

# HEALTH AND INSURANCE, RETIREMENT AND SAVINGS BENEFIT PROPOSAL SUMMARY

## The Boeing Company Employees Represented By SPEEA

November 14, 2008

The Company proposes the following benefit changes, effective July 1, 2009, unless otherwise noted.

### INSURANCE BENEFITS

The Company will continue to pay the full cost of the Basic Life Insurance Plan, AD&D Plan, and Short-Term Disability Plan.

### DENTAL BENEFITS

The Company will continue the current dental plan options:

Active Employee Dental Plans	
All Locations	<ul style="list-style-type: none"><li>– Preferred Dental Plan</li><li>– Scheduled Dental Plan</li><li>– Prepaid Dental Plan<ul style="list-style-type: none"><li>○ DeltaCare (formerly Delta Dental)</li></ul></li></ul>

#### ***Preferred Dental Plan***

The Preferred Dental Plan will be revised as follows:

2 additional cleanings will be allowed per benefit year if periodontal disease is present.

Examinations by a specialist will be covered (if the specialty is recognized by the American Dental Association and if the patient is not receiving treatment from the specialist), up to 3 times in a 6-month period (instead of the current twice in each 1-year period).

## ACTIVE EMPLOYEE MEDICAL PLAN OFFERINGS

The Company will revise the medical plan options as follows; the PPO+*Account* will be a new plan option in all locations, the Kaiser Permanente coordinated care plan in Oregon will change to Kaiser Permanente HMO, and the SelectHealth HMO will be a new plan option in Utah.

	<b>Current Active Employee Medical Plans</b>	<b>New Active Employee Medical Plans</b>
<b>Washington</b>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– Select Network EPO</li> <li>– Group Health HMO</li> </ul>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– Select Network EPO</li> <li>– Group Health HMO</li> <li>– PPO+<i>Account</i> with a Health Savings Account</li> </ul>
<b>Oregon</b>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– Kaiser Permanente coordinated care plan</li> <li>– Selections Plus coordinated care plan</li> </ul>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– Kaiser Permanente HMO</li> <li>– Selections Plus coordinated care plan</li> <li>– PPO+<i>Account</i> with a Health Savings Account</li> </ul>
<b>Utah</b>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> </ul>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– SelectHealth HMO</li> <li>– PPO+<i>Account</i> with a Health Savings Account</li> </ul>
<b>Other Locations</b>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– Kaiser Permanente HMO (CA)</li> </ul>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– Kaiser Permanente HMO (CA)</li> <li>– PPO+<i>Account</i> with a Health Savings Account</li> </ul>

## ACTIVE EMPLOYEE MEDICAL PLAN BENEFITS

The Company will revise medical plan benefits as described below.

### ***Traditional Medical Plan***

#### **Annual Deductible**

The annual deductible (network and nonnetwork combined) will increase from the greater of \$200 or 0.2% of base annual salary per individual (\$600 or 0.6% of base annual salary per family of 3 or more) to the greater of \$225 or 0.225% of base annual salary per individual (\$675 or 0.675% of base annual salary per family of 3 or more).

#### **Lifetime Maximum Benefit**

The lifetime maximum benefit will increase from \$1.5 million to \$2 million per individual.

#### **Mental Health Treatment**

Network coinsurance for outpatient services will increase from 80% to 100%.

Nonnetwork coinsurance for inpatient services will increase from 50% to 60%. The nonnetwork 20-day annual limit on inpatient services will be eliminated.

Nonnetwork coinsurance for outpatient services will increase from 50% to 60%. The nonnetwork 20-visit annual limit on outpatient services will be eliminated.

## **Hearing Aids**

The hearing aid benefit will increase from \$600 to \$800 per ear.

## **Neurodevelopmental Therapy**

The neurodevelopmental therapy benefit maximum will increase from \$1,000 to \$1,500 each benefit year.

## **Prescription Drug Program**

Retail pharmacy drug purchases will be covered as follows:

The deductible no longer will apply to retail prescription drug purchases.

- At a participating pharmacy, the employee will be required to pay only his or her portion of the prescription cost at the time of purchase.

90% generic (\$5 minimum; \$25 maximum). [Currently 90% after the deductible]

80% brand-name formulary (\$15 minimum; \$75 maximum). [Currently 80% after the deductible]

70% brand-name nonformulary (\$30 minimum; no maximum). [Currently 70% after the deductible]

34-day supply. [No change from current]

## **Preventive Care and Routine Physicals**

For network preventive care services and supplies, benefits will be paid as follows:

- Routine physical examinations for employees, spouses, and children age 2 and older:
  - o 100% (annual deductible does not apply) up to \$500 each year per covered person, including related office visits, X-ray, and laboratory charges as well as childhood and adult immunizations and vaccines, excluding travel vaccines, as recommended by the U.S. Preventive Services Task Force (USPSTF) guidelines, including the applicable catch-up immunizations for children ages 2 to 18 years as recommended by the USPSTF.
  - o Limited to 1 examination per child every benefit year age 2 through 18.
  - o Limited to 1 examination per person every 3 benefit years for age 19 through age 34, then 1 examination per person every benefit year.
- Routine physical examinations for children to age 2:
  - o 100% (annual deductible does not apply).
  - o Limited to 8 examinations from birth to age 2.
  - o Includes immunizations and vaccines, excluding travel vaccines, as recommended by the U.S. Preventive Services Task Force (USPSTF) guidelines and the physician, including the catch-up immunization schedule for children age 4 months to 2 years as recommended by the USPSTF guidelines.
- Routine Pap tests, mammograms, prostate screenings, and colorectal screenings (including colonoscopies) covered at 100% (annual deductible does not apply) as recommended by the physician.

## **Substance Abuse Treatment**

Nonnetwork coinsurance for substance abuse treatment will increase from 50% to 60%.

## **Routine Vision Care**

- The frame allowance will increase from \$70 to \$90.
- The contact lens allowance will increase from \$105 to \$120.

### **Wigs (new benefit)**

Wigs (and hair prostheses) will be covered at 80% coinsurance, after the annual deductible, up to \$500 per year for hair loss resulting from chemotherapy or radiation therapy.

### ***New PPO+Account Option***

Effective January 1, 2010, the PPO+*Account* with a health savings account will be introduced. The PPO+*Account* meets Federal guidelines for a high-deductible health plan, which means it qualifies for a health savings account feature. Plan provisions are highlighted in Attachment A.

### ***EPO, CCP, and HMO Plans***

#### **All EPO, CCP, and HMO Plans**

The lifetime maximum benefit will increase from \$1.5 million to \$2 million per individual.

#### **Select Network EPO**

The \$2,000 ambulance annual maximum will be eliminated.

The 130-visit annual limit for home health care will be eliminated.

For mental health treatment, the inpatient 30-day and outpatient 30-visit annual limits will be eliminated.

Routine vision care allowances will increase as follows:

- From \$70 to \$90 for frames.
- From \$105 to \$120 for contact lenses.

For substance abuse treatment, detoxification and outpatient rehabilitation will be covered at a lifetime maximum of 2 courses of treatment, up to \$7,500 per course of treatment (currently covered at 2 courses of treatment or \$10,000 (if greater) lifetime maximum).

Therapies will be revised as follows:

- The neurodevelopmental therapy benefit maximum will increase from \$1,000 to \$1,500 each benefit year.
- The \$1,000 outpatient maximum per year and \$30,000 inpatient maximum per condition no longer will apply to occupational, physical, and speech therapies.

For transplants, the \$200,000 lifetime maximum and \$25,000 donor procurement limit will be eliminated.

#### **Selections Plus CCP**

Mental health treatment will be revised as follows:

- For inpatient treatment, the network and nonnetwork 30-day annual limits will be eliminated; nonnetwork inpatient coinsurance will increase from 50% to 60%.
- For outpatient treatment, the network and nonnetwork 30-visit annual limits will be eliminated; nonnetwork outpatient coinsurance will increase from 50% to 60%.

Substance abuse treatment will be revised as follows:

- Nonnetwork inpatient and outpatient coinsurance will increase from 50% to 60%.
- Inpatient and outpatient combined maximum will be 2 courses of treatment per lifetime, \$7,500 per course of treatment, network and nonnetwork combined (currently 2 courses of treatment or \$10,000 (if greater) per lifetime for network, with a \$5,000 maximum per course of treatment for nonnetwork).

Routine vision care allowances will increase as follows:

- From \$70 to \$90 for frames.
- From \$105 to \$120 for contact lenses.

## **Kaiser Permanente HMO (California)**

The emergency room copayment will increase from \$25 to \$50.

### ***Pharmacy Management***

#### **Generic Incentive Program**

To encourage the use of generic drugs, if a brand-name drug is purchased when a chemically equivalent generic is available (for both retail pharmacy and mail service)—whether the individual or physician requests the brand-name drug—the individual will pay the generic coinsurance/copayment plus the cost difference between the brand-name drug and generic drug. The service representative will provide a review process for individual cases where a generic alternative is not clinically appropriate for a patient.

#### **Specialty Care Pharmacy**

Specialty medications are typically injectable medications administered by the individual or a health care professional, and they often require special handling. Newly prescribed medications may be purchased at any participating retail pharmacy up to 2 times. After that, the plan will cover these prescriptions only if they are purchased through the service representative's specialty care pharmacy. The specialty care pharmacy program will not apply to medications ordered and billed through a physician's office.

### ***Benefit Year Change***

Effective January 1, 2010, the benefit year will change from July 1 through June 30 to a calendar year, January 1 through December 31.

For the 6-month plan year from July 1, 2009 through December 31, 2009, highlights of the transition plan will include:

- The medical plan out-of-pocket maximum will be half the annual maximum.

- For the medical and dental plans, the deductible will be half the annual deductible amount.

## MEDICAL PLAN CONTRIBUTIONS

A no-contribution medical plan option will be offered in each area for the duration of the agreement as follows:

Washington—Traditional Medical Plan.

Oregon—Kaiser Permanente HMO.

California—Kaiser Permanente HMO.

Utah—SelectHealth HMO

All other locations—Traditional Medical Plan.

In addition, the PPO+*Account* will be offered as a no-contribution plan in all areas as of January 1, 2010.

Medical plans not specified above will continue to require an employee contribution of 12%.

Estimated contribution amounts for employee-only coverage for the transition period July 1, 2009 through December 31, 2009 follow. Contributions for employee plus spouse or child(ren) are 2 times the employee-only contribution and for employee plus family are 3 times the employee-only contribution.

<b>Estimated Active Employee Contributions Beginning July 1, 2009</b>			
<b>Washington</b>			
	<b>Traditional Medical Plan</b>	<b>Select Network EPO</b>	<b>Group Health HMO</b>
Contribution Percentage	0%	12%	12%
Employee Only	\$0	\$49	\$51
<b>Oregon</b>			
	<b>Kaiser HMO</b>	<b>Traditional Medical Plan</b>	<b>Selections Plus CCP</b>
Contribution Percentage	0%	12%	12%
Employee Only	\$0	\$50	\$52
<b>California</b>			
	<b>Kaiser HMO</b>	<b>Traditional Medical Plan</b>	
Contribution Percentage	0%	12%	
Employee Only	\$0	\$59	
<b>Utah</b>			
	<b>SelectHealth HMO</b>	<b>Traditional Medical Plan</b>	
Contribution Percentage	0%	12%	
Employee Only	\$0	\$50	
<b>All Other Locations</b>			
	<b>Traditional Medical Plan</b>		
Contribution Percentage	0%		
Employee Only	\$0		

Estimated contribution amounts for employee-only coverage for the plan year beginning January 1, 2010 through December 31, 2010 are in the table below. Contributions for employee plus spouse or child(ren) are 2 times the employee-only contribution and for employee plus family are 3 times the employee-only contribution.

<b>Estimated Active Employee Contributions Beginning January 1, 2010</b>				
<b>Washington</b>				
	<b>Traditional Medical Plan</b>	<b>PPO+ Account</b>	<b>Select Network EPO</b>	<b>Group Health HMO</b>
Contribution Percentage	0%	0%	12%	12%
Employee Only	\$0	\$0	\$51	\$54
<b>Oregon</b>				
	<b>Kaiser HMO</b>	<b>PPO+ Account</b>	<b>Traditional Medical Plan</b>	<b>Selections Plus CCP</b>
Contribution Percentage	0%	0%	12%	12%
Employee Only	\$0	\$0	\$53	\$55
<b>California</b>				
	<b>Kaiser HMO</b>	<b>PPO+ Account</b>	<b>Traditional Medical Plan</b>	
Contribution Percentage	0%	0%	12%	
Employee Only	\$0	\$0	\$61	
<b>Utah</b>				
	<b>SelectHealth HMO</b>	<b>PPO+ Account</b>	<b>Traditional Medical Plan</b>	
Contribution Percentage	0%	0%	12%	
Employee Only	\$0	\$0	\$52	
<b>All Other Locations</b>				
	<b>Traditional Medical Plan</b>		<b>PPO+ Account</b>	
Contribution Percentage	0%		0%	
Employee Only	\$0		\$0	

The additional \$100 monthly working spouse contribution will continue to apply to all plans.

## RETIREE MEDICAL PLAN ELIGIBILITY

The Company will revise the provisions as described below.

### *Dependent Eligibility*

The definition of covered dependents will be expanded to include eligible same-gender domestic partners and their eligible children.

## RETIREE MEDICAL PLAN OFFERINGS FOR EMPLOYEES WHO RETIRE DURING THE TERM OF THIS AGREEMENT

Retiree medical plan options will be revised as follows; the Kaiser Permanente coordinated care plan in Oregon will change to Kaiser Permanente HMO and the SelectHealth HMO will be a new plan option in Utah.

	<b>Current Retiree Medical Plans</b>	<b>Retiree Medical Plans as of January 1, 2010</b>
<b>Washington</b>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– Select Network EPO</li> <li>– Group Health HMO</li> <li>– TRICARE Supplement Plan</li> </ul>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– Select Network EPO</li> <li>– Group Health HMO</li> <li>– TRICARE Supplement Plan</li> </ul>
<b>Oregon</b>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– Kaiser Permanente coordinated care plan</li> <li>– Selections Plus coordinated care plan</li> <li>– TRICARE Supplement Plan</li> </ul>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– Kaiser Permanente HMO</li> <li>– Selections Plus coordinated care plan</li> <li>– TRICARE Supplement Plan</li> </ul>
<b>All Other Locations</b>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– Kaiser Permanente HMO (CA)</li> <li>– TRICARE Supplement Plan</li> </ul>	<ul style="list-style-type: none"> <li>– Traditional Medical Plan</li> <li>– Kaiser Permanente HMO (CA)</li> <li>– SelectHealth HMO (UT)</li> <li>– TRICARE Supplement Plan</li> </ul>

## **RETIREE MEDICAL BENEFIT CHANGES FOR EMPLOYEES WHO RETIRE DURING THE TERM OF THIS AGREEMENT**

### ***Traditional Medical Plan***

The same changes that apply to the Traditional Medical Plan for active employees also apply to retirees, with the exception of the following:

The annual deductible (network and nonnetwork combined) will increase from \$200 per individual (\$600 per family of 3 or more) to \$225 per individual (\$675 per family of 3 or more).

### ***EPO, CCP, and HMO Plans***

The same changes that apply to the EPO, CCP, and HMO plans for active employees also apply to retirees.

## **RETIREE MEDICAL PLAN CONTRIBUTIONS FOR EMPLOYEES WHO RETIRE DURING THE TERM OF THIS AGREEMENT**

The Company will continue the current provisions.

## **SAVINGS AND RETIREMENT**

### ***Voluntary Investment Plan***

Effective January 1, 2009, employees may contribute from 1% to 25% of base pay on a pre-tax, after-tax, or combination of pre-tax and after-tax basis, in 1% increments.

### ***The Boeing Company Employee Retirement Plan***

For retirements from the active payroll with a benefit commencement date on or after:

January 1, 2009, the retirement accrued benefit will increase from \$70 to \$81 for each year of benefit service.

January 1, 2012, the retirement accrued benefit will increase from \$81 to \$83 for each year of benefit service.