

Air Liquide and Employee Health Care: What the Company Spends

At Air Liquide, we believe our company's contribution to providing health care coverage to employees and their families is an important investment in our people. Each year, the company is faced with an increase in the overall cost of providing health care coverage. This increase adds to the company's annual health care spend and sometimes results in the need to shift additional cost to employees in order to offset a portion of that increase.

Did you know? In the Towers Watson HC360 Performance Study, comprised of nearly 600 companies across the country, companies contributed, on average, 78% towards the cost of medical coverage. Air Liquide contributes 82% towards the cost of medical coverage.

Additionally, your plan options are "richer" than those of chemical companies in terms of lower deductibles, out-of-pocket maximums, and office visit copays.

Air Liquide also offers Direct Dollars, which provide employees with up to \$1,000 annually toward the purchase of pre-tax benefits such as medical,

dental, vision and short/long-term disability. Direct Dollars are paid throughout the course of the year on a per-paycheck basis. Unused Direct Dollars are forfeited at the end of the year and do not roll over.

In total, Air Liquide spent roughly \$9,300 per employee in 2010. This amount includes Air Liquide's contribution to cover the majority of the employee's monthly medical premium and a percentage of benefit claims that the employee and/or his/her family incurred. This amount also includes the \$1,000 in Direct Dollars as well as a percentage of the expenses related to prescription drugs and Mental Health and Substance Abuse claims.



Benefit Spotlight: Vacation Sell

Air Liquide's Vacation Sell program is unique within the chemical industry. The Vacation Sell program allows employees to sell up to two vacation days. The value of your vacation days is paid throughout the course of the year on a per-paycheck basis. Please note that this benefit is only available during Open Enrollment, and if you terminate before receiving the full amount of sold vacation days, you forfeit that balance.

Generic Drugs: Why Pay More?

The simple truth is that generics are cheaper than brand-name drugs and just as effective. If you are on a brand-name drug and a generic equivalent is available, you are spending more money for the same medical benefit.



For example, Lipitor® (which is the most commonly prescribed brand-name drug in the United States and among Air Liquide employees) currently doesn't have a generic equivalent. However, a generic is scheduled to be offered at the end of the year. The chart below shows the cost savings achieved by switching to the generic when it becomes available. The chart also highlights the cost savings that would be achieved in ordering the generic equivalent via mail order rather than retail.

LIPITOR

Current Formulary Brand-Name Price*	Expected Generic Price*	Cost Savings Per Prescription	Annual Cost Savings
Retail: \$25	Retail: \$10	Retail: \$15	Retail: \$180
Mail-Order: \$50 (90-day supply)	Mail-Order: \$15 (90-day supply)	Mail-Order: \$35	Mail-Order: \$140

*Pricing applies to all health plans except UHC PPO Basic which includes a deductible and coinsurance for prescription drugs.

What are Generic Drugs?

A generic drug is identical – or bioequivalent – to a brand-name drug in dosage form, safety, strength, route of administration, quality, performance characteristics and intended use. Although generic drugs are chemically identical to their branded counterparts, they are typically sold at substantial discounts from the branded price. Generic drugs typically become available when the patent on the brand-name drug expires.

Please note that generic drugs and their branded counterparts can differ in regard to their inactive ingredients. The active ingredients, which are the things that make the brand-name drug work are also found in the generic version. However, the inactive ingredients, which can impact how quickly a drug is released in your system as well as the size and shape of the pill, may vary.

Is there a Generic Drug to Treat Your Condition?

To learn more about generic drugs, visit CVS Caremark online at www.caremark.com/countongenerics. You can confirm which generic drugs are available to treat your condition and see if a generic drug is available for a specific brand-name drug.

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Generic Drugs: Why Pay More? (continued...)

How to Change to a Generic Drug

Changing to a generic drug is easy and can be done by your doctor or at the time you refill a brand-name drug.

- **By Your Doctor.** Ask your doctor to allow a generic substitution for the brand-name drug.
- **By Your Pharmacy.** Ask for a generic drug the next time you get a refill of the brand-name drug. If your doctor allows for the substitution of a generic equivalent for the brand-name drug, your prescription will be filled with the generic drug.

CVS Caremark Prescription Drug Program

Through CVS Caremark, you have the option of using a retail network pharmacy or CVS Caremark's mail order pharmacy for all of your prescription drug needs, including generic drugs.

The mail service program offers the following advantages:

- Fill your prescriptions online.
- Review and pay account balances online.
- Prescription Auto-Renewal - Caremark will notify you and your physician when the prescription is set to expire or when your refills run out.
- Prescription Auto-Refill - Caremark automatically refills your prescription and sends you an alert when your prescription is refilled and when the order is shipped.
- Cost savings over prescriptions filled at a retail network pharmacy.

Generic Drug Fast Facts

- More than 65% percent of prescriptions filled in this country are for a generic medicine.
- The U.S. Food and Drug Administration (FDA) requires generic drugs to have the same quality and performance as the brand-name drugs.
- On average, the cost of a generic drug is 80% to 85% lower than the brand name product.



502 Reasons to Review the State of Your Health

Reason #502: Knowledge is key when it comes to your health. Whether you learn your health stats during a routine physical or from the HRA, the information is priceless. Knowing your BMI, blood pressure, cholesterol and triglyceride levels, among others, allows you to take action to prevent illness and detect risk factors or diseases before they turn into a more advanced condition.

Reason #501: There is no charge for getting a physical. They are covered at 100% under the medical plans.

Reasons #1-500: These 500 reasons represent the **\$500 that Air Liquide will pay you for participating** in a routine physical or the Health Risk Assessment (HRA)/Lifestyle Outreach call. This payout comes to you within 60 days after you have completed all of the requirements for the routine physical or HRA.

Check your mail for a special Welcome Packet from Healthways, the HRA administrator. The packet will be delivered to your home address soon. All eligible employees will receive this packet, which provides login information for completing the HRA.

ACHIEVING BETTER
HEALTH

Let's RIDE!

In mid-April, Team Air Liquide joins thousands of other cyclists for the 2011 BP MS 150, which is a 180 mile cycling adventure from Houston to Austin benefitting the National Multiple Sclerosis Society. For the last 6 years, 15 - 18 cyclists from Air Liquide have participated in the ride. Training for the ride is strenuous, but the Air Liquide team trains together on the weekends, often riding 25 to 100 miles in a day.

Art Dubose, the team captain, says it's not easy, but it is definitely worth it. "The health benefits are endless. You ride so much your stamina improves significantly, your mental endurance increases and you naturally lose weight and gain strength. So this event is not only helping those with MS but also helping those who are participating."

The camaraderie is another reason riders get involved. 13,000 riders and 5,000 volunteers take part in the MS 150. "It is truly amazing how everyone is in such a great spirit, helpful and willing to do whatever is necessary to help you to the next rest stop or to the finish."

Houston isn't the only location participating in a unique event benefitting an important cause. There are other Air Liquide locations that have participated in similar events. Last year, the Delaware office assembled a team and participated in an MS ride.

Wellness Incentive Program Fast Facts

- To be eligible, you must be an active employee prior to September 1, 2011.
- All routine physicals must be completed by December 31, 2011.
- All paperwork must be submitted by December 31, 2011.
- The following employees are not eligible to participate in the Wellness Incentive Program:
 - Hawaii employees
 - Employees in a collective bargaining agreement
 - Employees not participating in an Air Liquide health plan.



401(k): You Have to Give to Get

Studies have shown throughout the recent recession that U.S. employees continued contributing consistently to their 401(k) accounts at around 8.2%*. These contributions along with a much-needed market upswing have driven 401(k) account balances back up to a 10-year high. A contribution of 8.2%, however, still falls short of the 10-15% contribution experts recommend to maintain a comparable lifestyle in retirement.

Company matching of 401(k) contributions, usually about 3%, makes this contribution level more easily attainable. Unfortunately, many companies reduced or eliminated their company match during the economic downturn. Air Liquide not only maintained the company match but kept the match percentage unchanged throughout the downturn, allowing employees to continue contributing at the recommended levels.

Are you taking advantage of Air Liquide's Company Match Contribution?

The company match is basically "free" money that Air Liquide will put into your 401(k). If you are not contributing enough to maximize the match, you are essentially leaving this "free" money on the table.

The first step is to contribute. If you're already contributing, increase your contribution amount. The best strategy is to contribute at least as much as necessary to take full advantage of Air Liquide's Company Match Contribution. With the Enhanced Savings Plan, you can receive a 100% match on the first 4% of eligible compensation. With the Regular Savings Plan, you can receive a 50% match on the first 6% of eligible compensation.

A smart and convenient way to maximize your 401(k) is to enroll in Automatic Increase with T. Rowe Price. Automatic Increase boosts your 401(k) contribution each year by a set percentage that you choose. This way, as your income grows, your 401(k) will grow in pace with it, helping to ensure that when you retire, you can live the life you want. And don't worry, if you find later that you need to cut back, you can cancel or change your Automatic Increase at any time.

To sign up for Automatic Increase, or get more information, visit the myRetirementPlan Web site at www.rps.troweprice.com, or call T. Rowe Price at 1-800-922-9945. T. Rowe Price representatives are available business days between 7 a.m. and 10 p.m. Eastern time.

*Source: Simmons, Keith (February 2011). "Fidelity: Average 401(k) balances reach 10-year high". USA Today. Managing Your Mental Health Benefits

Health Care Reform: Where Are We Now?

A year has passed since health care reform legislation, the Patient Protection and Affordable Care Act (PPACA), was signed into law. Air Liquide, already in compliance with most of the PPACA regulations, made a smooth transition to incorporate the new provisions.

However, the public noise and discord that has surrounded the subject of health care reform has not quieted. In fact, it has increased. In the last year, more than twenty court challenges to the law have been filed across the country, most in dispute of the "Individual Health Coverage Mandate" requiring all individuals to have health coverage by 2014. Five federal court judges have made rulings on the constitutionality of this mandate. Three upheld the mandate and two ruled it as unconstitutional.

Based on these mixed decisions, the legal challenges are expected to make their way through the court system and up to the Supreme Court.

So, what does this mean to us? Here's what we know right now and, as always, we'll keep you updated as more information is available.

- Health care will likely remain a "hot" political topic for some time. However, we do not expect PPACA to be significantly modified any time soon, if ever.
- The Supreme Court might not hear a case against the PPACA until 2012 or after. No matter when the case is heard, experts believe it is unlikely the Supreme Court will rule that PPACA and/or any of its specific provisions are unconstitutional.

Next month we'll tackle some of the key health reform topics that you should keep in mind as we get closer to our 2012 Annual Enrollment.



Better Fitness Makes for Safer Employees

Improving your physical fitness not only improves your health, it can drastically reduce your risk of injury. At Air Liquide we take our employees' health and safety (both at work and at home) very seriously.

Exercise results in many beneficial physical and psychological changes in the body that can help keep you safe:

- **Bones** – Exercise, particularly strength training, increases the density of bone. Higher bone density reduces the likelihood of fractures. In addition, increased muscle mass along bones absorbs shock, shielding the bones from force.
- **Joints** – Physical fitness results in greater flexibility that allows a joint to move without damaging soft tissues and connective tissues like ligaments, muscles and tendons.
- **Posture** – Exercise improves posture by strengthening the muscles responsible for keeping the body upright. Poor posture limits the body's flexibility and range of motion and places harmful forces on the spine and joints.
- **Healing** - Physically fit individuals are good healers. When an injury occurs, the better the physical conditioning at the time of injury, the quicker the body will heal. Physical fitness can also reduce the permanent effects of injury.
- **Focus** – Physical activity reduces stress and fatigue, promotes feelings of well-being, increases self-esteem, and improves mental focus. Increased focus and mental stamina lowers the risk of injury not only on the job but in the car, at home and on-the-go.

There are a number of jobs at Air Liquide that have very different physical and mental demands. But regardless of your role, everyone can benefit from the payoffs of better physical fitness. Even small increases in physical fitness will substantially decrease your risk of injury. So, take the stairs, park farther away, add a 30-minute walk to your daily routine. Do what you can to increase your physical fitness and you'll help make Air Liquide a safer place to work.



April is Alcohol Awareness Month

During Alcohol Awareness Month, we encourage you to become more aware of the dangers of alcohol abuse as well as learn about how you and your loved ones can make healthy, safe choices related to alcohol usage.

For more information, visit www.healthfinder.gov and www.rethinkingdrinking.niaaa.nih.gov.

These Web sites provide information about the benefits of drinking alcohol in moderation, how to reduce alcohol consumption, and where to find other helpful resources on this topic.



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Managing Your Mental Health Benefits

Mental health issues come in various forms, and knowing how to address them can be challenging. Air Liquide allows you to treat mental health issues through two key benefits – the Employee Assistance Program (EAP) and your mental health and substance abuse coverage available through your medical plan.

EAP

All employees and immediate family members – regardless if you or they are in a company-sponsored medical plan – have access to EAP services through United Behavioral Health (UBH).

The EAP serves as a referral source for a number of personal circumstances such as stress, family, alcohol/drug abuse, and legal and financial concerns.

Through the EAP, you and each of your family members are eligible for up to five counseling sessions per year at no cost.

You can call UBH's toll-free number 24 hours a day, seven days a week at 866-347-6060. For more information, you can also access their Web site at www.liveandworkwell.com using access code: 71004.

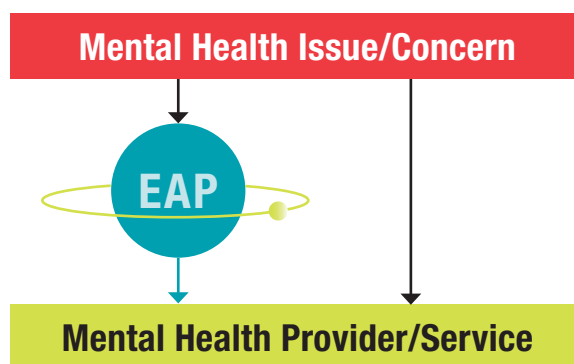
Key Benefits of the EAP

- The EAP can help direct you to the right care for your mental health concerns.
- The EAP provides benefits beyond mental health support such as legal and financial assistance.
- Regardless of how many sessions you and your family members may have completed, the EAP can still provide direction on where to go for support and mental health services.
- Mental Health and Substance Abuse Benefits through your Medical Plan

Your medical plan, regardless of the carrier, offers benefit coverage for both mental health and substance abuse services. Your medical plan offers coverage for in-network or out-of-network provider visits. When you see an in-network provider, your benefit will be greater.

Mental health and substance abuse coverage includes both inpatient and outpatient treatment for conditions that involve the impairment of an individual's normal, cognitive, emotional or behavioral functioning and/or substance abuse.

For more information on this coverage, please refer to the plan documents from your medical plan carrier.



The EAP can serve as a valued resource to ensure you receive the mental health support you need, as well as five counseling sessions per year at no cost. Please note that you still have option of engaging mental health providers and services directly. After completing the five counseling sessions or if you engage a mental health provider directly, mental health services will be charged as outlined in your medical plan documents.

