

SEPTEMBER 2010

## *New Process Required for Adding/Removing Dependents*

During Open Enrollment this year, an additional step will be required to add or remove a dependent in addition to making the change online. Dependents must be added or removed by completing the updated Family Status Change Form. More information on this new process will be included in your enrollment materials. Please note that while Open Enrollment runs from October 1 to October 18, you will have until October 31 to complete and submit the paper form. Thank you in advance for your attention to this important process change.

### **Where to Find the Updated Family Status Change Form**

Download and/or print the document from Insite or the Benefits Web site at [www.benefits.us.airliquide.com](http://www.benefits.us.airliquide.com)



## **Mark Your Calendar Open Enrollment Coming Soon October 1 – October 18, 2010**

Your once-a-year opportunity to elect benefits for you and your family is approaching. More information about benefit changes and enhancements will be included within the enrollment materials that you will receive near the start of Open Enrollment. Take the time to review these materials and learn more about your benefit options and the benefit changes for 2011.

### **Forgotten what you chose last year?**

You can review your current elections at work or at home in eHR at <https://ehr.airliquide.com>.

## Health Care Reform: *How it impacts Air Liquide*

As most of you know, health care reform legislation was signed into law last March. The new health care legislation consists of two parts: the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act of 2010. Frankly, the new laws can seem extremely complex and overwhelming. They also can mean different things for different people. It is important to Air Liquide that you understand how these changes will affect you and your family.

Air Liquide and thousands of other employers as well as the insurance industry have been thoroughly reviewing the legislation to determine its potential impact on employer-sponsored health care plans. As with any new legislation, many details have not yet been finalized by government agencies such as the Department of Labor and Internal Revenue Service. So, the full extent of the new law's impact remains unknown. This article explains some of the basics of the legislation based on what we know today.

It is also important to note that not all of the changes are being implemented immediately. Some changes will take place in the next two years while other provisions are scheduled to go into effect as late as 2018. We do want to share with you what will be changing beginning next year and highlight some of the additional changes that will take effect throughout the course of the next eight years. Inside this newsletter is a summary of the provisions from the health care reform law that will apply to the Air Liquide medical plans in 2011. The impacts described apply to coverage for active employees only.

More detailed information about these required changes and any additional medical plan changes will be communicated during Open Enrollment this Fall.



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## *Questions?*

**Online Enrollment and Information:** Log on to the Benefits Web site at [www.benefits.us.airliquide.com](http://www.benefits.us.airliquide.com)

**Phone Number for Questions:** Call the Air Liquide Benefits Department toll free at 877-890-3069

**E-mail:** E-mail questions to [OpenEnrollment@airliquide.com](mailto:OpenEnrollment@airliquide.com)

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# Health Care Reform: *How it impacts Air Liquide* (continued...)

## Impacts for 2011

Looking ahead to 2011, there should only be a few changes that need to be made to Air Liquide's plan because it is already in compliance with most of the required provisions.

### **Adult Children Eligible for Coverage to Age 26**

Under the new law, any medical plan that offers dependent coverage is required to offer coverage for an adult child up to age 26 regardless of the child's financial dependence on the employee or the child's student or marital status. The dependent, however, must not be eligible for any other employer plan. The majority of Air Liquide Medical Plans currently allow employees to cover dependents up to age 19, or age 25 if the dependent is a full-time student. Air Liquide will modify the dependent eligibility rules for active employees to cover children up to age 26 so that it complies with the new legislation. Employees may need to certify that these dependents are not eligible for other employer coverage. Watch for more details in your 2011 enrollment materials.

### **No Reimbursement for Over-the-Counter (OTC) Medicines under the Health Care Flexible Spending Account**

The legislation eliminates over-the-counter medicines as reimbursable under a flexible spending account, unless prescribed by a doctor. This means that employees will no longer be able to use before-tax dollars from their Health Care Flexible Spending Account to pay for over-the-counter medicines unless they are prescribed by a doctor.

### **No Lifetime Coverage Limits**

The legislation no longer allows company-sponsored health care plans to impose lifetime limits on how much expense they will cover. (Lifetime coverage limits represent the maximum dollar amount paid by health plans during the lifetime of a covered individual.) Air Liquide will eliminate the \$2 million lifetime maximum (if applicable) on the Air Liquide Medical Plan options to comply with the new legislation.

### **No Pre-Existing Condition Limits for Children Under Age 19**

The new law prohibits health plans from denying coverage for children under age 19 who have a pre-existing health condition. In order to comply with the new law, Air Liquide will remove pre-existing condition exclusions.

For those children under the age of 19, they will be "grandfathered" into the plan once they turn age 19 and can continue with coverage. This becomes a non-issue in 2014 when pre-existing conditions no longer apply for any age.

Some of the features noted in this section are strategies that many employers have used to protect health plans from high premium increases. While employees rarely (or in some cases, never) hit these limits and caps, they provided risk protection that helped minimize annual premium increases. While removing these limits and caps is a positive change for some individuals, they will result in higher medical premiums going forward.



## Projected Future Changes: 2014 and Beyond

### 2014

#### **Individual Health Coverage Mandate**

All individuals will be required to enroll in basic health coverage (at a minimum) or pay a penalty. There will be limited exemptions to this mandate.

#### **Employer Mandates**

An employer that provides and contributes to "minimum essential coverage" for employees must provide free choice vouchers (FCV) to employees who meet certain requirements. The requirements stipulate that employees have to enroll in an Exchange plan, possess a household income that does not exceed 400% of the federal poverty level, and contribute a certain percentage of household income towards the cost of health care coverage. More details regarding FCVs will be forthcoming.

#### **Health Benefit Exchanges**

These health insurance exchanges will be established by each state to help structure the market for both individuals and employers. Initially, this exchange was established for individuals and small groups; however, this could expand to large employers in 2017. This change presents one of the biggest unknowns in terms of how the health care industry will evolve. Questions regarding the readiness of the exchanges by 2014, their efficiency and effectiveness, and how employees will migrate to these exchanges will take years to answer. Answers to these questions will only become certain after the exchanges are up and running. Until then, industry experts are only able to theorize about the impact to the industry.

#### **Premium and Cost-Sharing Subsidies**

Federal premium subsidies are designed for individuals earning up to 400% of the federal poverty level. The cost-sharing subsidies are designed to reduce out-of-pocket expenses. Both subsidies are available only through Health Benefit Exchanges, not through employer-sponsored plans.

#### **Medicaid Eligibility**

Medicaid will be expanded in all states to 133% of the federal poverty level.

#### **Additional Consumer Protection Standards**

This new legislation also introduces new consumer protections standards that include:

- waiting periods in excess of 90 days will be prohibited;
- pre-existing conditions no longer apply for children under 19 starting in 2011; and
- pre-existing conditions no longer apply regardless of age beginning in 2014.

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# Debunking Health Care Reform Myths

## Myth #1

*Large employers will no longer provide health care coverage next year.*

Air Liquide provides a comprehensive and competitive benefits package, and we are strongly committed to maintaining our high-quality benefits offering in the future. Industry data does not show a rush by employers to stop offering coverage in 2011. While it is certainly possible that employers will have to make tough decisions in the future about whether they can sustain high cost health plans, Air Liquide's goal is to continue to provide quality health care benefits well into the future. Health care benefits remain a critical part of the total rewards package provided to Air Liquide employees.

## Myth #2

*My plan choices will disappear.*

We realize that no two people are alike. When it comes to medical coverage, there are different ways that people want to pay their share of the cost. That is why Air Liquide will continue to provide you with options, so that you can choose the benefit coverage that is the best for you and your family. Air Liquide is not removing any plan choices in 2011.

## Myth #3

*Premiums will skyrocket this year and every year after.*

While you may see cost increases this year, it doesn't mean that costs will continue to rise at the same rate annually. On an annual basis, Air Liquide reviews our medical benefits and looks for ways to balance quality, access and affordability. That balancing effort will continue as costs are expected to increase in the short term. The long-term outlook on future health care changes remains unclear.

## Myth #4

*I will have limited treatment options or "rationed care."*

Your access to health care and treatment options provided by Air Liquide will remain the same as it is now with our agreement of services provided by our medical plan providers. Air Liquide's goal is to continue to provide high quality health care options at an affordable price. We will constantly be monitoring industry changes to comply with legislative requirements and adapt as effectively as possible.

## Myth #5

*Many employers are dropping retiree coverage in 2011.*

While there may be some employers who are evaluating their retiree benefits, most employers are not evaluating whether or not to discontinue retiree benefits. Air Liquide is not planning to discontinue retiree health coverage in 2011. In fact, Air Liquide is not making any plan design or eligibility changes to the retiree medical plans for next year.



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## 2018

### Excise Tax

This is a nondeductible excise tax on high-cost group health plans. The financial impact of the high-cost plan excise tax will be incurred by most employers and could cause Air Liquide's costs to increase significantly.

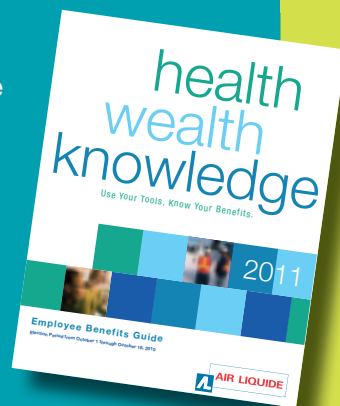
None of us know, precisely, all the changes health care reform may bring, but we do know that Air Liquide invests a considerable dollar amount in progressive high-quality health and retirement programs. The changes required by the health care reform legislation will increase the cost of Air Liquide health care benefits. Detailed actuarial calculations are in process to determine the extent of the increase.

Air Liquide remains committed to partnering with you and your family to support and enhance your physical and financial well-being. We understand that employees value the health and welfare benefits offered by Air Liquide and we want to continue providing you with a very comprehensive and competitive benefits package in the industry. Now and in the future, employees and their family members are expected to take an active role in their personal health by being knowledgeable, informed health care consumers. In order for Air Liquide to remain competitive and prosperous, we must all work together to manage our own health and the health care costs we share.

## Your Guides to Open Enrollment

Open Enrollment begins on October 1st and runs through October 18th. Air Liquide wants you to be well equipped to evaluate your options and make the right choices for you and your family. To that end, we're sending enrollment materials to your home address and posting them online October 1st at the Benefits Web site along with the 2011 rate information.

Near the start of Open Enrollment, you will receive your 2011 Employee Benefits Guide plus an additional resource called a Quick Start Enrollment Guide. This Quick Start Guide complements the Employee Benefits Guide but also serves as a concise stand-alone resource for quickly understanding this year's benefit changes, your benefit options and the enrollment process.





## Achieving Better Health Begins With You

Air Liquide wants to partner with you to help you reach the goal of **Achieving Better Health**. Throughout the year, our periodic newsletters will provide you with helpful hints and tips that you can share with your family so that everyone is on the path to living a healthier, happier life. This health improvement information will be easy to find – it will be under the Achieving Better Health section of the newsletter. Just look for the Achieving Better Health logo.



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### A Reminder About Privacy

Healthways, the Health Risk Assessment (HRA) program administrator, keeps the personal information you share through your participation in the HRA strictly confidential. In addition, the privacy of your personal health information is protected by federal law. Air Liquide does not have access to the personal information you share. Instead, Air Liquide receives aggregate reports, which combine the data of all participants so that no individual participant is identified. These aggregate reports help to measure the total health risks of our population and the effectiveness of the Wellness Incentive Program offerings.

## Put Wellness First

One of the most effective ways to help contain rising health care costs is to do your best to stay healthy. Taking an active approach to managing your health and the care you receive may require you to think and act differently. For example, it may mean changing your habits from waiting for an injury or illness to happen, to doing all you can to prevent them from happening at all. To help you be more proactive and preventive with your health, Air Liquide offers the Wellness Incentive Program.

The Wellness Incentive Program pays eligible\* employees \$500 simply for participating in the program by having a routine physical or by taking a health risk assessment (HRA).

### Routine Physicals

Routine physicals are helpful in preventing illnesses and detecting diseases in the early stages where they can be treated effectively. Routine physicals are covered 100% under the medical plans.

### Health Risk Assessment (HRA)

The HRA is a brief online questionnaire to evaluate your health and identify any health risks you may have. Once you complete the questionnaire, you will receive a numeric score that outlines your overall level of health risk. These results can be used as a baseline of what actions need to be taken to improve your health. The HRA is available to employees and their spouses. In addition to completing the online questionnaire, you will also be required to talk with an HRA Coach to complete the process.

To be eligible for the incentive in 2010, you must have been an active employee prior to September 1, 2010 and your paperwork must be postmarked by December 31, 2010.

To be eligible for the incentive in 2011, you must be an active employee prior to September 1, 2011 and your paperwork must be postmarked by December 31, 2011.

\*The following employees are not eligible for the Wellness Incentive Program: Hawaii employees, employees in a collective bargaining agreement, and employees not participating in an Air Liquide health plan.



## Tips to Take Control of Your Health

**Know Your Health Risks** – take the Health Risk Assessment, get a biometric screening and use your preventive medical plan benefits.

**Be A Well-Educated Consumer** – seek out information about health care costs and quality. This research can assist you in lowering your health care costs while still maintaining effective care. Information and tools are available on your medical plan Web site.

**Compare and Contrast** – evaluate the total costs of your medical plan options and learn about the coverage each plan provides prior to making your election. Choose the plan that best fits the needs of you and your family.

**Adopt Healthy Habits** – By simply changing a few things, you can increase the positive state of your overall health.

- Lose a few pounds if you're overweight; just losing a few can cut your health risks.
- Be sure to exercise regularly. Try to work your way up to 30 minutes of exercise at least three days a week.
- Eat a healthy diet that includes fruits, vegetables, whole grains, lean protein and low-fat dairy. Try to limit saturated fat, trans fat, cholesterol, sodium and added sugars.
- If you smoke – do your best to try to quit.
- Try to limit alcohol consumption.
- Reduce stress as much as you can.
- Rest is important to staying healthy – try to get enough sleep.

