



It's time for change

Why it's time for nurses to transition to the comprehensive health plans offered to all Allina Health employees

Allina Health nurses have access to four extra health plans — the Advantage, Choice, 250 and Plus plans — which evolved from plans that were first introduced to all employees in the early 1990s. Aside of a few health care reform changes, these plans have not been significantly modified in many years. They've become so high cost, they're considered Cadillac plans by the Federal government. Much has changed in health care and health insurance during the past decade. These plans have not kept pace with those changes, making them very expensive for Allina Health and for our nurses.

Read on to understand why it's time for our nurses to move from the Cadillac plans to the core plans offered to all of our valued employees.



They aren't just costing Allina Health money, they're costing you more money, too.

On average in 2016, nurses will pay approximately **\$5,620** for premiums and out-of-pocket costs in the Cadillac plans. In comparison, non-contract employees in the core plans will pay **\$5,020**. Employees who earn the full Be Fit premium credits will pay even less: **\$4,705**.

- The higher costs for the Cadillac plans are due, in part, to how the plans are designed.
- The core plans provide incentives for employees to make more affordable care choices.

Your premiums will decrease when you move to the core plans.

- Your premium costs AND Allina Health's premium subsidies have been rising more quickly than the core plans (see graph).
- The most popular Cadillac plan (the Choice) costs employees **65% MORE** for single coverage and **32% MORE** for full family coverage than the same coverage on the Allina First plan in 2016.
- Whether someone pays more or less once we transition to the core plans depends on how he or she uses care.

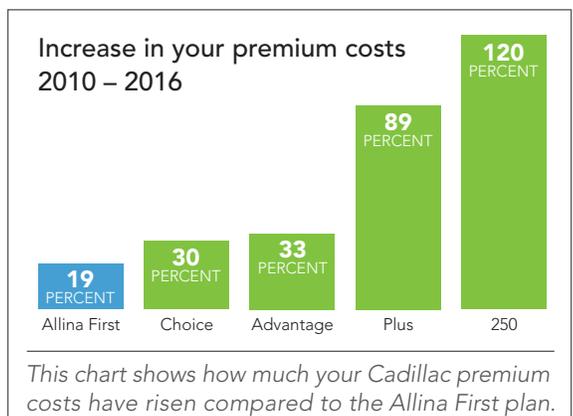
They're too expensive.

- The total annual cost of the Cadillac plans is **\$8,000 MORE** per employee than the regional benchmark, and **\$6,000 MORE** per employee than the core plans offered to all Allina Health employees.
- Transitioning nurses to the core plans will save Allina Health **\$10 MILLION** while still providing excellent coverage.
- In addition to their high costs, the plan designs do not provide incentives for people to choose lower cost options of care.

Here's how your premiums add up

Nurses enrolled in the Choice plan are paying \$624 per month for family coverage, which is **32% HIGHER** than the \$471 cost for family coverage under the Allina First plan.

The core plans also offer the option to cover more than one child without having to enroll in full family coverage. Moving to the Allina First employee plus children tier is only \$226 a month. That's **\$398 LESS** each month than the Choice family plan tier.



Why it's time for nurses to transition to the comprehensive health plans offered to all Allina Health employees



The core plans (Allina First, Select and Basic) offer excellent coverage at an affordable cost.

- Allina Health is able to recruit talented employees. The core plans offer competitive, comprehensive and affordable coverage.
- More than **30,000 lives** (employees, spouses, dependents) are covered under Allina Health's core medical plans.
- The core plans are reflective of what most people's health insurance plans look like today.

The effects of changing to the core plans depend on how you use care.

- All nurses will pay lower premiums.
- Nurses who have fewer health care needs or who choose more affordable care options (e.g., convenience care versus urgent care) will pay less overall.
- Nurses who use a high level of care will pay more out-of-pocket than they do today; however, they will never pay more than the plan's out-of-pocket maximum. They are protected.
- By spreading the risk of the nurse population across the entire employee population, your premium costs will be more stable and you are unlikely to experience the same high premium increases shown in the chart on page one.



The Allina First plan offers similar features and protections as the Cadillac plans, including:

- access to both Allina Health and non-Allina Health providers
- free preventive care
- out-of-pocket maximums that protect you financially (Once you reach the maximum, Allina Health covers your eligible health care expenses for the rest of the year.)
- low costs for generic drugs
- low copays for primary care.



Allina Health believes it is important for all employees to be covered by the same set of health plans.

It's more fair. Why should one member of our valued care team have unnecessarily expensive health plans when excellent coverage can be provided for less?

MORE THAN 30,000 LIVES ARE COVERED UNDER ALLINA HEALTH'S CORE MEDICAL PLANS.