



A. **Health Care Coverage**

The Company shall provide each Pilot and his Eligible Dependents with health care coverage that includes medical, dental, vision and prescription drug benefits:

1. **Plan Names and Options:**

The following plans (as a minimum) will be offered:

- a. Preferred Provider Organization ("Regular PPO" plan)
- b. A High Deductible PPO plan that meets all statutory requirements such that a participating Pilot may establish through payroll deduction a Health Savings Account for himself (and family if applicable).
- c. Health Maintenance Organization (HMO), where applicable. See the individual HMO plan for specific terms of coverage that are not addressed herein.

2. **Eligibility:** *[This paragraph is meant to be a global description of who may be eligible. The options for each participant are described in each paragraph.]*

All active full time and retired Pilots, their spouse, surviving spouse, and children up to age twenty-six (26); and dependent children age twenty-six (26) / / or older who are incapable of self-support because of a developmental disability or physical handicap (provided proof of his or her incapacity is furnished to the Company or claims administrator within thirty-one (31) days of the date that the dependent's coverage would normally terminate.) Should applicable law establish a different dependency age, this Section shall be deemed amended to incorporate such other age, so long as that age is not less than nineteen (19) for unmarried dependents, or twenty-five (25) if a full-time student.

- a. **Spousal Requirement:** A Pilot's spouse who has coverage through his/her own employer and who waives such coverage will not be eligible for Alaska Airlines coverage.
- b. **Coordination of Benefits:** When both spouses are employees of Alaska Airlines, and both have elected coverage from Alaska Airlines, benefits will be coordinated for both spouses.
- c. **New Dependents:** Dependents must be enrolled in the plan within thirty-one (31) days after they first become eligible, or wait until the next annual Open Enrollment to be enrolled.



3. **Enrollment:** Each year, during Open Enrollment, Pilots/participants will be allowed to select or change their enrollment in the Regular PPO, High Deductible PPO, or HMO plans for coverage in the subsequent calendar year.
4. **Withdrawal of PPO Doctor (Regular and High Deductible):** If at any time during the year a participant's PPO doctor withdraws from PPO participation, the participant will be permitted a change to an HMO (if available), provided the request to change is made within thirty (30) days of the PPO doctor's withdrawal from participation.
5. **Effective Date of Coverage:** Health care coverage is effective the first day of the Month following the first full Month of employment. Coverage for any eligible Pilot who does not have other group medical coverage available to him will become effective on his date of hire provided he submits evidence satisfactory to the Company that he has no other group medical coverage available. For this purpose, a Pilot who may continue his group medical coverage with his former employer under COBRA, or who may continue government or military coverage, but declines to do so, shall be considered to have other group medical coverage available.
6. **Termination of Coverage:** Last day of the Month in which termination of employment takes place, subject to COBRA continuation rules. Coverage is subject to the disability provisions as outlined in the Employee Benefits Handbook for Pilots.
7. **Health Care Coverage Cards:** Within ninety (90) days after an open enrollment during which a Pilot changes health care plans, the Company will deliver new insurance coverage cards to those Pilots (active and retired) and their covered dependents. To the extent available from the insurance carrier or administrator, coverage cards will be made available on-line.
8. **Cost Sharing:**
 - a. Pilots who choose to enroll in the Regular PPO will contribute an amount equal to / / twenty percent (20%) of the applicable group rates (full funding cost of the Regular PPO Plan) / /.



- b. Pilots who choose to enroll in the High Deductible PPO will contribute an amount equal to / / twenty percent (20%) of the applicable group rates (full funding cost of the High Deductible PPO Plan) / /; provided, however, that the dollar amount of the contribution will not exceed the dollar amount of the contribution of a Pilot enrolled in the Regular PPO for the same coverage tier.
/ /
 - c. When a Pilot selects an HMO option, the Company will contribute the same amount towards the funding of the HMO as it contributes to the same tier (i.e. employee, employee & spouse, employee & children or employee & family) of coverage for the Regular PPO Plan, provided that the minimum employee cost for the HMO will not be less than the employee cost of the Regular PPO.
 - d. **Deductibles:** All benefits listed are subject to the annual deductible unless otherwise stated.
 - e. **Flexible Spending Accounts ("FSA"):** A Healthcare Spending Account and a Dependent Day Care account will be offered. The maximum contribution for the Healthcare Spending Account shall be set no lower than five thousand dollars (\$5,000) unless an applicable statute requires a lower limit (\$2,500 at date of signing). A limited Healthcare Spending Account will be offered to those Pilots who elect to participate in the High Deductible PPO plan.
9. **Out-of-Area Coverage (Regular PPO or High Deductible PPO):** A participant of the Regular PPO or High Deductible PPO plan who receives care in a geographic area where there is no network provider will receive full plan benefits (e.g., 80% of allowable charges) for covered expenses incurred from a non-network provider. A geographic area where there is a network is defined as follows: at least one (1) participating Hospital within thirty (30) road Miles from the non-network Hospital where the member received care and at least two (2) participating physicians within twenty-five (25) road Miles as measured by the American Automobile Association (AAA) from the office of the non-network physician where the member received care.
10. **Comprehensive Maximum (Regular PPO or High Deductible PPO):** The comprehensive lifetime maximum shall



be \$5,000,000 per individual / / unless an applicable statute requires a higher maximum or no maximum (at date of signing there is no lifetime maximum).

B. Medical Plan Coverage (Regular PPO)

1. **Deductibles:** All benefits listed are subject to the annual deductible unless otherwise stated.
 - a. **Covered Expenses:**
 - (1) **In Network:** \$250 per individual, \$500 per family.
 - (2) **Out of Network:** \$350 per individual, \$700 per family.
 - b. **Emergency Room:** Seventy-five dollars (\$75) emergency room deductible (waived if emergency is due to accident or requires hospital admission).
2. **Co-Insurance:** Plan pays 80% of covered, medically necessary, allowable expenses of preferred providers and 60% of covered medically necessary allowable expenses for other providers for the treatment of an illness or injury. If the co-insurance paid by the Pilot for medical and prescription drug coverage under the Regular PPO plan exceeds two thousand dollars (\$2,000) per person or four thousand dollars (\$4,000) per family unit for in-network expenses within a calendar year, the Plan shall pay 100% of the excess of covered expenses for the duration of the calendar year. For out-of-network expenses the co-insurance amount the Pilot must pay before the plan pays 100% for non-preferred providers for medical coverage is three thousand dollars (\$3,000) per person or six thousand dollars (\$6,000) per family unit within the calendar year.
3. **Second Opinions:** Second surgical opinion expense paid at 100% when such second surgical opinion is recommended and is given by a network provider. Second surgical opinions are not subject to the deductible.
4. **Chiropractic:** Company-paid expenses for spinal manipulation shall be limited to eighty percent (80%) of the cost not to exceed five hundred dollars (\$500) per person per calendar year.
5. **Prescription Drug Coverage:** Prescription drugs covered under the Regular PPO will be covered under one of the three



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tiers described below. Coverage will be provided at network pharmacies and mail order with no deductible under the Regular PPO with the following copays/coinsurance:

	Retail 30-day Supply	Mail Order 90-day Supply
Generic	Lesser of Drug Cost or \$5	Lesser of Drug Cost or \$10
Brand (preferred)	Lesser of Drug Cost or \$25	Lesser of Drug Cost or \$50
Brand (non-preferred)	50% (\$30 min/\$60 max)	50% (\$60 min/\$120 max)

- 6. **Hearing Aid:** Company-paid expenses limited to six hundred dollars (\$600) per person, every twenty-four (24) Months.
- 7. **Substance Abuse:**
 - a. **Coverage:** // For inpatient and outpatient treatment the Plan pays 80% of allowable charges when preferred providers are used at an approved treatment center, and 60% of allowable charges for other providers.
 - b. **Pilot Substance Abuse Treatment Expense (Pilots seeking FAA medical re-certification under the ALPA HIMS Program):** // Plan pays 80% of allowable charges when preferred providers are used at an approved treatment program to include all psychiatric and psychological testing and attending reports that are required for re-certification, and 60% of allowable charges for other providers.
- 8. **Mental Health:** For inpatient and outpatient treatment the Plan pays 80% of allowable charges when preferred providers are used, and 60% of allowable charges for other providers. //
- C. **Dental Plan**
The Company shall provide a Group Dental Plan to Pilots and their dependents enrolled in one of the available Health Care Coverage plans. It shall incorporate, but not be limited to the following coverage.
 - 1. **Deductible:** Twenty-five dollars (\$25.00) per individual Pilot and fifty dollars (\$50.00) per Pilot's family, per calendar year.



Deductibles waived for preventive and diagnostic care (deductibles apply unless otherwise noted).

2. **Co-insurance:** Plan pays 80% of usual and customary charges, including prosthetics and periodontal procedures.
 3. **Maximum:** Plan pays up to one thousand seven hundred fifty dollars (\$1,750) per individual per year.
 4. **Diagnostic and preventive services:**
 - a. **Coverage Level:** Plan pays 80% of usual and customary charges (i.e. prophylaxis, scaling, x-ray, fluoride treatment).
 - b. **Exams:** Annual exams limited to not less than one (1) per calendar year and prophylaxis to not less than two (2) per calendar year.
 5. **Sealants:** Plan pays 80% of reasonable and customary charges according to plan provisions.
 6. **X-rays:**
 - a. **Bitewings:** one (1) set every two (2) calendar years
 - b. **Full mouth:** one (1) set every five (5) years.
 7. **Orthodontia:** Maximum of two-thousand dollars (\$2,000) lifetime per individual with one hundred (\$100) lifetime deductible and 80% of reasonable and customary charges paid by the Plan.
- D. **Vision Care**
- The Company will provide a group vision plan to Pilots and their dependents who are enrolled in one of the available medical plans in the following manner.
1. **Exams:** one examination per twelve (12) Month period,
 - a. **Network:** 100% Company paid after a twenty dollar (\$20) copay.
 - b. **Non-Network:** No copay. Maximum reimbursement of forty-five dollars (\$45.00).
 2. **Lenses:**
 - a. **Network:** One (1) pair of lenses (standard plastic or glass, single vision, lined bifocal or lined trifocal) in a



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twelve (12) Month period, 100% Company paid after a twenty dollar (\$20) copay.

- b. **Non-Network:** One (1) pair of lenses in a twelve (12) Month period subject to the following reimbursement per pair:

Type	Allowance
Single vision	\$ 25.00
Bifocal vision	\$ 45.00
Trifocal vision	\$ 61.00
Lenticular vision	\$ 77.00

- 3. **Contact Lenses** (in lieu of glasses):
 - a. **Network:** Maximum reimbursement of seventy-five (\$75) for any quantity in a twelve (12) Month period.
 - b. **Non-Network:** Maximum reimbursement of forty-five (\$45) for any quantity in a twelve (12) Month period.
 - 4. **Contact Lenses (medically necessary):**
 - a. **Network:** Covered in full after VSP approval, once in a twelve (12) Month period.
 - b. **Non-Network:** Maximum reimbursement of one hundred one dollars (\$101.00), once in a twelve (12) Month period.
 - 5. **Frames:**
 - a. **Network:** Maximum reimbursement of one hundred fifty dollars (\$150) in a twenty-four (24) Month period.
 - b. **Non-Network:** Maximum reimbursement of ninety dollars (\$90) in a twenty-four (24) Month period.
- E. Furlough Coverage**
- 1. **Company Provided:** The Company shall continue in force, the full current insurance coverages to all furloughed Pilots and their dependents for the first three (3) Months of any furlough. The costs for the first three (3) Months shall not exceed that which an active Pilot pays for similar coverage.
 - 2. **Pilot Option:** Thereafter, a Pilot may, on a one-time basis, elect to continue their Health Care and Life Insurance Coverage (not including Short Term Disability), by paying