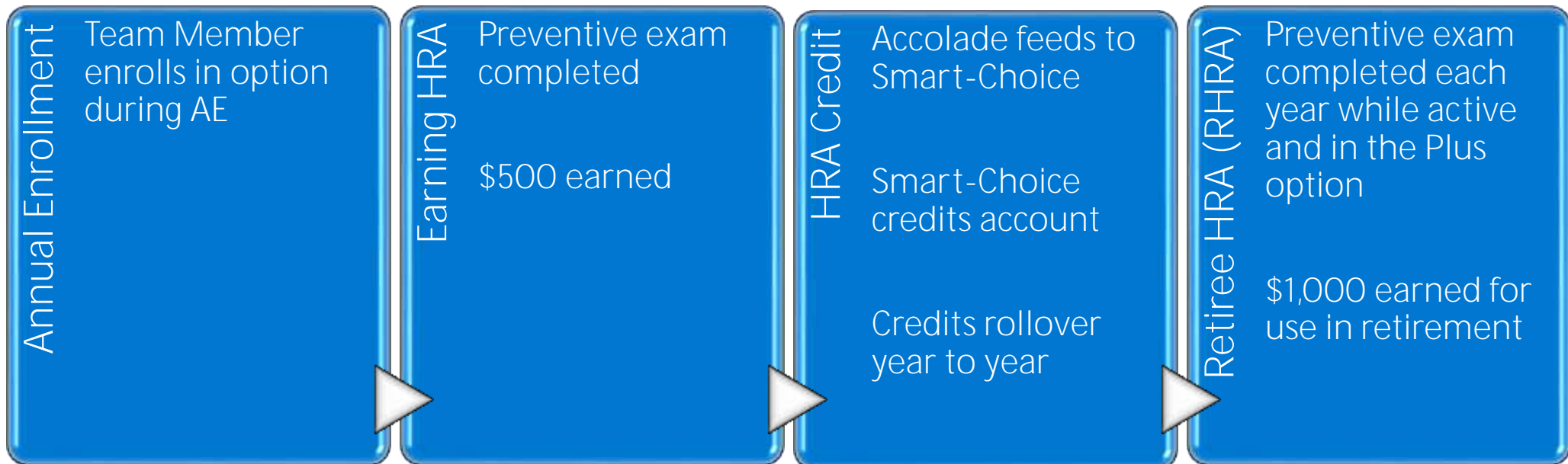


LGBTQ Benefits

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Plus plan - saving for retirement

- Company funded credits to save for healthcare
 - \$500 per year with completion of preventive exam
 - Rollover to the next year
- \$1,000 per year in the plan to use during retirement (eligibility criteria is 65 point plan)
 - Example: 10 years of service = \$10,000
- Same cost and similar plan design as Standard Plan



Plus plan design

Design Elements	Plus Plan
<u>MEDICAL</u>	
Credit to HRA for annual preventive exam	\$500 earned
Credit to Retiree HRA for annual preventive exam	\$1,000 per year of participation (65 point plan eligibility to access in retirement)
Deductible—Single	\$1,500
Deductible—Family	\$4,500
Out-of-Pocket Maximum—Single	\$4,500
Out-of-Pocket Maximum—Family	\$9,000
Coinsurance (% network rate)	20%
Preventive Care Visits	100% covered
Physicians Office Visit	\$25 copay
Specialist Office Visit	\$45 copay
Emergency Care	\$200 copay + Coins
<u>PHARMACY</u>	
Tier 1 Retail	20% w \$10 min and \$40 max
Tier 2 Retail	30% w \$30 min and \$100 max
Tier 3 Retail	50% w \$45 min and \$150 max
<u>EE CONTRIBUTIONS (Monthly)</u>	
EE Only	\$129.89
EE + Spouse	\$337.73
EE + Child	\$233.81
EE + Family	\$454.64

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Center of Excellence (CoE) – SurgeryPlus

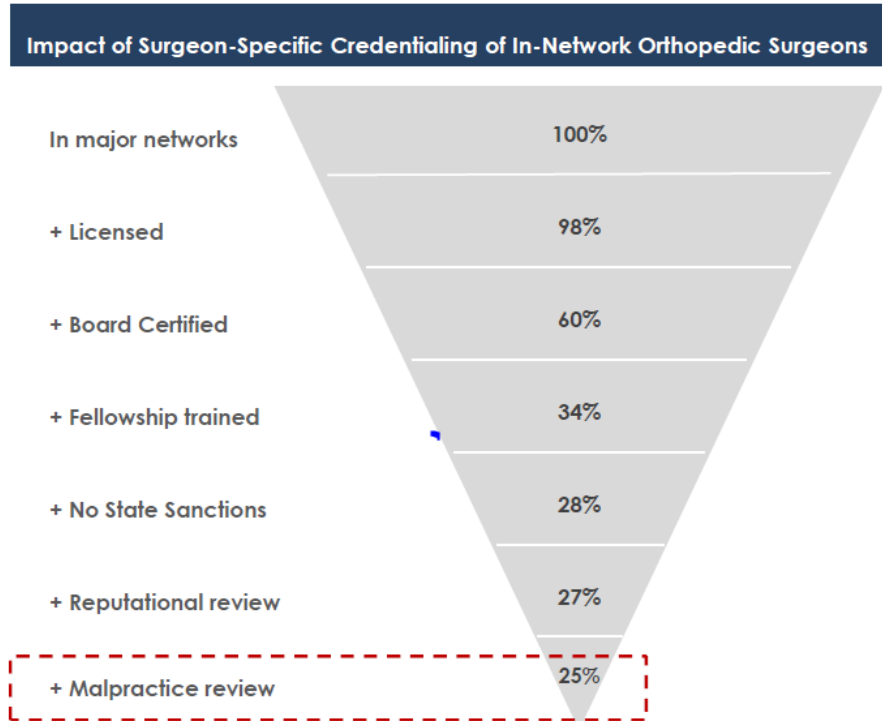
Member Experience



- Personalized 1:1 through the surgical journey
- Local or regional access to providers (< 2 hour drive)
- Integration with Accolade
- Dedicated customer service
- One single bill for all associated surgical charges for team member
- Incentives to members who have surgery through SurgeryPlus

Quality of Care

- < 1% complication rate, lower than industry standard of 9%



2022 Contributions



2022 Medical Plan Summary

Plan Provisions	HCC	Standard	Core	DFWCC	Plus	PPO90	PPO80
2021 Enrollment	12,798	45,804	14,160	2,457	N/A	3,674	6,314
2022 Contributions							
EE Only	\$292.76	\$129.89	\$80.82	\$91.72	\$129.89	\$137.71	\$45.04
EE + SP/DP	\$828.53	\$337.73	\$210.15	\$238.50	\$337.73	\$275.38	\$90.08
EE + Child(ren)	\$526.96	\$233.81	\$145.49	\$165.11	\$233.81	\$267.95	\$87.70
Family	\$1,115.55	\$454.64	\$282.90	\$321.06	\$454.64	\$466.09	\$152.29
EE Cost Share	25%	21%	15%	16%	21%	14%	7%
Deductibles Per Person / Family (In-Network)	\$400 / \$1,200	\$850 / \$2,550	\$1,500 / \$3,000	N/A	\$1,500 / \$4,500	\$225 / \$450	\$450 / \$900
HRA					\$500		
Annual Out of Pocket Maximum Per Person / Family (In-Network)	\$2,000 / \$5,000	\$2,000 / \$5,000	\$4,000 / \$8,000	\$3,500 / \$7,000	\$4,500 / \$9,000	\$1,500 / \$3,000	\$3,000 / \$6,000
2022 YOY Change	19.0%	13.1%	13.1%	-5.5%	N/A	8.8%	16.3%

Rate calculation

	HCC	Standard	Core	DFWCC
2021 EE Only Contribution	\$246.00	\$114.85	\$71.46	\$97.01
2021 Forecast	\$34.35	\$12.56	\$7.81	(\$7.39)
2022 Admin Fee Change	(\$0.86)	(\$0.64)	(\$0.45)	\$0.16
2022 Projected Trend	\$23.13	\$6.63	\$4.13	\$4.66
2022 PBM Contract Change	(\$9.86)	(\$3.51)	(\$2.13)	(\$2.72)
Actuary Proposed 2022 Contribution	\$292.76	\$129.89	\$80.82	\$91.72
Overall Increase from 2021 Contribution	19.0%	13.1%	13.1%	-5.5%

Rate calculation – PPO options

	PPO80	PPO90
2021 EE Only Contribution	\$38.72	\$126.55
2021 Forecast	\$4.24	\$4.72
2022 Admin Fee Change	(\$0.15)	(\$0.34)
2022 Projected Trend	\$2.95	\$9.16
2022 PBM Contract Change	(\$0.72)	(\$2.38)
Actuary Proposed 2022 Contribution	\$45.04	\$137.71
Overall Increase from 2021 Contribution	16.3%	8.8%

YOY Monthly Medical Contributions

Plan	2021	2022	% Change
Core			
EE Only	\$71.46	\$80.82	13.1%
EE + Spouse	\$185.81	\$210.15	13.1%
EE + Child(ren)	\$128.64	\$145.49	13.1%
EE + Family	\$250.13	\$282.90	13.1%
Standard			
EE Only	\$114.85	\$129.89	13.1%
EE + Spouse	\$298.61	\$337.73	13.1%
EE + Child(ren)	\$206.73	\$233.81	13.1%
EE + Family	\$401.98	\$454.64	13.1%
HCC			
EE Only	\$246.00	\$292.76	19.0%
EE + Spouse	\$696.20	\$828.53	19.0%
EE + Child(ren)	\$442.80	\$526.96	19.0%
EE + Family	\$937.38	\$1,115.55	19.0%

Plan	2021	2022	% Change
PPO80			
EE Only	\$38.72	\$45.04	16.3%
EE + Spouse	\$77.44	\$90.08	16.3%
EE + Child(ren)	\$75.39	\$87.70	16.3%
EE + Family	\$130.92	\$152.29	16.3%
PPO90			
EE Only	\$126.55	\$137.71	8.8%
EE + Spouse	\$253.06	\$275.38	8.8%
EE + Child(ren)	\$246.24	\$267.95	8.8%
EE + Family	\$428.32	\$466.09	8.8%
DFWCC			
EE Only	\$97.01	\$91.72	-5.5%
EE + Spouse	\$252.25	\$238.50	-5.5%
EE + Child(ren)	\$174.63	\$165.11	-5.5%
EE + Family	\$339.57	\$321.06	-5.5%

YOY Monthly Dental Contributions

Plan	2021	2022	% Change
Plus			
EE Only	\$8.41	\$8.38	-0.4%
EE + Spouse	\$17.41	\$17.35	-0.3%
EE + Child(ren)	\$18.85	\$18.78	-.04%
EE + Family	\$29.78	\$29.68	-0.3%
Basic			
EE Only	\$6.05	\$6.03	-0.3%
EE + Spouse	\$12.53	\$12.49	-0.3%
EE + Child(ren)	\$13.57	\$13.52	-0.4%
EE + Family	\$21.44	\$21.36	-0.4%

2022 Retiree Contributions

- The American Retiree (Post 11/1/12 Full Cost) Plan contributions will have a 41.2% increase in 2021
- Medicare Advantage (Post 65 LAA retirees) rates will stay the same

Plan	2020	2021	2022
Pre-65 Access Only – Retiree Standard	\$1232	\$1293	\$1826
Medicare Advantage (Standard/Plus)	N/A	\$0 / \$70	\$0 / \$70

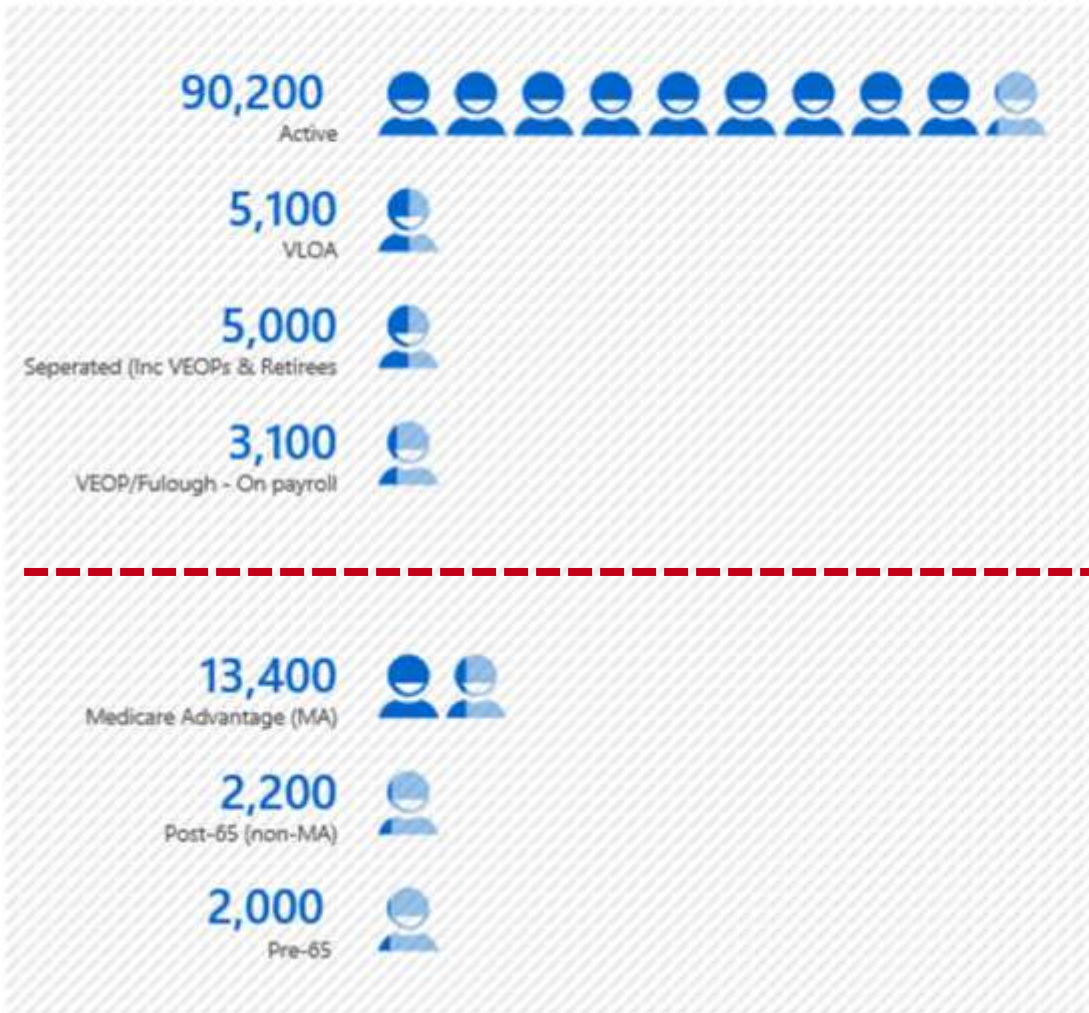
- ViaBenefits
 - 87: enrolled in pre-65 plan options
 - 1,268: enrolled in medicare/post-65 plan options
 - 81: enrolled in Marketplace plan options
 - May be receiving and/or be eligible for advance premium tax credits
- Average costs
 - Pre-65: \$500 - \$1000 per person/month
 - Medicare supplemental plans: \$40 - \$210 per person/month

Annual Enrollment



Eligible Participants and Benefits

Annual Enrollment Participants



Active Benefits (103,400 AE Eligible)

Health Benefits

Medical & RX
5 plans
(+2 IAM Only)

Dental
2 plans

Vision
1 plan

Other Benefits

Life

AD&D

Disability

Added Benefits

Legal

Auto

Homeowners

Pet Ins

And more....

Retiree Benefits (17,600 AE Eligible)

Pre 65

Medical & RX
4 plans

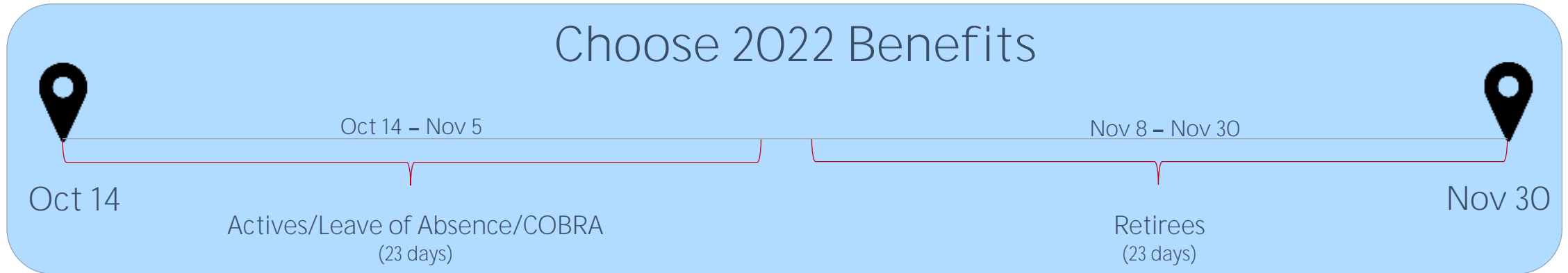
Life Insurance

Post 65

Medical & RX
3 plans

Life Insurance

Annual Enrollment – Timeline & Support



Benefits Service Center Hours of operation

Actives, LOA, COBRA

Monday – Friday
8:00am to 8:00pm CT

Saturday
9:00am to 5:00pm CT



Retirees

Monday – Friday
8:00am to 5:00pm CT

Annual enrollment (Active, LOA, COBRA)

Digital Content

Dedicated AE space on my.aa.com

Organized by workgroup

- Health
- Spending/savings accounts
- Income protection
- Added benefits



Supporting Content

Announcement postcards with links and QR codes

Posters and digital signage

Virtual information sessions





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