

## Focus on Employee Health Care

### The health care challenge

Last year, Boeing spent an average of \$9,624 per SPEEA-represented employee for health care and that expense is rising. It's expected to go up nearly 7 percent this year alone. Even with the rising cost of health care, the company remains committed to providing employees with outstanding health care plans. But, rising costs are making it increasingly difficult for Boeing to remain competitive with companies that don't offer such outstanding benefits.

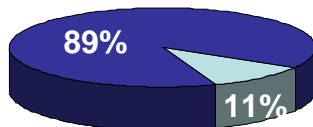
### What you get

Employees typically have several health care plans to choose from, including at least one with no monthly employee contribution. Our health care plans provide employees and dependents with comprehensive medical, dental, and vision care benefits, at much lower costs to employees than for those at most other large companies.

Employees also receive wellness and preventative care benefits such as free flu shots, free health screenings & health assessments, and healthy-lifestyle programs.

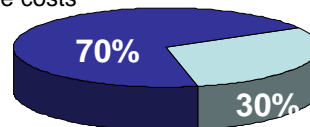
### Health Care Costs Boeing vs. peer employers

Boeing pays 89% of health care costs for SPEEA-represented employees



Boeing's SPEEA-represented employees' pay 11% of their health care costs

Peer employers pay an average of only 70% of their employee health care costs



Employees' at other companies pay 30% of their health care costs

*Based on market estimate of peer employers*

### What you pay

Employees pay a share of their health care bill in the form of deductibles, co-pays and, in some cases, a payroll contribution.

Employees don't pay monthly contributions for the health care plan that has the lowest cost to Boeing. This year, in accordance with the terms of the SPEEA contract, Boeing changed the "no-contribution" plan in Puget Sound from the Select Network EPO to Traditional Medical Plan. Some 7,700 SPEEA members made the switch and now over 14,000 (66%) SPEEA members pay no monthly contribution for their health care coverage.

### What we're discussing

Boeing intends to designate the "no contribution" plan for each location for the life of this contract.

Data shows that nearly 40% of Boeing's health care costs are related to conditions that are frequently linked to preventable health risks so the company has responded by discussing potential improvements to wellness, preventative care, and prescription drug programs.

Boeing is committed to absorbing most of the cost increases for health care including those from any added or enhanced services while asking employees to only moderately increase their share of the overall cost. Even then, Boeing employees will pay significantly less than what employees pay at most large U.S. companies.