

You're invited to: **Live Well and Healthier 2014**

October 7, 2013

Dear Associate:

In 2014, there will be many changes with healthcare in the United States. It's important that you understand these changes and how they affect you and your family so you can make informed decisions about healthcare coverage as part of the Open Enrollment period from November 13 through November 26.

Why are there changes in healthcare coverage for 2014?

Some of the changes in healthcare coverage and costs are a result of medical costs that are rising faster than the rate of inflation in the general economy. Some of the changes are the result of the Affordable Care Act (ACA) which is a federal law passed in 2010. The ACA, also known as healthcare reform, required certain changes, such as providing coverage for adult children to age 26, that have already taken effect. However, the ACA has major provisions starting in January 2014, which will affect employers and individuals.

What are the changes?

The biggest change for 2014 is that individuals must have healthcare coverage, either through their employer or elsewhere, or they may be subject to a tax. This requirement was explained in a notice American Greetings sent to all associates on October 1, 2013. To meet this provision, benefits eligible associates will have the option of enrolling in American Greetings coverage or shopping for individual healthcare at federal or state-sponsored healthcare exchanges. However, when you compare the cost of healthcare coverage, you will most likely see that what you pay through American Greetings is less than what the exchanges will charge because, in most cases, the Company pays the largest part of your healthcare costs.

The cost for healthcare coverage will go up – in some cases, significantly

As you have probably heard in the media, the ACA has driven up the cost of providing healthcare for many employers such as American Greetings. We have chosen to allocate these increased costs more to participants who use the plan than to those who do not, and more to participants who make choices that lead to increased costs. For example, the cost of using the plan will increase through higher deductibles and out-of-pocket maximums, and going outside the networks will cost more. While these changes may be difficult, they are consistent with what other employers are doing.

How you can help control your healthcare costs

One way to offset these increased costs is by taking advantage of the wellness opportunities for better health. This will lower your risk for health issues and reduce the costs paid by both you and American Greetings. Therefore, we are increasing the non tobacco user discount and continuing the physical examination, biometrics and physical activity credits.

Learn all you can!

Please read this newsletter thoroughly to understand the changes that will go into effect with the American Greetings healthcare coverage for 2014. You will also find information on how to get additional information or assistance if you need it. We want you to have all the resources you need to make the best healthcare decisions for you and your family for 2014.

Sincerely,



Brian McGrath
Senior Vice President, Human Resources



Benefits 2014 Important Dates

- **Week of October 28**
Enrollment Packets & online information available
- **Month of November**
Associate Presentations & Webinar (November 14). Check AGBenefits, "Mark Your Calendar" for more information.
- **November 13 through 26**
Open Enrollment
- **Week of December 9**
Confirmation Statements mailed
- **Week of December 16**
Medical/Rx ID Cards mailed if enrolling in medical coverage for first time.

The 2014 Healthcare Plans *

Every year American Greetings reviews its healthcare plans to obtain the best value possible for our associates and the Company. This is particularly important this year because of the continuous increases in healthcare costs in general, and the additional costs incurred as a result of the requirements of the Affordable Care Act (ACA). We have decided to allocate some of these cost increases to premiums, and some to the way the healthcare plans themselves are designed.

To reduce the rate of increase in the fixed cost of healthcare premiums, we are making changes to the design of our healthcare plans. These changes are shown in red in the chart below. In general, there are:

- Higher deductibles, out-of-pocket maximums, and co-insurance.
- If you choose to go out-of-network, it will cost you more. Call Health Advocate to find an in-network provider.
- Quantity management and prior authorization on certain drug classes to review safe, effective and appropriate use of drugs.

*Associates residing in Puerto Rico or Hawaii, and expatriates will need to refer to their enrollment packets for their specific information.

2014 Healthcare Plan Changes

	Enhanced Consumer Plan	Consumer Plan	Traditional Plan
Annual Deductible (in-network)	Single: \$1,500 Family: Ind'l - \$3,000/Fam - \$3,000 (medical & non-preventive Rx)	Single: \$3,000 Family ¹ : Ind'l - \$3,000/Fam - \$6,000 (medical & non-preventive Rx)	Single: \$700 Family: Ind'l - \$700/Fam - \$2,100 (no Rx deductible)
Annual Deductible (out-of-network)	Single: \$3,000 Family: Ind'l - \$6,000/Fam - \$6,000 (medical & non-preventive Rx)	Single: \$6,000 Family ¹ : Ind'l - \$6,000/Fam - \$12,000 (medical & non-preventive Rx)	Single: \$1,400 Family: Ind'l - \$1,400/Fam - \$4,200 (no Rx deductible)
Co-payment ²	N/A	N/A	PCP/Specialist: \$30, ER: \$150 ⁴ then 80% ³
Co-insurance (in/out)	90%/60%	85%/60%	80%/60%
Out-of-Pocket Maximum (in-network)	Single: \$2,500 Family: Ind'l - \$5,000/Fam - \$5,000 (includes deductible)	Single: \$4,000 Family ¹ : Ind'l - \$4,000/Fam - \$8,000 (includes deductible)	Single: \$4,200 Family: Ind'l - \$4,200/Fam - \$10,100 (includes deductible and copay)
Out-of-Pocket Maximum (out-of-network)	Single: \$6,000 Family: Ind'l - \$12,000/Fam - \$12,000 (includes deductible)	Single: \$8,000 Family ¹ : Ind'l - \$8,000/Fam - \$16,000 (includes deductible)	Single: \$6,900 Family: Ind'l - \$6,900/Fam - \$18,200 (includes deductible and copays)
Prescription Drug	Additional Prescription Drug Management Programs requiring use of most cost-effective drugs.		
Preferred Brand/Non-Preferred Brand	25%/50% (same as 2013)	25%/50% (same as 2013)	Coinsurance 30%/50% Preferred Min: retail \$30/mail \$60 Non-preferred Min: retail \$45/mail \$90

¹In 2014, Consumer Plan Family coverage allows an individual to meet an individual deductible and then coinsurance will begin paying up to the Single out-of-pocket maximum. In 2013, the Family deductible needed to be met before coinsurance applied. ²In 2014, Traditional Plan co-pays will count toward the out-of-pocket maximum.

³Deductible waived. ⁴Copay waived if admitted.

Here's How You Can Keep Your Premium Costs Down – Healthcare Premium Credits

You can save money on your healthcare premiums for healthy behaviors:

- **Non Tobacco User discount** will increase from 15% to 30%.
- **The Physical Examination and Biometric credits** will continue. Physical examinations and biometrics completed since **January 1, 2012 through 2014** are eligible for credits in 2014.
 - If you (and enrolled spouse) **have met** the requirements to receive credits in 2013 (had physical exam and biometric screening since January 2012) **you are not required to have another physical examination and biometric screening to receive the credits for 2014.**
 - If you (and enrolled spouse) **have not met** the requirements, complete your physical and biometrics as soon as possible.
 - If LiveHealthier receives your information **by 11/20/13** credits will appear in your first pay of 2014.
 - If LiveHealthier receives your information **after 11/20/13** credits will be processed as soon as administratively possible but will not begin with your first pay of 2014.
- **Physical Activity Credit**
 - Will continue in 2014 - exercise 3 times a week, for at least 30 minutes a day (in at least 10-minute intervals).
 - You will now have 2 weeks after the end of each calendar quarter to submit your affidavit to LiveHealthier.



A New Perspective on Healthcare Insurance

Healthcare is becoming similar to the other insurance policies we have. As informed consumers, we need to think of it that way. For example, with car insurance we shop to find affordable rates and coverage based on our individual or family needs, such as the age and number of drivers. We know that the greater risk we pose to the insurance company, the higher our premiums will be. We recognize that we keep costs down by driving safely, increasing the deductible, and having regular maintenance on our car. We also understand that certain expenses for maintenance and breakdowns will be ours, not the insurance company's, but we have overall coverage for major expenses.

Other 2014 Changes

In 2014 we made some other changes to help reduce American Greetings' and our associates' costs as described below.

New Lower Optional Life And Optional Disability Rates

Optional life rates are reduced by 8% because we removed a disability continuation provision that was not used in more than two years by our associates.

Optional disability rates are decreasing up to 38% for associates who pay 100% of their long term disability. We were able to get these new rates by changing from Reliance Standard to MetLife.

Dental & Vision

Associates' open enrollment dental election will be in place for 2014 and 2015 (unless you experience a qualifying life event) because the election is a two-year lock-in.

There is a slight increase to some co-pays, but less than a \$1 increase per month in associates' premiums.

Employee Assistance Program (EAP)

New Provider! Effective January 1, 2014, Health Advocate is replacing Optum Behavioral Health as the provider for EAP services.



Questions?

Attend an associate presentation.
Our vendors will be visiting locations.
Check with your plant HR or AGBenefits for details.

Understanding Your Rights & Notices



- On June 26, 2013, the United States Supreme Court ruled that **Section 3 of DOMA (Defense of Marriage Act)** was unconstitutional. Further guidance was issued on August 29, 2013, which provides that same-sex couples who have entered, or may in the future enter, into marriages may be treated as married for federal tax purposes. This means that married same-sex spouses have the same rights as opposite-sex spouses. If you have questions on how this may impact you or your benefits, please contact American Greetings Shared Services at 1-800-321-3040 ext. 4192 or go to: <http://www.irs.gov>.

- You received a government-required notice earlier this month on the new Affordable Care Act (ACA) **Health Insurance Marketplace**. Visit HealthCare.gov or call 1-800-318-2596 for further information regarding the options available through the marketplace.

The following required legal notices will be available on October 15, 2013 at www.americangreetingsbenefits.com

Located under the Medical tab, you can view:

Healthcare Summary of Benefits & Coverage (SBC) and Prescription Drug Comparison Chart: A government-required format so you can compare the details of each health plan offered (Consumer, Enhanced Consumer and Traditional).

Located under the General Information Menu, section titled Notices, you can view:

Health Insurance Portability and Accountability Act (HIPAA): Includes provisions to protect the privacy of the health information for group health plan participants, portability and special enrollment rights.

Women's Health and Cancer Rights Act of 1998 (WHCRA): The Company's health plan benefits must meet the requirements of the Women's Health and Cancer Rights Act.

Premium Assistance Under Medicaid & the Children's Health Insurance Program (CHIP): If you are unable to afford the premiums, assistance may be available under your state's Medicaid or Children's Health Insurance Program.

Prescription Drug Creditable Coverage: This notice is provided to all Medicare-eligible individuals enrolled in our health plans to explain how the prescription drug coverage is considered creditable coverage under Medicare.

Summary Annual Report (SAR) for the American Greetings Welfare Benefits Plan: This provides a summary of the self-insured benefits (healthcare and full-time exempt Long Term Disability) as of the plan year ending February 28, 2013.

**Open Enrollment:
November 13 through November 26**

Open Enrollment begins on Wednesday, November 13th and continues through Tuesday, November 26th.

If you need enrollment assistance (password, enrollment system access) contact the AGBenefits Solution Center 1-877-213-6240 Monday through Friday from 9:00 a.m. to 7:00 p.m. EST.

Need assistance in choosing a healthcare plan coverage option?

Our Health Advocate Service can help you!
Contact them by calling 1-866-799-2728 or emailing answers@HealthAdvocate.com.
Normal business hours are Monday – Friday, between 8:00 a.m. and 9:00 p.m. EST.



Important Things to Do at Enrollment

- ☐ **Review this newsletter** and the additional information in your open enrollment packet and online.
- ☐ **Set Up Health Savings Account (HSA) & Flexible Spending Account (FSA) Payroll Deductions for 2014.** For 2014, you can save to \$3,300 (\$3,250 in 2013) for Single coverage and \$6,550 (\$6,450 in 2013) for Associate plus one or more coverage. The AG-paid HSA contribution is not changing in 2014.
- ☐ **Medical Plan Spousal Surcharge Review**
If your spouse/eligible same-sex partner is employed and his or her employer offers medical coverage you will need to sign up for the spousal surcharge.
- ☐ **Reduce Your Healthcare Costs**
Make sure you receive your physical examination and biometric screening and physical activity healthcare premium credits for 2014. For more information visit AGBenefits or contact LiveHealthier at 1-888-471-9465 or <https://AGlivewell.livehealthier.com>.
- ☐ **Mark your calendar for the Physical Activity Credit**
Remember to earn your Physical Activity Credit each calendar quarter – complete the affidavit the first two weeks of January, April, July, and October following the quarter end.

ABOUT THIS GUIDE: This is a Summary of Material Modifications (SMM). This information is a summary of the benefits available to eligible associates of American Greetings and its participating subsidiaries. In the event of a conflict between this and any other description of these benefit plans, the plan documents, service agreements and insurance contracts will control. As with all company-sponsored benefit plans, to the extent permitted by law, American Greetings reserves the right to amend, modify, revoke or terminate these plans in whole or in part at any time. Neither this document nor participation in the benefit plans described here constitutes a promise of continuing employment with American Greetings. Please review summary plan descriptions for more information. US citizens who are not residents of Puerto Rico are eligible for FSA.

NU/TL

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