

Benefits Change for Legacy AA Flight Attendants Age 65 and Older Who Retired Before November 1, 2012

What is changing?

Effective January 1, 2021, health coverage under the American Airlines, Inc. Health & Life Plan for Retirees (“AA Retiree Medical Plan”) that is currently provided to *age 65 and over retirees who retired prior to November 1, 2012* will transition from a self-insured plan to a fully-insured plan. Specifically, the AA Retiree Medical Plan will offer a fully insured Medicare Advantage plan through UnitedHealthcare® Group Medicare Advantage. Your health coverage under the AA Retiree Medical Plan will not be reduced, and your cost share will not change, as a result of this transition.

Who will be affected by this change?

Retirees age 65 and over who retired prior to November 1, 2012.

What do I need to do?

If you want the Advantage Standard PPO Plan you do nothing. You will automatically be defaulted into the plan.

What else do I need to know?

Under the new plan you will still pay for Medicare Part B. You will not need to sign up for Part D or a Supplement (Medigap) Plan.

You will have a \$100 deductible and a \$1000 out of pocket max, which is comparable to the previous plan. The new plan does not have a lifetime maximum medical benefit. The lifetime max with the previous plan was \$50,000. Many retirees also paid for Supplemental Medical which provided an additional \$500,000 of coverage. This supplemental coverage will not be necessary with the new plan.

If you sign up for the Basic Option, you will pay nothing.

If you elect the Plus Option, there will be an additional monthly charge of \$58.00 per person. (This is the rate for retired F/As and their dependents. The rate may vary for other work groups.) The Plus Option offers the same level of medical coverage but has an enhanced formulary list of covered medications.

What if I decide to opt out of this coverage?

The deadline for opting out is 12/4/2020. If you decline the coverage, you and your eligible dependents will not be able to enroll in the plan at a later date.

How can I opt out?

Call the AA Benefits Service Center (Alight) by 6:00 PM Central Time on 12/4/2020: 888-860-6178

How do I elect the Plus plan?

Call the AA Benefits Service Center (Alight) by 6:00 PM Central Time on 12/4/2020: 888-860-6178

Can I change from the Basic plan to the Plus plan and vice-versa?

Every year during Annual Enrollment you will have the opportunity to switch between the two plan options.

Can I elect to keep the current plan?

In most cases, the answer is no. The current plan is being replaced by the new Medicare Advantage Plan. There is one notable exception:

- If you reside outside the United States and do not have a US address on file with the company, you will keep your coverage under the RSMP

Can I keep the Supplemental Medical Plan administered by Health First TPA?

In most cases the answer is no because the Supplemental Medical Plan is not designed to work with the Medicare Advantage Plan. There are, however, a couple of exceptions:

- if you previously exhausted your \$50,000 of coverage under the RSMP, you will continue to be covered by the Supplemental Medical Plan administered by Health First TPA
- If you reside outside the United States and will keep your coverage under the RSMP, you can also retain your Supplemental Medical coverage.

What if I already paid my Supplemental Medical premium for 2021?

If a retiree has already paid all or a portion of his or her 2021 AA Supp Med contributions his or her contributions will be refunded without any action needed on the part of the retiree once their coverage transitions to Medicare Advantage coverage.

What if I already have a Medicare Supplement (Medigap) Plan?

If you have Medigap and join a Medicare Advantage Plan, you *may* want to drop Medigap. You cannot use Medigap to pay your Medicare Advantage Plan copayments, deductibles, and premiums. Once you are enrolled in a Medicare Advantage Plan it is illegal for anyone to sell you a Medigap policy unless you are switching back to Original Medicare. Contact a Medicare advisor to discuss which plan will work best for you.

What if I already have a Part D Plan?

You will not need a Part D Plan if you opt for the Standard or Plus advantage plan. If you elect to enroll in the Advantage Plan, your current Part D coverage will end when the new plan goes into effect on 1/1/2021.

What if I have exhausted my \$50,000 under the RSMP and am already covered by Supp Med?

You will not be defaulted into the Advantage plan and will retain your coverage with Health First TPA.

What if my spouse is not yet Medicare eligible?

Your spouse will retain coverage under the RSMP until they reach age 65 at which point, they will be offered the Medicare Advantage Plan.

What if I have medical coverage through the Military?

Anyone with Military plan should check with a Military insurance advisor or a qualified Medicare advisor before opting into the AA Medicare Advantage Plan. You need to find out whether your Military coverage will coordinate with this plan. If you forfeit your Military coverage, you may not be able to get it back.

What if I live outside the United States?

If the retiree does not have a US address, they are not eligible for the Medicare Advantage option and will remain in their current option.

What if I need to file a claim while traveling abroad?

The Medicare Advantage option does allow the exact same coverage as today which is reimbursement for urgent and emergency care while traveling internationally.

Who to contact for more information:

United Health Care: UHCRetiree.com/American or 1-866-225-8816

American Airlines Benefits Service Center (Alight): 1-888-860-6178

Health First TPA (Supplemental Medical Coverage): 1-800-711-7083

APFA Retirement Department: retirement@apfa.org or 817-540-0108 ex. 8490

Medicare: www.medicare.gov

Didn't the Bankruptcy Judge require the Company to continue offering the Retiree Standard Medical Plan to Flight Attendants who retired prior to 11/1/2012?

APFA Ad Hoc Patrick Hancock, who was on the 1114 Committee pulled up the order from the judge, and it says:

IT IS HEREBY STIPULATED AND ORDERED

1. The Debtors shall continue to provide the retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code) claimed in the Retiree Claims in accordance with the provisions of section 1129(a)(13) of the Bankruptcy Code except as may be otherwise agreed in writing by the Debtors and the Retiree Committee.

It appears that the Court Ruling requires the Retiree Medical Benefits to continue, but it does not specify that the process/vendor by which those benefits are delivered cannot be changed. We have a question into the 1114 committee attorney for her professional opinion on challenging this change of vendor and we will post any updated information that we receive.