

2010 Benefits Special Edition - Part 2

21 October 2009

Dear Colleagues,

We are hearing from many of you expressing much confusion about our 2010 benefit options. While some of the confusion may be related to the complications associated with merging two large and distinct airlines, more appears to be coming directly from the marketing drive toward the account-based health plan options at Delta.

In this Part 2 of the series of informational pieces provided by your NWA AFA MEC we will try to dispel the confusion and help you make this important decision for the 2010 plan year. We know that we are a diverse group with a variety of health insurance needs and wants and understand that only you can decide which option works best for you and your family.

Active/Inactive Pre-Merger NW Flight Attendants

Open Enrollment: October 21- November 10 - In 2010 pre-merger NW flight attendants will continue to be eligible for our contractual insurance benefits, per Section 29 – Insurance of our collective bargaining agreement (identified in “Package 2” for open enrollment). In addition to the NWA Contract Plan, we have been offered numerous non-contract benefit options (listed in “Package 1” for 2010 open enrollment).

Summary Plan Descriptions - Package 2 benefit options must follow the provisions of Section 29 – Insurance of our NWA AFA contract. The SPDs for the plans in Package 2 should be the same as those covered in the NW 2009 Summary Plan Descriptions for the 1/1/09 – 12/31/09 plan year. The NW SPDs are posted on NWA employee RADAR under the Benefits tab. Summary Plan Descriptions for non-contract Package 1 are posted on Deltanet for most of the plans, except for the non-contract PPO Option A. AFA has asked Delta management to post all SPDs so you will be able to read them before making your elections during open enrollment.



NWA AFA Contract Plan - Package 2, which starts with PPO Option B and related benefit choices, is the only choice that is outlined in our NWA AFA collective bargaining agreement – Section 29 – Insurance. If you do not select Package 2 with PPO Option B, you may be waiving your important rights, coverages, and benefits set out in Section 29 – Insurance.

Are My Doctors In The UHC Network? We continue to hear concerns about the depth and quality of the UnitedHealthcare network. In order to assure that your needs are met we need to know if you foresee problems utilizing this network in your area. To see whether your physician, healthcare provider, or facility participates in the UnitedHealthcare or Medica network, log onto: www.myhealthcareview.com, Username: delta and Password: delta. You should also check to see if your medications are in the new formulary.

Questions? - If you have any questions about your NWA AFA contractual benefit options, please review [Section 29 - Insurance](#). If you have any further questions, please feel free to contact your Local AFA representatives or MEC Secretary-Treasurer Lynn Bible at lbible@nwaafa.org at any time. Please report any UHC network coverage issues for the 2010 insurance to mec@nwaafa.org. For any other information visit Deltanet or call 1-800-693-3582.

Retired Pre-Merger NW Flight Attendants

Open Enrollment: October 28 – November 17 – In 2010 pre-merger NW retirees will continue to be eligible for our contractual subsidized retiree insurance benefits, per Section 29 – Insurance of our collective bargaining agreement (PPO Option B). So long as we have a collective bargaining agreement, the health insurance offered by Delta for our active and retiree benefits must comply with our Contract. Therefore retiree benefits for 2010 should be the same as set out in the 2009 SPDs on RADAR, but with the new plan administrators. Our NWA AFA Contract limits annual premium increases to no more than 7% and outlines the coverage and premium costs for our retirees.

▶ IMPORTANT NOTE FOR 2010 RETIREES ◀

Subsidized retiree medical insurance is provided for in Section 29 of our contract. **NOTE: In order to be eligible for this retiree medical insurance, you must be enrolled in the NWA health plan on the date of your retirement. This eligibility rule is set out in Section 29.A.1.c.iii.**

THE FINE PRINT . . .



Enrolling in one of the HRAs, HSAs or in PPO Option A also subjects your family to the following disclaimer, stated on page 43 of the Guide to Delta's 2010 Account-Based Healthcare Plan Options:

"Delta Air Lines, Inc. reserves the right to amend, modify or terminate all or any part of its plans, at any time, for any reason. Any such amendment, modification or termination may apply to active employees, inactive employees, furloughed employees, former employees, retirees, survivors, COBRA participants, and any other participant or dependent covered under the plan."

Your AFA MEC and Legal Department have been reviewing the Delta-provided information about our benefit choices for 2010. We note that there is limited information about the NWA Contract Plan (PPO Option B) on DeltaNet or even about the new PPO Option A. Both PPO options are described in several pages of the **2010 Delta Benefit Guide** with comparison charts, which provide merely the basic coverage categories and financial details of deductibles and plan limits necessary to make an enrollment choice. Unlike for the account-based health plans (HRA, HSA), Delta provides little narrative description about the benefits of the PPO plans and makes no mention of the unique negotiated benefits in the NWA Contract plan (PPO Option B) - like the Family Security Benefit or the subsidized retiree medical coverage.

There seems to be a clear effort to steer people to these less costly plans. Delta has even prepared a separate booklet touting the benefits of their high deductible account-based plans.

Remember, HRA and HSA with a high deductible health plan cover only about 8% of Americans with health insurance and the vast majority of those are in small companies that otherwise might not offer health insurance at all because of cost. The entire rationale for High Deductible Health Plans is to shift cost from the sponsor to plan participants and make insurance more affordable for companies. Delta often reminds us that it did not increase premiums when it instituted these plans. A more expected action would have been to decrease premiums and put some of that cost savings in the pockets of participants, who are now paying more overall for their health coverage. From management's point of view, of course there is nothing wrong with wanting to save money on health plans, but we should be clear that such cost savings do not always coincide with our best interests.

In Unity,

Lynn Bible, MEC Secretary/Treasurer