

# A healthy understanding

Prevention is key to minimizing health risks and curbing rising health care costs

By Jill Gulbrandsen

**This article is the next in a series to help Boeing employees and their families understand how changes in health care may affect them in 2011 and beyond.**

Individuals and employers have felt the impact of rising health care costs over the past decade. At Boeing, health care costs are projected to continue to increase by 7 to 8 percent annually, almost twice the rate of inflation, according to Rick Stephens, senior vice president, Human Resources and Administration.

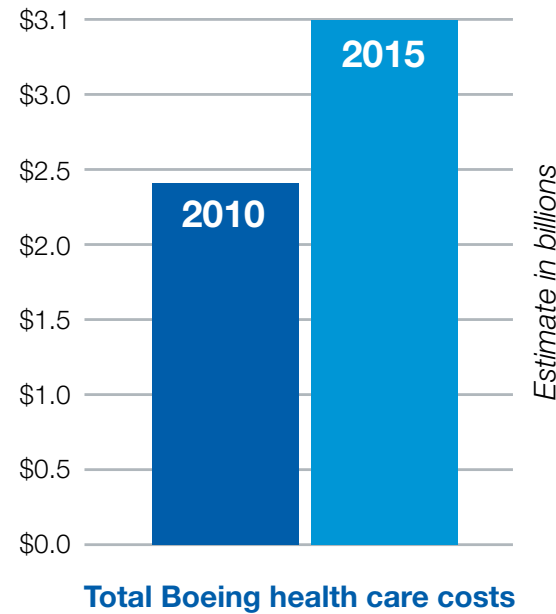
Boeing will spend an estimated \$2.4 billion on health care in 2010. At the current growth rate, this could rise to \$3.1 billion by 2015, consuming resources that could be used for product development and technology advances to keep Boeing competitive in the marketplace.

The recently passed health care law will be phased in over many years and is expected to change the U.S. health care system. While some aspects of the new legislation—broadening access to care, eliminating exclusions for pre-existing conditions, removing caps, and, in 2014, offering access to health care pools to early retirees who might not have employer-based coverage—are positive, the changes will result in additional cost pressures on the company.

In particular, a 40 percent excise tax will apply to the value of employee and early retiree health plans that exceed certain thresholds set by the government. This new tax, which takes effect in 2018, could represent a significant new liability. The company's objective will be to manage the cost of plans so that this tax does not apply to Boeing plans.

To address the health care cost challenge, Boeing will need to increase some of the costs that employees pay. "There will be differences in how some groups of employees share in the increases, based on pressures in some business segments or timing; as we work through our collective bargaining obligations, our plan is to be as fair and consistent as possible," Stephens said. "We also intend to introduce changes over time to make it easier for you and your family to plan and manage your benefits."

The good news is that health care expenses are not completely out of the company's—or employees'—control. Since 2006, Boeing has saved an estimated \$593 million



through more efficient supplier management, employee wellness programs and other initiatives.

Employees can also take significant steps to manage their health, benefits and health-related expenses. As much as 40 percent of Boeing's health care costs—almost \$1 billion each year—are linked to preventable health risks, including inactivity, stress, nicotine addiction and poor nutrition.

Fortunately, the company's Well Being initiative offers employees an array of programs, tools and resources designed to reduce or eliminate health risks that can lead to more serious illnesses. Examples are the Boeing on the Move physical activity challenge, free tobacco cessation assistance, chronic condition management, flu shots and more.

"As a company, we believe that helping employees live healthier lives is the right thing to do," Stephens said. "The company benefits as well, because a healthy work force translates into improved productivity, both on and off the job." ■

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## An ounce of prevention

Boeing provides a variety of opportunities for employees to identify health risks and take steps to improve their health and well-being—ultimately helping to reduce health care costs for both employees and the company.

In addition to benefits for preventive care, Boeing offers:

- On-site health screenings at most U.S. locations and the online Health Assessment, on [www.BoeingWellness.com](http://www.BoeingWellness.com) through Nov. 30; those who complete the Health Assessment will receive a \$50 gift card ([www.boeing.com/healthassessment](http://www.boeing.com/healthassessment))
- Flu shots each fall, free for employees at work sites across the United States; an annual flu vaccine is the best way to reduce the chances that you will get the flu

- Free and confidential tobacco cessation program featuring professional Quit Coaches®, free nicotine replacement therapy and help managing weight while quitting (<https://www.quitnow.net/boeing>)
- Wellness services available over the phone via Boeing TotalAccess, including Health Coaching (with access to a six-week Healthy Weight Program), a 24-hour NurseLine and a Condition Management Program to support those with chronic health conditions

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