

2017 Health & Wellness

TWU Benefits Conference

September 2016

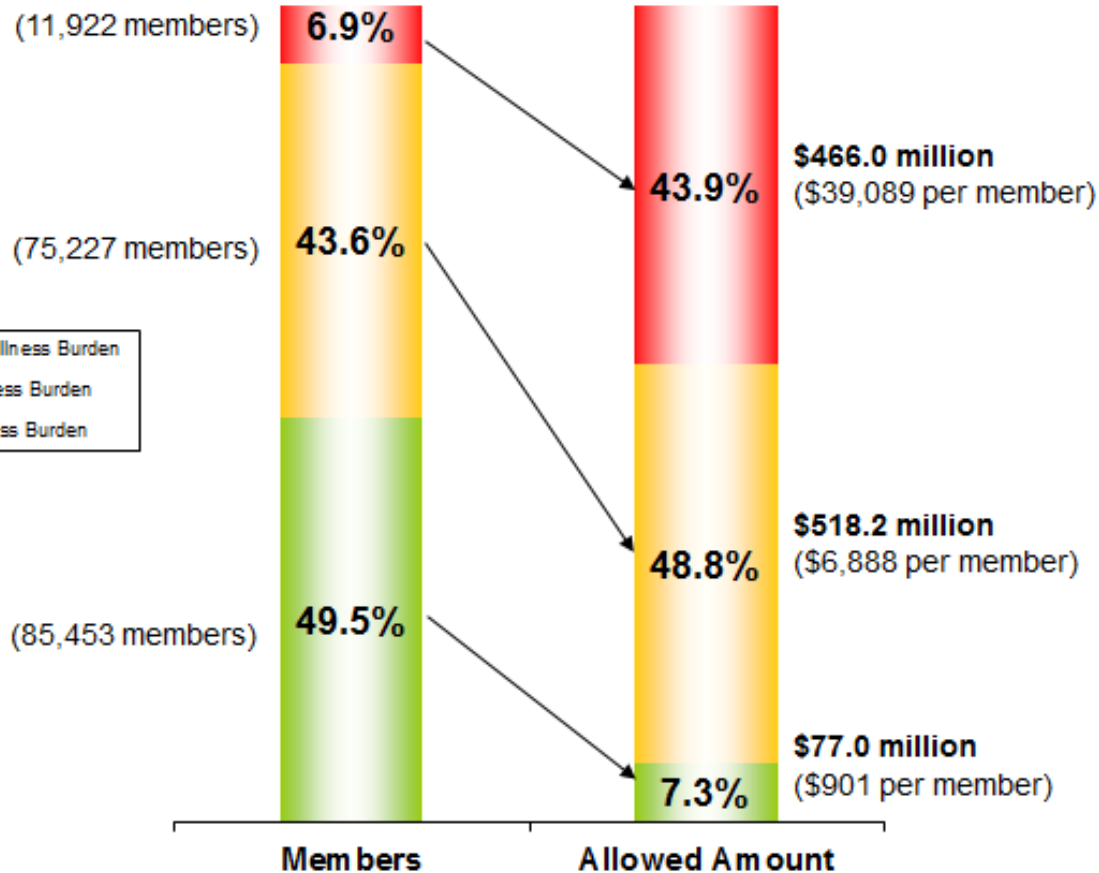


Agenda

1. Wellness and Health Care Initiatives
2. 2017 Health Plan Changes/Premiums
3. Aon Hewitt Customer Service Statistics
4. 2017 Annual Enrollment

Wellness and Health Care Initiatives

Health Management Strategy



Strategy focus

Intense physician /
nurse relationship
Medical home

Target programs to
disease condition
Medication adherence
Reduce treatment cost
barriers
Access to appropriate
care

Wellness / Prevention
Attention / Relevance
Lifestyle change

WebMD

Promotes importance of preventive health care services and wellness rewards program

Reward Redemption Detail	User Count
Complete the WebMD Health Assessment and Earn \$50	21,415
Get Engaged with Your Health and Earn \$75	9,103
Get Involved and Be Rewarded \$25	4,648
Get Up-to-Date with Preventive Care in 2016 to Earn \$100	11,796
Total	22,730

Coaching

Protocol Type	Qualified Enrollees	Engaged Enrollees
Low	6,496	2,077
Moderate	2,298	761
High	12,797	3,786
Tobacco Cessation	1,286	191
Weight Management	9,951	1,250
TOTAL	32,828	8,065

Biometrics

Modality	Participants Enrolled	Results Uploaded
Lab	3,692	2,291
On-Site	9,186	8,438
Physician	1,157	590
Pharmacy	142	91
TOTAL	14,177	11,410

Summer Games Activity Challenge

Over 4,600 U.S.-based mainline employees, as well as covered spouses and domestic partners, participated in a six- week challenge encouraging daily activity

- Over 2800 people logged at least 30 minutes of activity for four days during a week of the challenge
- Almost 1,000 people met the weekly goal of logging four days of activity weekly, for a total of 6 weeks Entered into a weekly drawing for one of five Fitbit Blazes
- 30 people won Fitbit Blazes for meeting the weekly goal
- 2 people won \$2,000 AA vacation vouchers for meeting the six week goal



Health Condition Management Programs

Implemented new Health Condition management programs that deliver an enhanced experience, customized to employees' needs

- On average 22-27% of eligible TWU employees are engaged in disease management programs

Taking an understanding of the member's situation and history...

And connect them to the Advocate suited to support them.

CREATING A RELATIONSHIP BETWEEN MEMBERS AND ADVOCATES

EMPLOYEE NEEDS

Significant Health Issues

(Chronic, complex, multiple, etc.)

The household characteristics could include:

- Complex or recurring conditions
- Multiple medical issues
- Long-term care
- Multiple doctors
- Regular user of health care

Moderate to High Illness Burden

(Emerging chronic condition, recent frequent user, etc.)

The household characteristics could include:

- Frequent user of health care over the short term
- Chronic health issues
- High-cost system use
- Life-style-driven health conditions

EXPERTISE

Nurse/Clinical Advocate

- Clinical license (LPN or RN)
- Experienced at providing:
 - health education
 - decision support
 - other clinical education
 - pharmacy

Health Coordinator/ Health Advocate

- Claims and wellness expert
- Experienced at:
 - follow-up care adherence
 - detailed benefits/claims support
 - preventive care education
 - maintenance Rx adherence

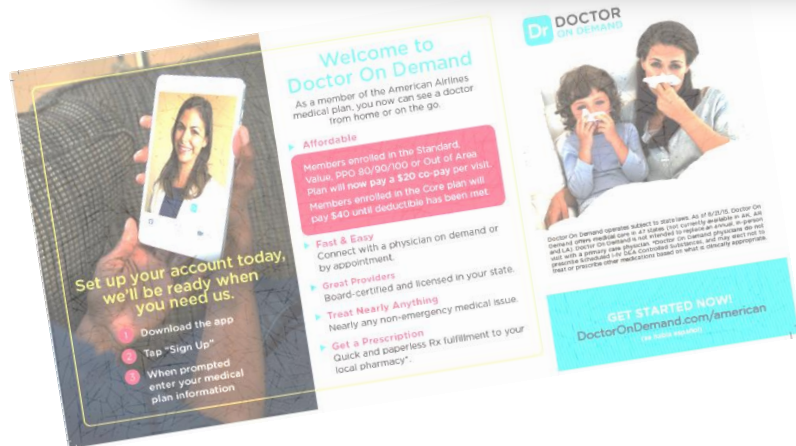
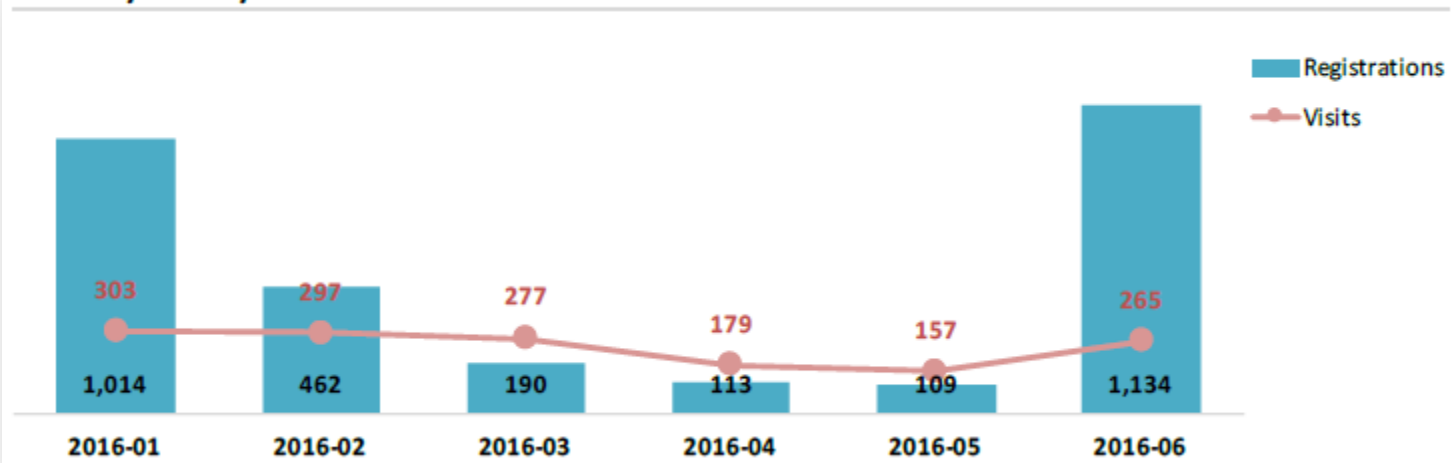
RESULTS

- Nearly 10,000 members identified – this number will continue to grow through the rest of the year
- Engagement rate YTD is 4 percentage points above carriers' Book of Business and well above American's levels in 2015
- Negotiated a trend guarantee to help keep healthcare costs below national average

Doctor on Demand

24/7/365 video consultations with physicians for non-emergency health care needs

Monthly Activity



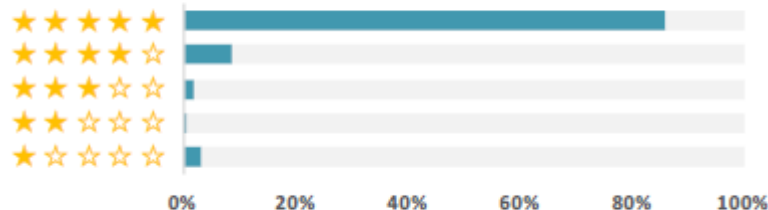
Historical Service Attributes

1,378 Visit Ratings (1-5 Stars):

Average:

4.7

Stars:



Average Connection Time (On Demand Visits Only):

2.6 Minutes

Average Call Duration (Medical Visits Only):

7.4 Minutes

Advance Medical – Expert Medical Opinion

To provide Expert Medical Opinion (2nd Medical Opinion) service for employees and dependents who have been diagnosed with a condition or advised to have surgery and would like to seek a second physician's opinion

- Advance Medical's highlights:
 - Member's access to doctors that are nationally established as being well versed in current, effective and approved treatment protocols
 - Provides consultations to employee and treating physician after thorough review of records
 - Unbiased 3rd party review not associated with medical plan (BCBS/UHC)
 - Over 60% of the time, Advance Medical recommends an alternative treatment plan that may be less invasive or avoids unnecessary treatments/tests
 - 90% of members use Advance Medical's alternative treatment recommendations
 - Value add and piece of mind to the employee regarding treatment plan
 - Avoids additional appointments and office visits when seeking second opinion
- Employees can contact Advance Medical directly, as well as being referred by UHC and BCBSTX clinicians when appropriate
- Expert Medical Opinion service is at no cost to the employee, and participation is voluntary

2017 Health Plan Changes/Rates

Medical Plan Design Changes – Deductibles, HSA, & HMO

- Increase annual deductible amounts for the **Standard** and **Value** options per JCBA:

Plan	2015-16	2017
Value Plan Deductible	\$350 / \$1,050 (Individual / Family)	\$400 / \$1,200 (Individual / Family)
Standard Plan Deductible	\$800 / \$2,400 (Individual / Family)	\$850 / \$2,550 (Individual / Family)

- Increase Health Savings Account (**HSA**) contribution by \$50 for employee-only coverage (IRS-established limits for 2017)

Coverage Tier	2016 HSA Limits	2017 HSA Limits
Single	\$3,350	\$3,400
Family	\$6,750	\$6,750 (no change)

- Very few changes to the **HMO** plan designs
 - HMSA (HI): chiropractic care added
 - CCOK (OK): Prescription co-pay increase of \$5 - \$10 Rx dependent on tier
- Up to \$500 of un-used 2016 HCFSA funds will automatically rollover in 2017

2017 Medical Premiums Setting

Employee premiums are set by actuarially projecting future healthcare cost:

- Premiums for the **Value** plan are projected to increase 10%, based on continued high utilization
- Premiums for the **Standard** and **Core** plan options are projected to decrease slightly in 2017
 - This is primarily the result of claims experience improving since 2014; a more stable environment post merger
 - Positive affects by the changes made to out-of-network reimbursement methodology in June 2015

2017 Medical Plans & Premiums Summary

American

**American &
US Airways**

Plan Provisions	Value	Standard	Core (HDHP)
Projected Enrollment	34,426	36,332	7,149 ¹
Monthly EE Premiums	Higher	Mid-Range	Lower
Employee Only	\$175.12	\$92.33	\$80.48
EE + SP/DP	\$455.30	\$240.06	\$209.26
EE + Child(ren)	\$315.21	\$166.20	\$144.87
Family	\$612.91	\$323.16	\$281.69
EE Premium Cost share	22%	21%	21%
Deductibles(In-Network) Per Person / Family	Low \$400 / \$1,200	Mid-Range \$850 / \$2,550	High \$2,000 / \$4,000
2017 Premium YOY Increase	10.0%	(0.6%)	(0.6%)

¹ Enrollment figure is an estimated assumption

Comparison of Monthly Medical Premium

	2016	2017	% Change
Core Plan			
EE Only	\$80.95	\$80.48	(0.6%)
EE + Spouse/DP	\$210.48	\$209.26	(0.6%)
EE + Child(ren)	\$145.72	\$144.87	(0.6%)
EE + Family	\$283.34	\$281.69	(0.6%)
Standard Plan			
EE Only	\$92.87	\$92.33	(0.6%)
EE + Spouse/DP	\$241.47	\$240.06	(0.6%)
EE + Child(ren)	\$167.17	\$166.20	(0.6%)
EE + Family	\$325.05	\$323.16	(0.6%)
Value Plan			
EE Only	\$159.23	\$175.12	10.0%
EE + Spouse/DP	\$414.00	\$455.30	10.0%
EE + Child(ren)	\$286.61	\$315.21	10.0%
EE + Family	\$557.30	\$612.91	10.0%

Summary of Changes to Monthly Premium

	Value	Standard	Core
2016 Original Premiums	\$159.23	\$92.87	\$80.95
2016 Forecast with current Experience and Enrollment	\$1.92	(\$5.57)	(\$4.85)
2017 Admin Fee Change	\$0.90	\$0.83	\$0.73
2017 ACA Fee Reduction	(\$0.57)	(\$0.54)	(\$0.47)
2017 Pharmacy Rebate	(\$1.07)	\$0.33	\$0.29
2017 Projected*	\$14.35	\$5.02	\$4.37
2017 Plan Design Changes	(\$0.47)	(\$0.21)	(\$0.18)
Inclusion of US Airways CWA/IBT	\$0.83	(\$0.40)	(\$0.35)
Actuary Proposed 2017 Premiums	\$175.12	\$92.33	\$80.48
Overall Increase from 2016 Premiums	10.0%	(0.6%)	(0.6%)

*Primarily medical and drug trend which includes utilization

2017 Medical Plans & Premiums Summary - HMO

HMO Plan Provisions	CCOK (Oklahoma)	Kaiser (CA & Mid-Atlantic)	HMSA (Hawaii)	Humana (Puerto Rico)	Triple S LAA (Puerto Rico)
HMO Enrollment ¹	976	1,237	95	381	84
HMO Monthly EE Premiums:					
Employee Only	\$98.92	\$90.73	\$14.17	\$42.87	\$55.88
EE + SP/DP	\$279.77	\$256.48	\$191.29	\$119.81	\$157.00
EE + Child(ren)	\$176.71	\$162.02	\$121.01	\$75.96	\$99.50
Family	\$376.03	\$344.68	\$256.93	\$160.78	\$210.70
2017 Premium YOY Increase	7.8%	5.3%	6.1%	(5.0%)	0.0%

Very few changes to the HMO plan designs

- HMSA (HI): chiropractic care added
- CCOK (OK): Prescription co-pay increase of \$5 - \$10 Rx dependent on tier

¹ Enrollment figures are based on 2016 numbers

Retiree Medical Landscape

American provides pre-65 retiree medical coverage at the full cost to the participant (i.e., access only) to retirees who retire post-restructuring

- Alternatives are available through OneExchange

Plan Type	Plan Option
Pre-65 Full Cost Coverage (through the company)	Retiree Standard Plan
Alternative Pre-65 plan options (through Marketplace (public) and private exchanges)	OneExchange
Post-65 Options (Secondary to Medicare)	OneExchange

Pre-65 One Exchange - Enrollment

- American Airlines partnered with OneExchange to provide fully insured public and private plan options outside of American's and US Airlines' retiree medical plans
- There are currently 192 individuals who are enrolled in OneExchange plan options:
 - 151 are enrolled in the Marketplace (public) plan options and could be receiving tax credits and subsidies
 - Monthly cost for coverage comparable to company plans is \$180 to \$710 per person per month (varies by age, state and plan selected)

Pre-65 Retiree Access Plan Contributions

The LAA Full Cost (Access) Retiree plan continues to experience adverse selection, resulting in further declines in enrollment

- Only 30 LAA retirees and 3 dependents are currently enrolled in the American Retiree plans
- In contrast, 80 plan members were enrolled in the plan as of May 2015

Plan	Current Enrollment	2016 Contributions	2017 Contributions	% Increase
LAA Retiree Standard Option	33	\$1,348	\$1,473	9%

2017 Dental Premiums Setting

- Dispatchers will move to the TWU Dental plan option effective January 1, 2017
- TWU Dental plan is rated by itself, and employee premiums are set by actuarially projecting future dental costs
 - The TWU plan will see rate increase of 11.6% in 2017

Plan Provisions	AMS, CWA FA & Pilots	FA 1	FA 2	Pilot 1	Pilot 2	TWU	TWU/IAM
Projected Enrollment	41,966	6,778	1,479	6,067	1,144	18,955	16,271
Proposed (2017) Monthly EE Premiums							
Employee Only	\$8.33	\$4.14	\$0	\$8.66	\$0	\$7.09	\$3.16
EE + SP/DP	\$17.24	\$7.95	\$0	\$16.62	\$0	\$13.61	\$6.06
EE + Child(ren)	\$18.66	N/A	N/A	N/A	N/A	N/A	\$5.87
Family	\$29.48	\$11.30	\$0	\$23.62	\$0	\$19.34	\$10.30
Current (2016) Monthly EE Premiums							
Employee Only	\$8.15	\$3.88	\$0	\$7.76	\$0	\$6.37	\$3.69
EE + SP/DP	\$16.87	\$7.44	\$0	\$14.89	\$0	\$12.23	\$7.08
EE + Child(ren)	\$18.26	N/A	N/A	N/A	N/A	N/A	\$6.86
Family	\$28.85	\$10.58	\$0	\$21.16	\$0	\$17.38	\$12.04
EE Premium Cost share	23%	13%	0%	26%	0%	15%	10%
Premium YOY Increase	2.2%	6.8%	0%	11.6%	0%	11.3%	(14.4%)
Preventive Care	100%	80%	80%	80%	80%		80%
Deductibles per Person (In-Network)	\$50	\$50	\$50	\$50	\$50	\$50	None
Annual Maximum Benefit per Person	\$1500	\$1000	\$1000	\$1000	\$1000	\$1500	\$1500

Voluntary Life / AD&D Insurance Rate Reduction

Conducted an RFP to secure three-year premium savings guarantee for employee-paid Voluntary Life and five-year premium savings guarantee for Voluntary AD&D through MetLife:

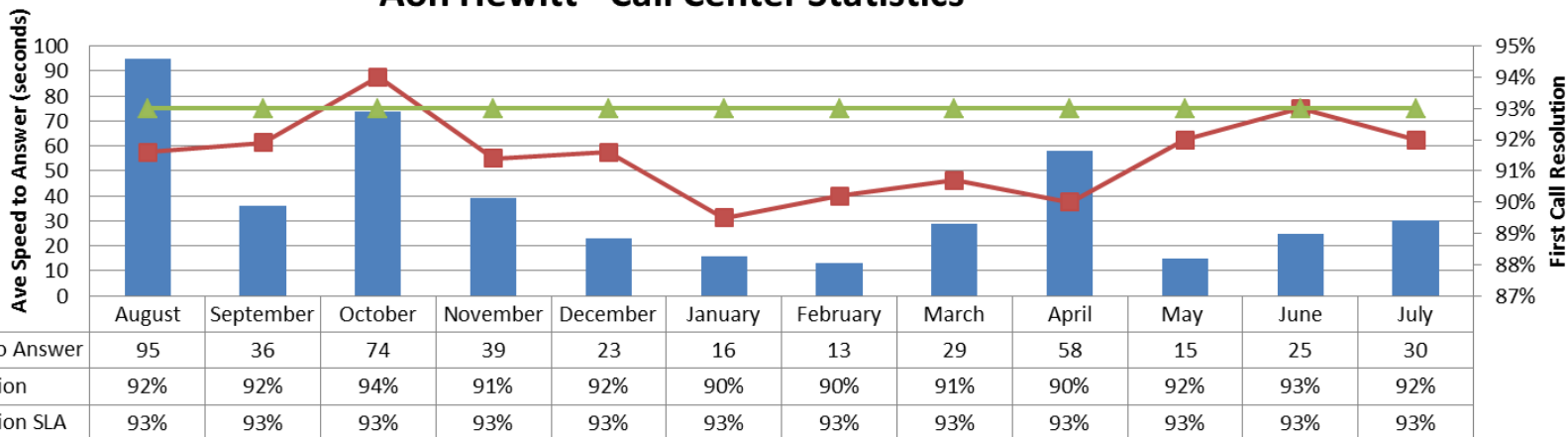
- **Voluntary Life** -- total savings \$11.1M over three years (or \$3.7M per year)
Average annual savings per employee:
 - \$39 for Employee Life
 - \$25 for Dependent Life
- **Voluntary AD&D** – total savings \$1.9M over five years (or \$381K per year)
 - Average annual savings \$5.15 per employee

Aon Hewitt Customer Service Stats

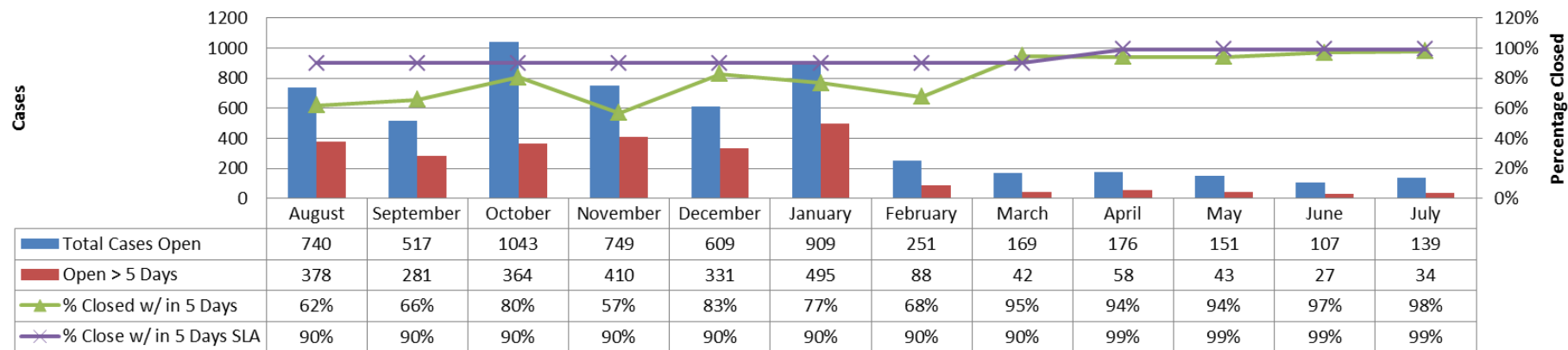
2016 Customer Service

Significant improvement recognized over the last 12 months – 18 months post-implementation

Aon Hewitt - Call Center Statistics

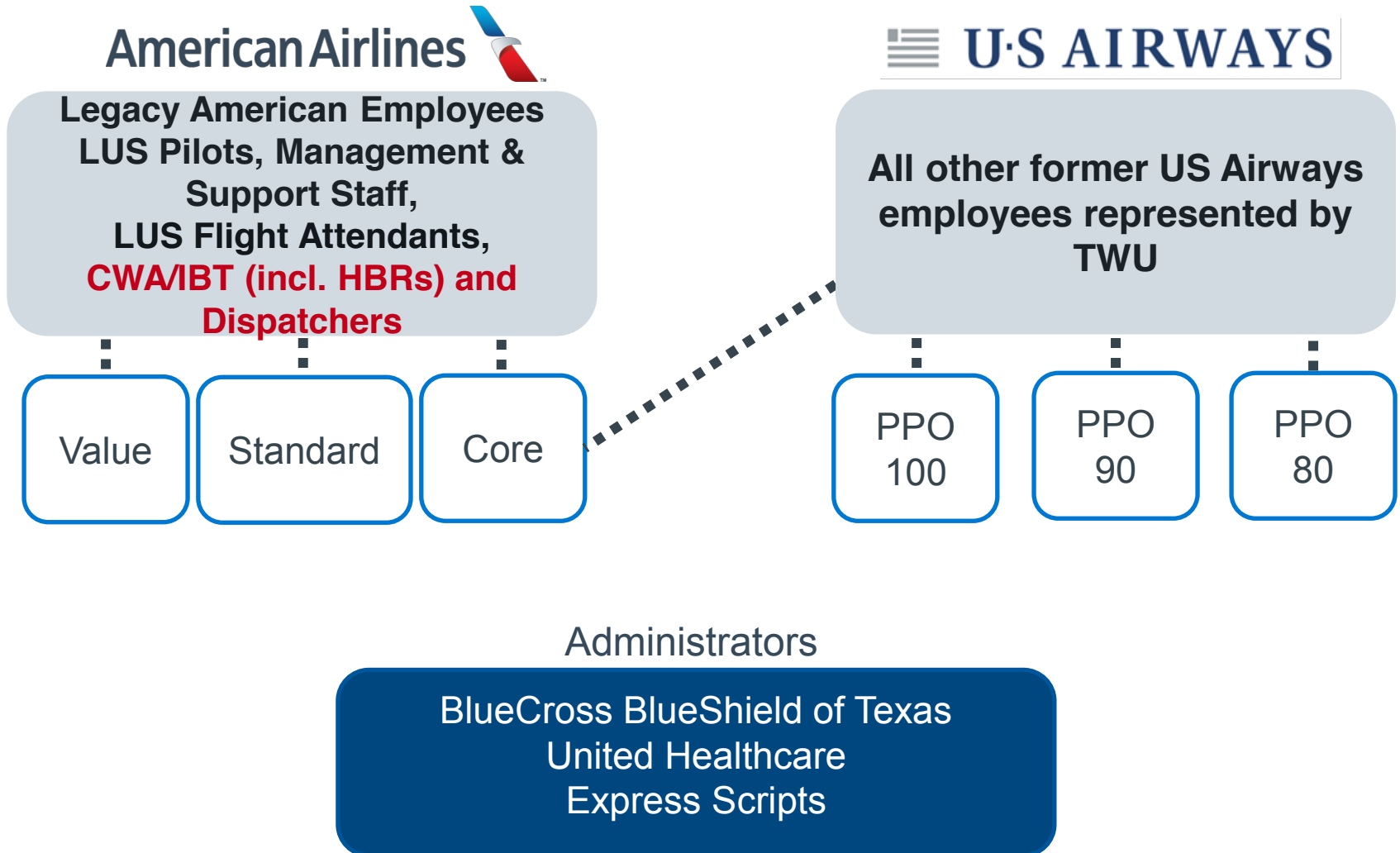


Aon Hewitt - Operations Statistics



2017 Annual Enrollment

2017 Medical Plan Options



Live Your Best Life

American Airlines 

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2017 Enrollment is Here

It's time to choose the benefits that help you **live more!**

ENROLL NOW
OCTOBER 17–28, 2016

**FIND YOUR MEDICAL
ADMINISTRATOR**



2017 Annual Enrollment will take place online via
my.aa.com from

October 17 – October 28

Communications Timeline

- Aug 24 Transition Brochures (CWA/IBT, LUS Dispatchers, LAA HBR)
- Aug 30 2017 Annual Enrollment page live on my.aa.com
- Aug 30 Annual Enrollment Dates Announced
- Sept 19 Annual Enrollment Brochures Mailed
- Sept 20 Email to all employees announcing Annual Enrollment
- Sept 21 & 22 Leaders' Calls
- Sept 25 – Oct 25 Road Shows
- Oct 17 – 28 Annual Enrollment



Roadshows

September 25 through October 25



- 27 Roadshows at all major locations
- Ask questions directly from [benefits staff](#) and [vendors](#)
- Giveaways, free [flu shots](#) and [biometric screenings](#)

New Annual Enrollment Welcome Page



Home

Health & Insurance

Life Events

1 Messages

Take Action

Coverage Details

Your Spending Account

Learn About

Print

Welcome to Enrollment

12 days left

Enrollment is open until 11:59 p.m. CT on October 28, 2016

Research and Enroll

Joe, it's time to enroll in your benefits.

TO DO...

Compare Plan Details

View your contributions, deductibles, and other details of the plans you're considering for 2017

Compare Plans

Find an In-Network Doctor or Facility

Review the medical administrator for your state and find in-network providers

Review Medical Administrators

Add a dependent

Dependents can be added or removed in the enrollment flow



2017 Annual Enrollment Guide

Get all the info on next year's benefit options

Review and Choose Your Options

- Review the costs of your plans.
- Check your current coverage.
- Compare plan choices.

Research and Enroll

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Enrollment Hub



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Your Benefits Summary

12 days left

Enrollment is open until 11:59 p.m. CT on October 28, 2016

View, Compare, or Change Your Benefits

This is the coverage you'll receive beginning January 1, 2017, if you don't make any changes. You can make changes, including declining coverage, by selecting [View/Change](#) below.

Current Benefits		Next Year's Benefits	
As of Today		Beginning Jan 1, 2017	
Medical	BCBS PPO 90/70 Employee + Family (KATHY, JOSEPH) Current Coverage Isn't Available... more	Core Medical BCBS Employee + Family (KATHY, JOSEPH) View/Change	Your Pay Period Cost \$130.01
Health Savings Account	Plan Information Not Available Important Plan Details... more	Your Contribution \$0.00/Year Do you accept the Terms and - Select One...	Your Pay Period Cost \$0.00
Health Care Spending Account	Your Contribution \$1,600.00/Year Suggestions for you... more	Your Pay Period Cost \$61.54	Your Contribution \$0.00/Year
Dental	Coverage Employee + Family (KATHY, JOSEPH)	TWU Coverage Employee + 2 Dependents (JOSEPH)	Your Pay Period Cost \$5.56
Vision	EyeMed Employee + Family (KATHY, JOSEPH)	EyeMed Employee + Family (KATHY, JOSEPH)	Your Pay Period Cost \$6.63

Spouse Voluntary AD&D	Benefit Not Offered in Current Year	Coverage - \$0.00	Your Pay Period Cost \$0.00	View/Change	
Child Voluntary AD&D	Benefit Not Offered in Current Year	Coverage - \$0.00	Your Pay Period Cost \$0.00	View/Change	
Optional Short Term Disability	Benefit Not Offered in Current Year	No Coverage	Your Pay Period Cost \$0.00	View/Change	
Dependent Care Spending Account	Your Contribution \$0.00/Year Save on Taxes... more	Your Pay Period Cost \$0.00	Your Contribution \$0.00/Year	Your Pay Period Cost \$0.00	View/Change
Total Cost			Next Year's Benefits Your Pay Period Cost \$178.16		

Health Care FSA and Dependent Care FSA at opposite ends of the enrollment flow

By completing this enrollment, you certify that:

- Any dependents covered under the plans or being added are indeed eligible as described [here](#).
- You'll provide proof of dependent eligibility, if requested.
- You'll immediately notify the Benefits Center if your dependent becomes ineligible for coverage.
- You understand that any fraudulent statement, falsification, or material omission of information may subject you to discipline, up to and including termination of employment.

If you've made all your choices, choose **Complete Enrollment**.

You may want to print this page for your records. If you're unable to print this page, you may request a paper confirmation by calling the American Airlines Benefits Center.

Make Changes Anytime Before October 28, 2016

[Complete Enrollment](#)[Quit](#)

Current elections and 2017 elections can be viewed side-by-side

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