AMERICAN GREETINGS

Top 5 questions (and concerns) about Consumer Health Care Plans

Associates recently received letters about upcoming changes to the 2011 health care plan which will have a new emphasis on consumer plans – previously know as Consumer Directed Health Care plans (CDHP). These plans have been available to associates for a few years but the soaring costs for health care benefits now make them an even more appealing option for a majority of associates. Specific details about these health care plans will be provided to associates through a variety of venues over the next two months. In the meantime, however, below are some common questions, and misconceptions, about consumer health care plans.

1. Are consumer health care plans more expensive overall for me? Not for most associates. AG conducted a study of 2009 medical claims and found that a majority of associates would have saved money if they had a consumer plan instead of the one they selected. That's because the monthly contributions are less. In addition, the deductible is offset by the company contribution to your Health Saving Account (HSA), and the total out-of-pocket maximum is less than in other plans. Also, you'll pay less throughout the year if you're a smart consumer and take advantage of preventive and wellness programs so you stay healthier.

2. What does consumerism mean? It means being a smart shopper when you "buy" a health care plan and use its services. Just like when you make any other major purchase, you'll need to do your homework, compare options and make your buying decision based on quality and price. Studies, and our own experience, have shown that improved consumerism can help manage health care and health care costs for associates and AG.

3. Will I have to change my doctors and other medical providers? Probably not. We already use our consumer plan provider, United Healthcare, for other health care plans so your current doctor is probably already in the network. You'll be able to verify this before you make any final decisions.

4. If I have a big medical issue during the year, will I be faced with a major expense? No one knows for sure what kind of medical services they may face. But you'll have several safeguards against unexpected big medical bills.

- There is a maximum out-of-pocket amount that applies each year. Once you reach that maximum, the medical plan pays 100% of covered expenses, just like the traditional PPO or EPO plans.
- You can open a Health Savings Account (HSA) to put money away, tax-free, to be used for medical expenses and these funds can be rolled over from year to year.

5. What is a Health Savings Account, and how does it work with the consumer plan? Think of it as a savings account where you put money away just to be used for medical expenses. But it's better than just setting money aside for health care because:

- You can have money taken out of your paycheck before taxes.
- AG will give you a lump sum of money (from $300 to $1,000) in January 2011.
- You decide if and when you want to use your HSA savings to pay for expenses. You'll have a debit card you can use just like any other bank card.
- You don't have to use all the money in one year. In fact, you can save it from year to year as long as you want. Your HSA stays with you even if you leave American Greetings.