

A healthy partnership

With the cost of health care coverage continuing to soar, a partnership is needed between Boeing and its employees

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Boeing offers an exceptional level of health care benefits that we can all be proud of. Our guiding principle has been—and will remain—providing access to quality health care for our employees and their dependents.

In addition, health care benefits will continue to be a key competitive advantage in attracting, and retaining, the talented employees who contribute to the success of this company. Future access to quality health care, however, will require a partnership between Boeing and our employees to maintain access to such care while remaining competitive and securing our future.

Why is this a pressing issue? Because competition from aggressive, lower-cost global competitors is increasing in our industry, and unchecked health care cost growth will diminish our ability to invest in new products and services, price them to win in the market, and, ultimately, continue creating great jobs for our employees.

The company's costs for health care coverage continued to go up steadily over the past decade. Boeing now spends more than \$2 billion per year in health care costs. Those costs have grown at an average of 7 to 8 percent annually for the last few years, outpacing the rate of inflation during the same period. More than 40 percent of those costs results from basic risk factors—such as stress, inactive lifestyles, smoking and not eating properly—that each of us can do something about every day.

Over the past few years, Boeing has been proactive in developing and adding new programs and features to our overall health care program to help mitigate health care costs and improve quality—while continuing to provide comprehensive, cost-effective benefits. Examples include a world-class program to encourage healthier lifestyles, including the Well Being initiative and advocacy programs to help with chronic diseases; verification of dependent eligibility for health care coverage; initiatives aimed at reducing drug costs; and key supplier management initiatives.

While these initiatives have had a positive impact and yielded significant savings, they have not been enough to keep up with continuous and increasing health care costs. Furthermore, the

recently passed health care law, while broadening access to care and eliminating exclusions for pre-existing conditions, will result in additional cost pressures on the company. For example, specific provisions of the new law create substantial tax penalties beginning in 2018 if a company's plans provide a level of benefits that exceeds a certain value set by the government. If Boeing and other large companies approach this so-called "Cadillac tax" threshold, they will have no choice but to adjust their benefits to remain under it—or accept the competitive consequences.

That's what makes it so important for all of us to start *now* and become more actively engaged in health care and quality of life. We can do so by becoming better—and better-informed—health care consumers. Take advantage of the wellness programs available to you through the Well Being Resource Center. During the fall enrollment period, take the time to do some thorough research to really understand the benefit options available to you and your dependents and choose the medical plan that's best for your situation. Boeing is partnering to help by providing additional tools to better inform you about options and make it easier to improve individual health care decisions.

We face this challenge together, a challenge that will require a partnership between Boeing and our employees to maintain our competitive edge and continue creating great jobs and career opportunities. As Boeing employees, each of us can do our part by becoming better health care consumers and taking advantage of the resources the company makes available to us to make smarter, informed choices. As a company, we will continue to look for ways to improve how we manage and reduce health care costs, while maintaining access to quality health care for our employees and their loved ones. ■

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