



AEROSPACE PROFESSIONAL STAFF ASSOCIATION

Representing the non-supervisory MTS since 1974

P. O. Box 248, Hawthorne, CA 90251-0248

Dear Colleague,

September 2017

This letter provides summary information about changes in medical and drug benefits proposed by the company during negotiations. We have not included life and accident insurance information. A chart of premiums and proposed changes is on our web site at www.apsatalk.org.

Anthem PPO

Coverage categories go from three to four tiers, with corresponding increases or decreases in premiums in all tiers.

A new **high-deductible** health insurance plan with a Health Savings Account (HSA): Aerospace makes initial deposit in HSA of \$750 – single, \$1500 – family. Employee deposits are pre-tax, earnings and withdrawals are tax free. When the account balance exceeds \$1000, employee can invest in funds offered through Anthem HSA provider. Account balances roll over and are portable. Limited Purpose FSA (LPFSA), used only for eligible dental and vision expenses.

Generic prescription copay increase from \$5 to \$10 for 30-day supply. Preferred prescription drug co-insurance will be 20% with a minimum of \$30 and a maximum of \$60 (co-pays will not exceed \$60 for a 30-day supply). Non-preferred-brand prescription co-insurance will be 50% with a minimum of \$60 and a maximum of \$120 for a 30-day supply. Ninety-day supply mail-order prescription will continue to be double the retail copays for generic, preferred and non-preferred brands 30-day supply. All specialty drug co-pays will be 20% with a maximum of \$100 for a maximum 30-day supply (self-injectable specialty drugs are already covered). Specialty drugs must be obtained from Accredo Specialty Pharmacy. Out-of-network pharmacies will no longer be covered.

Anthem EPO

Increase emergency room copay from \$75 to \$150 per visit. Introduce a \$250 co-pay for in-patient hospitalization; currently covered at no cost. All specialty drugs will have a co-pay of 20% with a maximum of \$100 for a 30-day supply (self-injectable specialty drugs are already covered). Specialty drugs must be obtained from Accredo Specialty Pharmacy.

Kaiser and Anthem HMO

Increase emergency room co-pay from \$75 to \$150 per visit (co-pay is waived if admitted). Introduce \$250 co-pay for in-patient hospitalization; currently covered at no cost.

Anthem HMO

All specialty drug copays will be 20% with a maximum of \$100 for a maximum 30-day supply (self-injectable specialty drugs are already covered). Minimum premium arrangement for Anthem HMO: Aerospace directly pays fees for service for medical and prescription claims and pays Anthem fixed costs for capitation and retention/pooling.

Dental and vision plans also move to a 4-tier structure. There are no changes to the dental, vision and voluntary personal accident plan coverage.

Short Term Disability (STD) Leave Changes

Short term disability benefits are applicable for leave periods of one week to six months, with long-term disability benefits beginning after 6 months. For the first three months of approved supplemental sick leave, Aerospace will supplement 75% of the employee base compensation instead of the current 100%. For the second three months of leave Aerospace will supplement 60% of base compensation instead of 100%. Aerospace estimates that this change would reduce its supplemental sick leave aggregate payments by about \$500k per year.

Best regards,
The APSA Board