



Benefits 2012

**Continuing on the
Consumerism/Wellness Path**

What we'll cover today



- Our path to better health
- Why become a better health care consumer
- What's New in 2012
- Why consider the Consumer Plans
- How to choose your health care plan
- What you need to do during open enrollment

Goal – Continue on the Path

- Provide competitive cost effective health care solution for Associates and AG
- We announced in 2010 our strategy
 - Consumerism and wellness have proven to be effective
 - **Consumerism**
 - Associates engage in their health care purchase “skin in the game!”
 - **Wellness**  live well
 - Encourages associates to take care of their health, it reduces costs

Why it's important to be a better health care consumer

- Open enrollment is coming October 31– November 11
- *The health decisions you make directly affect how much you and AG will spend on health care now and in the future*
- You'll want to learn more about improving your health and choose plans to help you live well in 2012.

What's Changing Healthcare Plan Options

Plan Names pre-2011	Beginning 2011
CDHP (low)	 Consumer Plan Minor cost increase/MMO
CDHP (high)	 Enhanced Consumer Plan Minor cost increase/MMO
PPO	 Traditional Plan (significant cost increase)
EPO	 Network Only Plan (eliminating 1/2012)
HSA prefunding in January only for new to consumer plans	

How Associates Choose

- Most associates are selecting *perceived* lowest cost plans
- People are comfortable with what they have
- Some just default into prior year's plan
- Some do a detailed analysis of their historical and projected healthcare costs

Our analysis shows over 80% of associates would be better off in a consumer plan.

More about the Consumer Plans

- All the benefits of the Traditional Plan ...
 - **Flexibility** to use network and non-network providers
 - **Discounted** rates for service
 - **Limits** on the total amount you'll spend each year
- **Plus** ...
 - Lower monthly premiums
 - Health savings account (HSA)
 - Free money from AG to jump start your savings
 - Consumer Plan: \$300 single / \$600 family
 - Enhanced Consumer Plan: \$500 single / \$1,000 family



How AG Answers Associate Concerns Regarding High Deductibles or Out of Pocket Risks

- **Education**
 - UHC Providers are the same
 - Importance of “Wellness” to your overall health
 - “How to be a Good Consumer”
 - Save in your HSA
- **High Deductible**
 - Preventive exams & prescription drugs – no deductible
 - Health Savings Account (HSA)
 - Free money (from AG) deposited in January 2012 if enrolling in a CP for the first time
 - If re-enrolling in CP, AG will deposit each pay
- **Wellness incentives**  live well
 - Health Risk Assessment (HRA) credit - \$150 associate / \$60 spouse
 - Raffles
 - \$100 HSA deposit or \$25 gift card for participating in telephonic or online coaching with our partner OptumHealth

Results: Over 55% enrolled now in a consumer plan.

Medical: A quick look at total costs

Medical Plan	Enhanced Consumer Plan (UHC)	Consumer Plan (UHC)	Traditional Plan (UHC)
Single/Family Annual Premiums (Exempt)	\$1,320 single / \$4,776 family *	\$744 single / \$2,832 family *	\$2,400/ \$8,000 family *
Annual deductible	\$1,200 single/ \$2,400 family *	\$2,000 single/ \$4,000 family *	\$500 individual/ \$1,500 family *
In-network out-of-pocket maximum (includes deductible, medical & Rx out-of-pocket maximum)	\$2,000 single/ \$4,000 family *	\$2,500 single/ \$6,000 family *	\$3,750 single (\$500 deductible, \$1,750 medical & \$1,500 Rx) / \$8,750 family (\$1,500 deductible, \$5,250 medical & \$2,000 Rx) *
Health savings account (HSA) AG contribution	Yes \$500 single/ \$1000 family *	Yes \$300 single/ \$600 family *	No HSA

* EE + Child, EE + Spouse + EE + Spouse + Child = Family Coverage Tier
 For Consumer Plans, Preventive drugs not subject to deductible;
 All preventive care (in-network) is paid at 100%

Save to Your Deductible

	Enhanced Consumer Plan		Consumer Plan		Traditional Plan*	
	Single	Family	Single	Family	Single	Family
Annual Deductible	\$1,200	\$2,400	\$2,000	\$4,000	\$500	\$1,500
AG's Contribution	<u>(\$500)</u>	<u>(\$1,000)</u>	<u>(\$300)</u>	<u>(\$600)</u>	<u>\$0</u>	<u>\$0</u>
Goal to Save per Year:	\$700	\$1,400	\$1,700	\$3,400	\$500	\$1,500
Save to Deductible in One Year (weekly)	\$13.46	\$26.92	\$32.69	\$65.38	\$9.62	\$28.85
Save to Deductible in Two Years (weekly)	\$6.73	\$13.46	\$16.35	\$32.69	\$4.81	\$14.42

*Cannot save through a Health Savings Account (HSA)

Single (Non-Exempt) Associate Example - Bob

- Wants affordable coverage
- Estimated claims
 - Annual physical
 - This costs Bob \$0
 - Two doctor office visits – sick & sprained ankle
 - X-rays
- Takes the HRA
- Quit smoking over six months ago



#1 Priority

Low weekly contributions from paycheck

Estimate of Bob's 2012 costs

Expense Type	Enhanced Consumer Plan	Consumer Plan	Traditional Plan
Annual Assoc. Premiums (non-exempt/non smoker)	\$1,104	\$564	\$2,076
Less AG HSA Contributions	(\$500)	(\$300)	\$0
Out-of-pocket costs*	\$550	\$550	\$210
Less HRA credit	(\$150)	(\$150)	(\$150)
Total cost to Bob	\$1,004	\$664	\$2,136

*Estimated annual claims costs for expenses – 2 office visits & x-rays

These examples are for illustrative purposes only. You will want to insert your premiums and estimated annual claims costs for accurate expenses.

Family Associate (Non-Exempt)

Example - Sarah

- Married with two kids
- Sarah's taking blood pressure medication
 - Wants to take advantage of the available exercise and nutrition wellness programs to see if she can lower her blood pressure without medication.



#1 Priority:
Protection against really big bills

Sarah and family: estimated for 2012

- Annual physicals for each member of the family
 - This costs Sarah \$0
- 90-day supply of high blood pressure medications 4x a year (preventive medication)
- Four doctor office visits for sick children
 - Lab work and prescriptions
- Emergency Room visit

Estimate of Sarah's 2012 Costs

Expense Type	Enhanced Consumer Plan	Consumer Plan	Traditional Plan
Annual Assoc. Premiums (non smoker rates)	\$4,080	\$2,352	\$6,444
Less AG HSA Contributions	(\$1,000)	(\$600)	\$0
Out-of-pocket costs*	\$1,400	\$1,400	\$1,100
Less HRA credit	(\$210)	(\$210)	(\$210)
Total	\$4,270	\$2,942	\$7,334

*Estimated annual claims costs for expenses – 4 office visits, high blood pressure medication, ER visit & lab work. These examples are for illustrative purposes only. You will want to insert your premiums and estimated annual claims costs for accurate expenses.

HSA Key features

- Associate owns this tax-free account
 - HSA rules are governed by the IRS
 - Must be in a high deductible health plan to make deposits.
 - Do not need to be enrolled in plan to use (i.e. spouse)
 - Money deposited is tax free, interest earned is tax free and withdrawals are tax free
 - Determine how much to save each year
 - Payroll deduction, e-contributions directly from savings or checking account, depositing a personal check, make an IRA rollover
 - Maximum contributions (including AG's) are \$3,100 (single) & \$6,250 (family)
- No need to open an account each year
 - Will receive new debit card if switch from a UHC to MMO Consumer Plan
 - Account number stays the same



Additional HSA Information

- The balance does not have to be used by year end!
 - Associate keeps any amount AG or the associate contributes to the account
 - Associate can use the account for qualified:
 - Future years' expenses (even if not covered in a AG HDP)
 - Dental and Vision
 - Dependents (even if not covered in a AG HDP)
- Can still have a Flexible Spending Account
 - Dental & Vision
- OptumHealthBank Fees
 - Convenient, no fee debit card
 - Free on-line bill pay
 - AG pays for the basic monthly account fee
 - Bank fees for other services including ATM withdrawals & Checks (cost to order)



Next Steps

- **Take confidential health risk assessment (HRA) by November 11th**
 - The HRA is quick and easy . It offers suggestions on ways to improve your overall health.
 - Access it from the AGBenefits website
 - Use your numbers (cholesterol, etc) from the biometrics screenings or annual physical
 - **Win at health & Cash !!!! Qualify for a chance to win \$500 cash prize for associate participation(\$250 for spouse) for locations with 75% or more participation**
- **Enroll from October 31- November 11**
 - Your Feedback is important! Remember to take the Associate Survey once you complete open enrollment
- **Open your health savings account if you have enrolled in one of the Consumer Plans for the first time**
- **Have Fun! Win & Save Cash! Feel Better! Join in Wellness!**

For more information:

- **Read the Benefits 2012 Newsletter (mailed September)**
 - New dependent definition
 - Diabetes coverage
 - Dental increases & 2 year plan lock in
 - New HSA limits
 - 2012 W-2 reporting of health care
 - Decreased costs for optional long-term disability for associates who pay 100% cost coverage (non-exempt, part-time exempt and TL)
 - Upcoming dependent audit in 2012
- **Visit AGBenefits.com**
- **Call AGBenefits Solution Center at 1-877-213-6241**
- **AG Shared Services, ext. 4192**
- **Check out the your location's Consumer & Wellness School stand**
 - FAQs on health plans and HSAs,
 - Nutrition &Exercise Tips
 - AG walking program & how you can join
 - "Employees Like Me" to help you choose
 - 8 tips to becoming a better health care consumer
- **LiveWell contacts**
 - OptumHealth for wellness coaching/condition management
 - livewell@amgreetings.com
 - Contact your local HR for wellness opportunities

What's the Buzz



AG Walking program

*While on this program I started a diet and to date have lost 14 pounds. **I feel better and have more energy.***

*The Program motivated me to get moving. **I lost 15 pounds.** The walking around my neighborhood was enjoyable, got me out, and I met some new people.*

*Thank you for walker - tracker. **It has helped me loose 1/2 pants size so far...**hope we keep it around with maybe a big push/competition annually.*

OMG I feel so much more awake after taking a brief walk outside at break. Please continue to push the walking thing. Despite our area being super busy, I feel so much less guilty at taking 10 - 15 minutes to make myself feel better...and more productive!!!

I feel like a new person! I've lost 36 pounds since joining Weight Watchers. I didn't even realize how bad I felt before until the weight started coming off and I had more energy and feel better.

I can honestly say that the direction that American Greetings and the Wellness Team has us going on getting fit and taking care our health has literally saved my life.

What's the Buzz



Exercise has to be part of your normal routine. For me, it's as essential as taking a shower, eating, or getting dressed. If I miss my workout, at the end of the day I feel like forgot to do something important.

*Thank you for my **free flu shot!** I will be totally immune in less than 2 weeks and can use my vacation/sick time for something FUN rather than a horrible cold!*

*"The first year I was very nervous because of the high deductible. My plan has always been to take the difference in premiums between the tradition plan and the **consumer plan** and invest that difference into a **Health Savings Account**. Five years later I am still in the consumer plan and I now have a significant balance in my HSA account. I wish all of my plans worked out like this.."*

I lost 25 lbs since the Wellness team Walking program began in June. My physician told me that I am close to getting off insulin for Type 2 Diabetes. I had uncontrolled high blood pressure for years, and for the past two month, my blood pressure has been under control.

I had my biometrics done. I failed all! I have made a commitment to take advantage of the AG wellness programs to have better numbers next year.



live well

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