

## ***2010 Supplemental Medical Letter Retirees and Surviving Spouses***

### **American Airlines**

To Tech Review:	8/24
Comments Due:	8/27
To HR Comm:	8/27
Comments Due:	8/30
To EAC, TWU and Legal:	8/31
Comments Due:	9/01
Final Draft to AA:	9/02
Approval Due:	9/02
Submit to Outsourcing:	9/07
Mails to Homes:	9/20

# American Airlines

September 20, 2010

(First Name) (Last Name)  
Address  
Address  
City, State ZIP Code

## **Future Termination of Supplemental Medical Plan for Retirees and Surviving Spouses**

Dear (First Name) (Last Name):

If you have been following health care reform in the news, you may be aware that many changes will occur in the health care arena over the next few years. While the new law does not affect AA's retiree medical coverage, it does affect our Supplemental Medical Plan and I wanted to let you know about some future changes.

We will continue to offer the Supplemental Medical Plan to retirees, their spouses and domestic partners and surviving spouses until the Health Insurance Exchanges mandated under federal health care reform law are in place, which is expected to be Jan. 1, 2014. **At that time, we anticipate terminating the Supplemental Medical Plan to all retirees, their spouses and domestic partners and surviving spouses on Dec. 31, 2013, or when the Health Insurance Exchanges open, whichever occurs later.** However, we anticipate that in 2014, retirees, their spouses and domestic partners and surviving spouses will be able to purchase medical coverage from the Exchanges of equivalent value to AA's Supplemental Medical Plan.

Health Insurance Exchanges are state-run entities that will offer health care choices available through new, competitive, consumer-focused health insurance marketplaces. They will provide an opportunity for individuals to compare and purchase health insurance coverage that is right for them much like automobile insurance is purchased today. If you would like more information on the Health Insurance Exchanges, please go to [www.healthcare.gov](http://www.healthcare.gov).

The contribution for Supplemental Medical in 2011 will be \$15 per participant per month. You will receive an annual bill from HealthFirst for \$180 per participant.

There is no change to retiree medical lifetime maximum provisions at this time. In 2011 AA's Plan will retain the following lifetime maximum benefit provisions:

- \$300,000 for Pre-65 retirees in the Retiree Standard Medical option
- \$1,000,000 for Pre-65 retirees enrolling in the voluntary medical option, Retiree Point-of-Service
- \$50,000 for retirees age 65 and older (if you are eligible for this).

**American Airlines HR Services**

P. O. Box 9741, Providence, RI 02940-9741

E-mail/Chat by clicking the "HR Assistant" link on the Retiree Benefits page of Jetnet

# American Airlines

While I hope this provides you with the information you need, I realize you may have questions or concerns about the termination of Supplemental Medical and the new Exchanges. A few frequently asked questions have been included in this letter to provide you with more detailed information. You may also click on the "HR Assistant" from the Benefits page of Jetnet to chat or send a secure e-mail.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Levine". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Dave Levine  
Managing Director  
HR Delivery

**American Airlines HR Services**

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## Frequently Asked Questions

### ***Will active employees still be eligible for Supplemental Medical?***

As a result of health care reform law, all medical plans covering active employees are required to remove the lifetime medical maximum provisions beginning Jan. 1, 2011. Since there will be no longer be lifetime limits on AA's medical plans for active employees, this makes supplemental coverage unnecessary. Therefore American is terminating the Supplemental Medical Plan for active employees effective Dec. 31, 2010.

### ***I left American under the 50-55 Rule and have continued to pay HealthFirst for Supplemental Medical so that I have it when I enroll in AA's retiree medical plan. What happens to my coverage?***

Effective Jan. 1, 2011, you will no longer be required to pay for the Supplemental Medical Plan if you have not yet enrolled in American's retiree medical benefit coverage. We have amended our Plan eligibility rules and *future* eligible retirees will be allowed to purchase the Supplemental Medical Plan *at the time they commence their AA retiree medical coverage*. We will continue to offer the Supplemental Medical Plan to retirees and their spouses or domestic partners and current surviving spouse participants until the Plan is terminated either on Dec. 31, 2013, or when the Health Insurance Exchanges mandated under the Federal health care reform law are open, whichever occurs later.

### ***I am a Surviving Spouse paying HealthFirst for Supplemental Medical and this Plan is my only medical coverage. What happens to my coverage?***

You will continue to be eligible for coverage under the Supplemental Medical Plan as a Surviving Spouse until you exhaust your benefits under the Plan or the Plan is terminated.

### ***I am a Surviving Spouse of a retiree and my medical maximum benefit under AA's retiree medical is \$50,000. I have been paying HealthFirst for Supplemental Medical coverage in the event I exhaust my \$50,000 retiree medical maximum benefit. What happens to my coverage?***

You will continue to be eligible for coverage under the Supplemental Medical Plan as a Surviving Spouse of a retiree until you exhaust your benefits under the Plan or the Plan is terminated.