

Allina Health is committed to offering nurses affordable and comprehensive care



During the past few months, you've heard the union say our nurses will risk bankruptcy if they transition to the core plans, while Allina Health says the core plans are competitive, affordable and fair. We understand there's confusion about what to believe.

Please let us clear up a few of the union's inaccuracies about the health plans we're offering our nurses.

- The core plans are not all high-deductible plans. The most popular plan features a low \$300 individual deductible which does not even apply to all services.
- The core plans allow our employees to choose from more than two million in-network providers, including competitors like Fairview and Mayo Clinic, to name a few. The plans offer discounts when people use Allina Health and partner facilities and providers.
- The core plans insure more than 30,000 employees and their family members. As one of the state's largest employers, we are proud to offer our employees competitive, comprehensive and affordable health coverage so that we can attract and retain an exceptional workforce.
- In response to the union's requests, we have provided more than 30,000 documents on the health plans since last fall. We have been trying to work collaboratively with the union to address the nurse-only plans for the past ten years.

In 2011-2012, after nine months reviewing the cost and design issues together, the union declined to make any changes to their twenty-year-old plan designs. They have plenty of information to bargain a transition, especially considering they already agreed to the core plans for nurses they represent at District One Hospital, Regina Hospital and WestHealth.

See how our most popular core plan works

To help show you how coverage works, enclosed are several scenarios focusing on our most popular plan, the Allina First Plan. Inside are also testimonials from real employees who have needed serious medical care for themselves or their families.

In media statements, the union highlights the worst possible scenarios under the high deductible Basic Plan, which we offer solely to meet Affordable Care Act requirements. Only one percent of our population enrolls in this plan. When the union says it will cost \$12,000 to have a baby, it presumes mom and baby would both meet the out-of-pocket maximum of the Basic Plan. No participants met the out-of-pocket maximum on this plan in the last year, making it an unreasonable example to use. It's also not fair to our nurses or to Allina Health when the union cites the worst possible scenarios on the highest cost/lowest utilized plan to illustrate how the core plans work.

Allina Health is committed to giving you accurate information about the core plans.

Thank you for taking a careful look at what's inside.

Financial protection when you need it most

Coverage for employees managing serious health issues

Only three percent of employees met the \$3,500 individual out-of-pocket maximums on the Allina First Plan last year. This fact contradicts the union's misleading statements that it costs \$12,000 to have a baby or that cancer treatments would cost our nurses more than \$200,000. A few employees have volunteered to share their stories about how the core plans protected them financially while they or their loved ones battled serious health issues. Employee names have been changed to protect their privacy.

Kayla

moved from the Plus Plan to the Allina First Plan before starting cancer treatment

"As a long-time Allina Health nurse, I spent many years on the nurse-only Plus Plan before switching roles and moving my family's health coverage to the Allina First Plan. I currently pay \$5,649 for a year of family coverage on the Allina First Plan, compared to \$14,000+ for family coverage on the Plus Plan.

Last year, I experienced a devastating cancer diagnosis and began treatment. Since then, I have not found any barriers to being well cared for in my treatment, and have had no trouble seeing my providers of choice, whether or not they are part of Allina Health. Even after taking some time off during my diagnosis, my family did not experience financial hardship from my medical costs.

I am now in remission and pay my yearly out-of-pocket max for my expensive ongoing treatment — I paid \$3,700 total for my medical and prescription costs last year. This covers the cost of my medication (\$11,000 billed to insurance per treatment), CT scans every six months, labs, provider visits, etc., and I was able to budget this in my Healthcare Reimbursement Account.

The cost of my treatment under the Allina First Plan has not been financially devastating for my family."

Margaret

battled a rare form of breast cancer

"In early 2012, I was diagnosed with a rare form of breast cancer that required aggressive chemotherapy, radiation treatments and several major surgeries. I met my out-of-pocket maximum early in the year, but the money I had saved in my Healthcare Reimbursement Account ended up covering most of my family's out-of-pocket expenses.

During the course of my treatment, I enrolled in the STAR Cancer Rehabilitation Program for cancer patients and received physical therapy, occupational health, dietitian and psychologist services. Today, I continue to see an acupuncturist for my knee pain, as well as a therapist. All of my treatments are covered and I only pay a \$10 copay for my office visits and around \$35 coinsurance to see my specialist under the Allina First Plan.

In the 18 months prior to my breast cancer diagnosis, I also underwent back and gallbladder surgeries. I could not have received the care I needed without the excellent benefits I received from Allina Health."

Anthony

needed 21 days of special care for his newborn son when his wife went into labor seven weeks early

"When my son was born on March 24, he was seven weeks early and weighed in at just over 4 pounds. He was quickly transferred to a perinatologist at The Mother Baby Center at Abbott Northwestern and Children's Minnesota, where we had wonderful care in the Special Care Unit for the next 21 days. When I received our bill in the mail, I nearly fell over when I saw how much our health insurance had covered. Under the Allina First Plan the entire portion we owed for our baby's medical care was only \$3,500 — a small fraction of the original \$143,000 cost. At \$166/day, that's cheaper than a stay at the Holiday Inn.

One of the toughest things in the hospital is discussing health insurance; it's very complex. The way things are calculated is not always easy to follow, and there are so many scenarios. It's important to ask questions and be informed."

Don't forget... Each of these non-contract employees pays lower premiums on the Allina First Plan than they would pay on the most popular nurse-only Choice Plan, or in Kayla's case, on the Plus Plan she had when she was a nurse union member.

2016 Scenarios

As you will see in the following scenarios, it's important to think about the costs of your premiums along with the amount you pay out-of-pocket to see what your experience might be. The core plans' lower premiums mean that even nurses who have to pay higher out-of-pocket costs than they do today can still save money. A couple of these scenarios demonstrate that some nurses could pay more, but the amounts are nowhere near what the union claims they will be for everyone. And, nurses will always be protected by the out-of-pocket maximums, which very few people meet.

Here's a quick look at the costs of the Allina First Plan compared to the Choice Plan. These plans were selected because they have the highest enrollment. Please note there are different coverage levels (single + child(ren), etc.) on the core plans that may save you money.

A look at the 2016 premiums for the most popular core plan and most popular nurse-only plan		
COVERAGE LEVEL	ALLINA FIRST PLAN PREMIUMS <small>per pay period/year (rounded)</small>	CHOICE PLAN PREMIUMS <small>per pay period/year (rounded)</small>
Single	\$43.48 x 26 = \$1,130	\$71.93 x 26 = \$1,870
Single + Child(ren)	\$104.31 x 26 = \$2,712	N/A
Single + Spouse	\$144.81 x 26 = \$3,765	N/A
Single + One	N/A	\$227.88 x 26 = \$5,925
Family	\$217.27 x 26 = \$5,649	\$287.88 x 26 = \$7,485

These scenarios are based on average costs of care, cite 2016 premium costs and are for illustration purposes only. The savings referenced do not consider any out-of-pocket costs the employee would have spent on their nurse-only plans, so actual savings could be higher.

James

Age: 55

Married

Struggles with high blood pressure



James is taking one prescription to help control his high blood pressure. He has relationships with Mayo and wants to continue going to his Mayo provider for care. His wife sees an Allina Health provider, but usually only for preventive care.

James is paying \$5,925 for employee + one coverage on the Choice Plan. Employee + spouse coverage on the Allina First Plan costs \$3,765, so he will automatically **save \$2,160** in premiums.

Service	Allina First Plan
James gets his yearly physical from his primary care doctor at Mayo Clinic Health System.	Preventive care and preventive care labs are FREE .
James visits his primary care doctor at Mayo Clinic 10 times during the year to help him manage his blood pressure. His wife sees an Allina Health primary care physician for perimenopause symptoms.	He pays \$250 in copays. (\$25 for each visit) He pays \$10 for his wife's visit.
James has lab work from his Mayo Clinic provider during the year to monitor his blood pressure (cost \$800).	He pays his \$300 toward his deductible and 20%, or \$100 , in coinsurance. (\$800 - \$300 = 500 x 20% = \$100)
James refills his generic blood pressure medication (30-day supply) at a National Network retail pharmacy 12 times during the year. His wife fills a prescription for birth control at an Allina Health Pharmacy for perimenopause.	He pays \$120 in copays (\$10 for each prescription at a National Network pharmacy) Generic birth control is FREE at Allina Health pharmacies.
At the end of the year, James' total out-of-pocket cost is...	\$660 copays, deductible & coinsurance + \$120 prescriptions \$780 total out-of-pocket
Bottom line: James saved \$2,160 in premiums and spent only \$780 out-of-pocket, for a savings of \$1,380. Plus, he continued to see his Mayo Clinic provider.	

Leah

Age: 60

Married

Has knee, back and chronic pain issues



Leah is receiving ongoing treatment for chronic pain, knee and back issues. Her husband is not a high utilizer of care.

Leah is currently paying \$5,925 for employee + one coverage on the Choice Plan. The Allina First Plan's 2016 employee + spouse coverage only costs \$3,765, so she automatically **saves \$2,160**.

Service	Allina First Plan
Leah sees an Allina Health primary care provider and her husband sees a HealthPartners primary care provider for an annual check-up.	Preventive care and routine preventive care labs are FREE .
Leah has 14 primary care visits and 20 specialty care visits at Allina Health providers for chronic pain and issues with her back and knee.	Leah pays a \$10 copay for each primary care visit for a total of \$140 . She pays a total of \$680 for 20 specialty care visits (15% or \$34 per visit).
Leah has 23 therapy visits at an Allina Health provider for chronic pain.	Leah pays 15% of the \$226 visit. At \$34 per visit, the cost for 23 visits is \$782 .
Leah has lab draws at 15 of her Allina Health visits (cost \$3,650).	Leah pays her \$300 deductible plus 10% (\$335) of the remaining \$3,350 cost of the labs.
Leah has 12 claims for facility, surgical and anesthesia services, totaling \$7,600. All were provided at an Allina Health facility.	Leah's 10% share of the \$7,600 charges is \$760 .
Leah filled 10 generic prescriptions at an Allina Health Pharmacy.	Leah pays \$5 for each prescription for a total of \$50 .
At the end of the year, Leah's total out-of-pocket cost is...	$ \begin{array}{r} \$2,997 \text{ copays, deductible \& coinsurance} \\ + \text{ } \$50 \text{ prescriptions} \\ \hline \mathbf{\$3,047 \text{ total out-of-pocket}} \end{array} $
Bottom line: Leah saved \$2,160 in premiums, but spent \$3,047 out-of-pocket, for an increased cost of \$887.	

Service	Allina First Plan
David gets his yearly physical from his regular primary care doctor.	Preventive care and routine preventive care labs are FREE .
David visits his Allina Health primary care doctor twice during the year for sinus infections.	He pays a \$10 copay for each primary care visit for a total of \$20 .
David fills four generic prescriptions at an Allina Health Pharmacy.	He pays \$20 for his generic prescriptions (\$5 per prescription).
At the end of the year, David's out-of-pocket cost is...	$ \begin{array}{r} \$20 \text{ in copays} \\ + \text{ } \$20 \text{ in prescriptions} \\ \hline \mathbf{\$40 \text{ total out-of-pocket}} \end{array} $
Bottom line: David saved \$411 in premiums and spent only \$40. He saves \$371.	



David

Age: 26

Single, healthy

David has always been in good health. Aside from a cold here and there, he hasn't needed much for health care or medications.

David is currently enrolled in single coverage on the Advantage Plan and will pay \$1,541 in premiums in 2016. By switching to the Allina First Plan, his premiums will drop to \$1,130 which means he'll **save \$411** in premiums.

Stacy

Age: 34

Single parent with two children



Stacy is a single parent of two. Her kids are only sick a couple times a year, but are in sports and have had injuries in the past. Stacy herself is pretty healthy, and prefers convenience care because of her busy schedule.

She currently pays \$7,485 for family coverage on the Choice Plan and is pleased to see that she has the option to enroll in the Allina First Plan employee + child(ren) coverage level, which costs \$2,712 in 2016. She automatically **saves \$4,773** in premium costs!

Service	Allina First Plan Coverage
During the year, Stacy gets her annual physical from her Allina Health doctor and her two kids see a provider at Children's Hospitals and Clinics of Minnesota.	Preventive care and routine preventive care labs are FREE .
Stacy's daughter visits her Children's primary care doctor three times during the year — for a cold, strep throat and mono. Her son sees a Fairview specialist once for allergies. Stacy went to Minute Clinic once and used a MyChart eVisit once for her own illnesses.	Because Children's is in the Allina First Network, she pays \$30 in copays (\$10 for each visit) and \$200 toward her daughter's individual deductible for the \$200 in lab costs. Her son's specialist appointment was with Fairview, which is part of the Extended Network. Blue Cross Blue Shield allows a payment of \$200 for the visit and Stacy's 30% share was \$60.* Stacy's Minute Clinic and MyChart eVisit cost \$10 (\$5 each) and her lab tests during her Minute Clinic visit were included. <i>*Opportunity to save: Stacy's share would have been 15% (or \$30) if her son had seen a specialist in the Allina First network.</i>
Stacy's son breaks his ankle in a skiing accident and visits a Fairview Emergency Department. He has his ankle X-rayed and is sent home in a cast (cost: \$2,500). She brings her son in weeks later to have the cast removed and they take another X-ray. Cost for X-ray is \$170.	Stacy pays \$300 to reach her son's individual deductible and, after reaching the deductible, she pays \$550 (25%) of the ER visit cost. $(\$2,500 - \$300 = \$2,200 \times 25\% = \$550)$ Stacy's son has his cast removed and his leg X-rayed at a follow-up appointment. The cast removal was included in the initial ER visit fee. She pays 20%, or \$34* , for the X-ray. <i>*Opportunity to save: If Stacey had taken her son to an Allina Health Urgent Care, she would have only paid 10% of the lower urgent care cost.</i>
Stacy fills two generic prescriptions and one brand-name prescription for her son's allergies at an Allina Health Pharmacy.	Stacy pays \$10 in copays for the generics (\$5 per prescription). Her son's brand-name medication costs \$325 for a 93-day supply and Stacy's share is 25% (\$81.25). She pays \$325 for the year.
At the end of the year, Stacy's out-of-pocket cost is...	$ \begin{array}{r} \$1,184 \text{ copays, deductible \& coinsurance} \\ + \quad \$335 \text{ prescriptions} \\ \hline \mathbf{\$1,519 \text{ out-of-pocket}} \end{array} $
Bottom line: Stacy saved \$4,773 in premiums and spent \$1,519 out-of-pocket for a savings of \$3,254.	

Don't see yourself in these scenarios? Some nurses will have similar care needs, some will have less and some will have more. Just remember that in the event of serious health issues, the out-of-pocket maximums limit your costs. In 2015, only three percent of participants enrolled in the Allina First Plan reached the \$3,500 individual out-of-pocket maximum, and less than one percent reached the \$7,000 family out-of-pocket maximum. While the union talks about this happening in all of their scenarios, the data shows it doesn't happen often.

Concerned because you take expensive medications? There is a \$1,000 family pharmacy out-of-pocket maximum on the Allina First Plan when you use an Allina Health Pharmacy. So, if your brand-name medication costs \$12,000 a month and you fill it at an Allina Health Pharmacy, you would immediately meet the \$1,000 out-of-pocket maximum. You would pay *nothing* for medications filled at an Allina Health Pharmacy for all of your enrolled family members for the rest of the year.



The union continues to say it will cost \$12,000 to have a baby on the core plans. The average cost to deliver a baby via vaginal delivery, assuming no complications, is \$1,040 on the Allina First Plan. Below, we provide details about a Caesarean section.

Kim

Age: 35

Married, two children, expecting a baby

Kim and Matt have two kids and are expecting a baby. She is planning to deliver via C-section at United Hospital.

Kim typically enrolls in the Choice Plan. Her premiums for family coverage on the Allina First Plan are \$5,649 for the year compared to \$7,485 for the Choice Plan family coverage, a **savings of \$1,836** in premiums.

Service	Allina First Plan
During the year, Kim has her scheduled OB visits and preventive care visits for her kids and husband at an Allina Health primary care doctor.	Preventive care, well-baby visits and routine preventive care labs are FREE .
Prenatal office visits with her Allina First Network provider.	Kim pays a \$10 copay for the initial diagnosis visit. ALL remaining OB check-ups are FREE .
Caesarean section delivery at United Hospital, including four night stay for mom and baby: <ul style="list-style-type: none"> Hospital charges for mom/baby: \$10,019 Anesthesia fees for mom: \$436 Doctor professional fees for mom/baby: \$3,825 <i>*These are actual allowable costs based on an employee's delivery. Not an average.</i>	Kim pays her \$300 deductible and her newborn's \$300 deductible first. Then, she pays 10%, or \$942 , of the hospital charges. She pays 10%, or \$44 , of the anesthesia charges. She pays 15%, or \$574 , of the doctor fees. Her total cost, including deductibles, is \$2,160.
Kim's husband visits an Allina First Network convenience care clinic for a cold. She brings her son to her Children's primary care provider for poison ivy and her newborn daughter for pink eye.	Kim pays a \$5 copay for convenience care. She pays \$20 in copays (\$10 each) for the office visits at Children's.
Kim fills three generic prescriptions at an Allina Health Pharmacy.	She pays \$15 in copays (\$5 per prescription).
At the end of the year, Kim's total out-of-pocket cost is...	\$2,195 in copays, deductible & coinsurance + \$15 in prescriptions \$2,210 total out-of-pocket
Bottom line: Kim saved \$1,836 in premiums but spent \$2,210 out-of-pocket, for an increased cost of \$374.	

If you have questions, call 1-800-509-5310 and press one to talk with Blue Cross Blue Shield about medical coverage and the networks and or press two to talk with Express Scripts about pharmacy coverage. You can also email us at negotiations@allina.com.



Coverage details

The Allina First Plan is a low-deductible plan and is the most popular plan among all Allina Health employees. Many services do not require you to meet the deductible.

Plus, while discounts are offered when Allina Health and partner facilities (Children's, etc.) are used, participants have nationwide access to more than two million in-network providers, including competitors.

Important things to know

If I need emergency care and am admitted out-of-network, do I have coverage?

Yes! If you are in an emergency, you have guaranteed in-network coverage for Emergency Department services as well as for inpatient care and labs, etc., if you need to be admitted to an out-of-network facility from the ED.

Do you enroll your kids, but no spouse?

Make sure you notice the single + child(ren) coverage level offered on the core plans. Currently, if you want to enroll more than one person on the nurse-only plans, you must select family coverage.

In 2016, the Choice Plan family coverage costs \$7,485 in annual premiums. Under the Allina First Plan, nurses could elect the single + child(ren) coverage level. In 2016, the annual premiums cost \$2,712, resulting in a **savings of \$4,773!**

Not many people reach the out-of-pocket max.

Only three percent of employees enrolled in the Allina First Plan reached the \$3,500 individual out-of-pocket maximum, and less than one percent reached the family out-of-pocket maximum in 2015. While you may hear the union highlight examples about this happening, the data shows it does not happen often.

COVERAGE COSTS per pay period/year	ALLINA FIRST PLAN		
Coverage Level	Employee pays		Allina Health pays
Single	\$43.48 x 26 = \$1,130.48		\$246.37 x 26 = \$6,405.62
Single + Child(ren)	\$104.31 x 26 = \$2,712.06		\$417.23 x 26 = \$10,847.98
Single + Spouse	\$144.81 x 26 = \$3,765.06		\$434.42 x 26 = \$11,294.92
Single + One	N/A		N/A
Family	\$217.27 x 26 = \$5,649.02		\$651.81 x 26 = \$16,947.06
DEDUCTIBLE (You do not need to pay the deductible for all services. Only those noted.)			
In-Network Deductible	\$300 per person, up to a maximum of \$900 per family		
Out-of-Network Deductible	Does not apply.		
MEDICAL BENEFITS Partial listing of covered services	In-Network		Out-of-Network
	Allina First Network	Extended Network	
Preventive Care	\$0 copay		No coverage*
Convenience Care	\$5 copay	\$15 copay	
Office Visit - Primary care	\$10 copay	\$25 copay	
Office Visit - Specialty care	15%	30%	
Urgent Care	10%	20%	25%
Emergency Department	Deductible, then 25%		
Inpatient Hospital Care	Deductible, then 10%	\$250 copay, deductible, then 40%	No coverage*
Outpatient Hospital/ Ambulatory Care	Deductible, then 10%		
Laboratory and Imaging	Deductible, then 10%	Deductible, then 20%	
PHARMACY BENEFITS Partial listing of covered services	In-Network		Out-of-Network
	Allina First Network	National Network	
Generic	\$5 copay	\$10 copay	No coverage*
Brand-Name Preferred	25%	40%	
Non-Preferred	50%	60%	
ANNUAL OUT-OF-POCKET MAXIMUM Very few people ever reach the out-of-pocket maximum. This plan feature limits how much an employee would ever need to pay out-of-pocket for in-network care.			
Pharmacy Out-of-Pocket Maximum	\$1,000 per person	\$2,000 per person	No maximum
Medical Out-of-Pocket Maximum	\$3,500 per person, up to a maximum of \$7,000 per family		

*with more than two million providers in the Extended Network, the majority of care providers who take insurance are in-network.



Addressing inaccurate information about the core health plans

Not all employees have the core plans – the CEO and other physicians and execs have something different.

FACT: Not true. All physicians and executives, including Dr. Wheeler, are offered only the core plans. They pay the same premiums as all other non-contract employees.

Aside from 14 pharmacists on a Standard plan that we'll be negotiating over later this year, all employees are on the Core plans (First, Select or Basic). One group of union-represented employees is on a 2014 version of the Allina First Plan (called the alt plan) because their union would not agree to all of the changes we made to the Allina First Plan to ensure it did not meet the thresholds of the Cadillac tax.

It will cost \$200,000 for cancer medications and I will go bankrupt.

FACT: Not only is there is a \$1,000 out-of-pocket maximum for medications filled at an Allina Health pharmacy (\$2,000 for other in-network pharmacies), there is a \$3,500 medical out-of-pocket maximum on the Allina First Plan. The plans provide good coverage for people with serious illnesses.

I won't have coverage outside of Allina Health, for my out-of-state student or when I travel.

FACT: It is not a requirement to use an Allina Health provider. You will have in-network access to more than two million providers across the nation through the Blue Cross Blue Shield Extended Network. This network even includes competitors like Mayo. Plus, Emergency Department care is always covered and so are your costs if you're admitted from the ED, even if you go out-of-network.

The networks are the same on the core plans as the nurse-only plans, so you can still stay with your current in-network provider. And, if you choose an Allina Health or affiliated provider (Children's, etc.), the core plans pay a larger share of the cost.

The core plans are all high deductible plans.

FACT: The Allina First Plan, the Allina Health plan with the highest employee enrollment, is not a high deductible plan. Meeting the low \$300 deductible is not even required for many services. (See the plan details on the previous page.)

It will cost \$12,000 to have a baby on the core plans.

FACT: The average out-of-pocket cost to have a baby (vaginal birth, no complications) on the Allina First Plan is \$1,046.19. Remember, the Allina First Plan family premiums also cost \$1,800 less than the Choice Plan.

I have to pay \$3,500 before coverage kicks in.

FACT: Not true. The Allina First Plan provides free preventive care and you do not need to pay a deductible for things like convenience care, primary and specialty care office visits, trips to urgent care, mental health services and chiropractic care.

FACT: The \$3,500 individual and \$7,000 family out-of-pocket maximums are protections that limit how much participants pay out-of-pocket for medical care. In the rare case a participant reaches the out-of-pocket maximum, the health plan pays 100% of covered in-network medical benefits for the rest of the year. Very few participants ever reach these maximums. In fact, **only three percent** of Allina First Plan participants reached the individual medical out-of-pocket maximum and **less than one percent** reached the family out-of-pocket medical maximum in 2015.

Transitioning to the core plans results in an \$8,000 or \$12,000 pay cut for nurses.

FACT: Absolutely not. The union is citing the out-of-pocket maximums, which very few people meet, as how much more each nurse will pay for care each year. This is not true and very misleading for our employees.

The union doesn't have enough information to respond to the health plan proposal.

FACT: We have been talking about the issues with the health plans for the past 10 years. In 2011-2012, the union and Allina Health spent nine months meeting to discuss the issues with the nurse-only plans and ways to mitigate those issues.

Since last fall, we have provided 30,000 pages of health plan information requested by the union. We believe they have been provided sufficient information to bargain a health plan transition.

Lastly, the union has already agreed to the core plans for nurses it represents at District One Hospital, Regina Hospital and Abbott Northwestern – WestHealth, so it must have been comfortable with the coverage offered or it would not have agreed to the core plans for those nurses.