



Beechcraft®

BY TEXTRON AVIATION

# Healthcare

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September 9, 2020



BY TEXTRON AVIATION

# Clearing up misconceptions

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# Misconception #1

## MISCONCEPTION

Textron Aviation  
owns United  
Healthcare.

### **FACT:** Textron Aviation does not own United Healthcare.

- United Healthcare is the administrator of Textron Aviation's healthcare plan.
- Like most large employers, Textron Aviation offers a "self-funded" (or sometimes called "self-insured") medical plan.
- This means that Textron Aviation is responsible for paying all covered claims as employees incur them.
- The cost to the company is partially offset by employees through deductibles, coinsurance and employee payroll contributions.

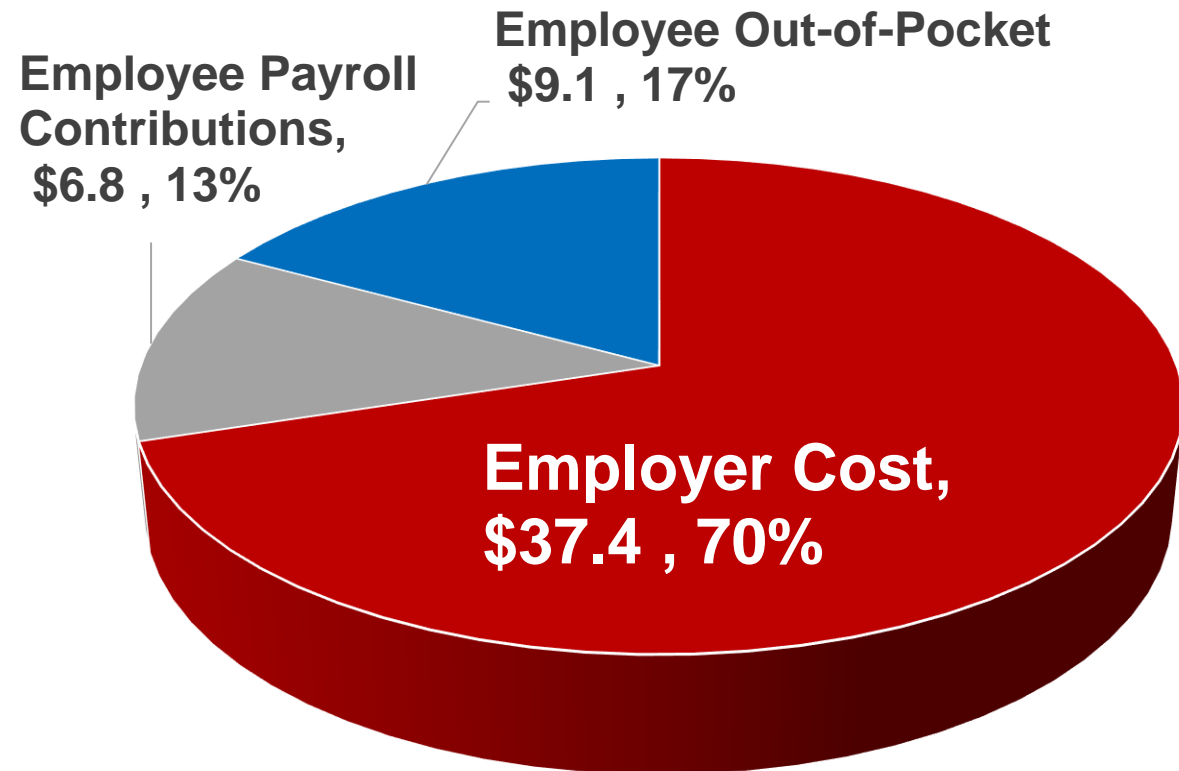
## More on “self-funded” medical plans

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- In a **self-funded** medical plan:
  - The employer takes on most of the cost of the medical claims.
  - The administrator manages the payments, but the employer is the one who pays.
- Self-funded plans eliminate **additional third-party costs**.

# Textron covers 70% of total medical costs

## 2019 Textron Aviation Bargaining Unit Medical Costs (in millions)



## Misconception #2

### MISCONCEPTION

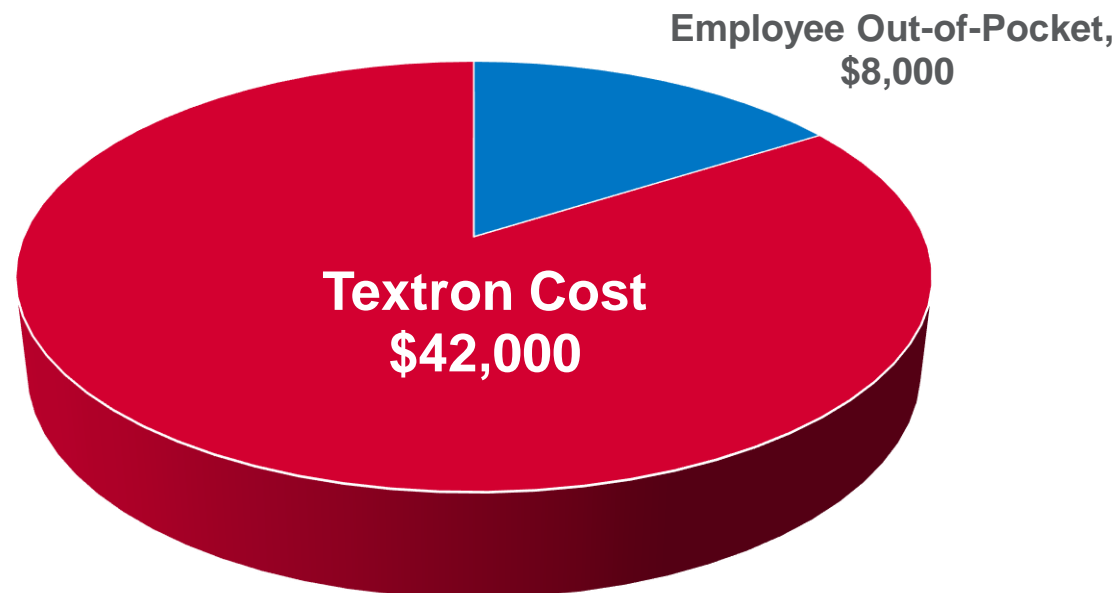
The more sick you are, the more profits Textron Aviation makes.

**FACT:** In the current high deductible plans, the more sick the employee is, the more Textron Aviation pays in medical claims.

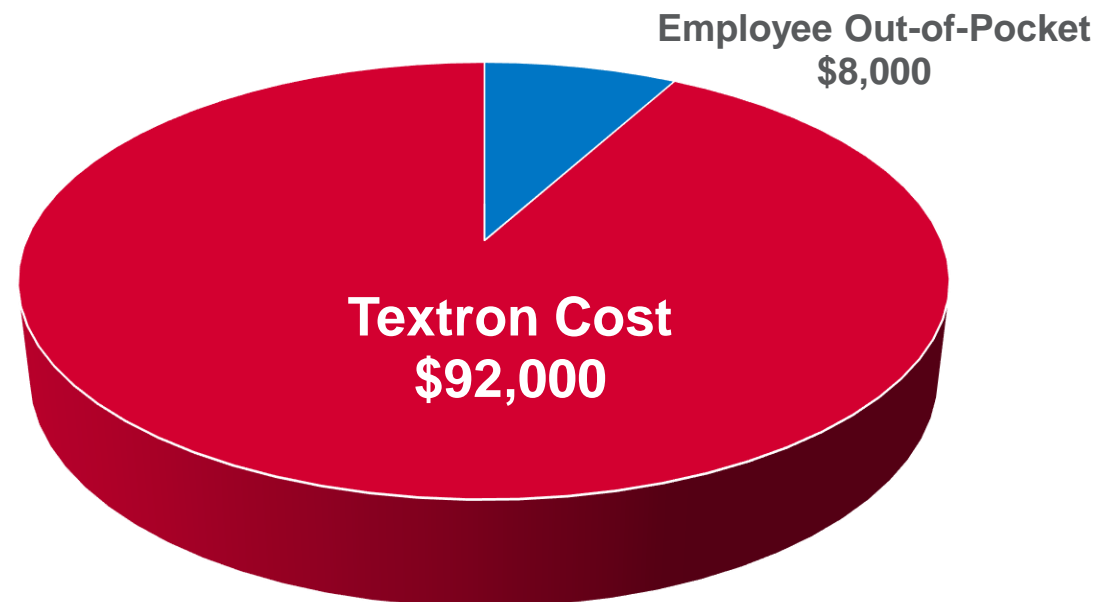
- The health and safety of our Textron Aviation employees is our priority.
- No one benefits when our colleagues are sick or miss work.
- That's why we put a cap on employee out-of-pocket expenses for all our plans.

# Examples of cost-sharing

### \$50,000 in Medical Claims



### \$100,000 in Medical Claims



Regardless of overall costs, the employee only pays a certain amount, and the company's cost share grows.

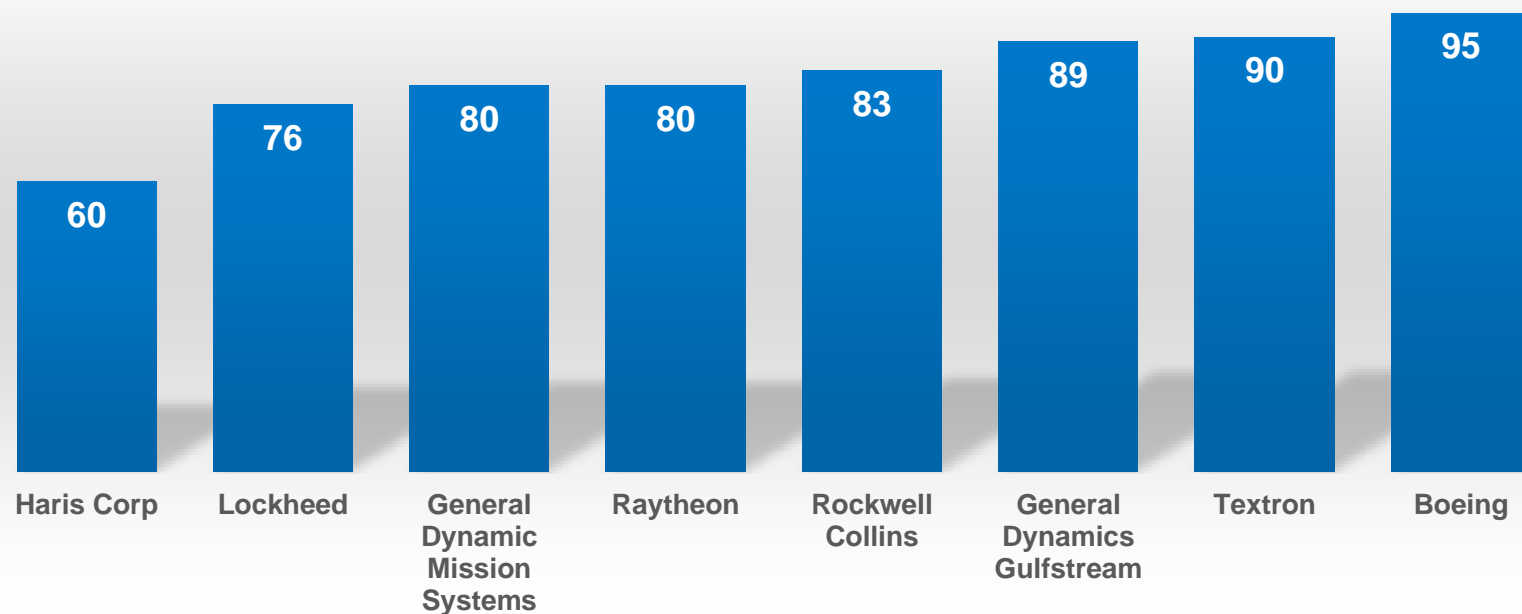
# Misconception #3

## MISCONCEPTION

Textron Aviation doesn't provide competitive healthcare benefits.

**FACT:** Recent benchmarking showcases how comprehensive our benefits coverage is compared to competitors.

### Total Medical Benefit Coverage Provided





## Misconception #4

### MISCONCEPTION

Annual eye exams are not covered under the current insurance plan.

**FACT**: Textron's medical plan covers a basic, preventive eye examination annually.

- Should an insured person need lenses, frames or contact lenses, those will be covered under the current and continuing plans.



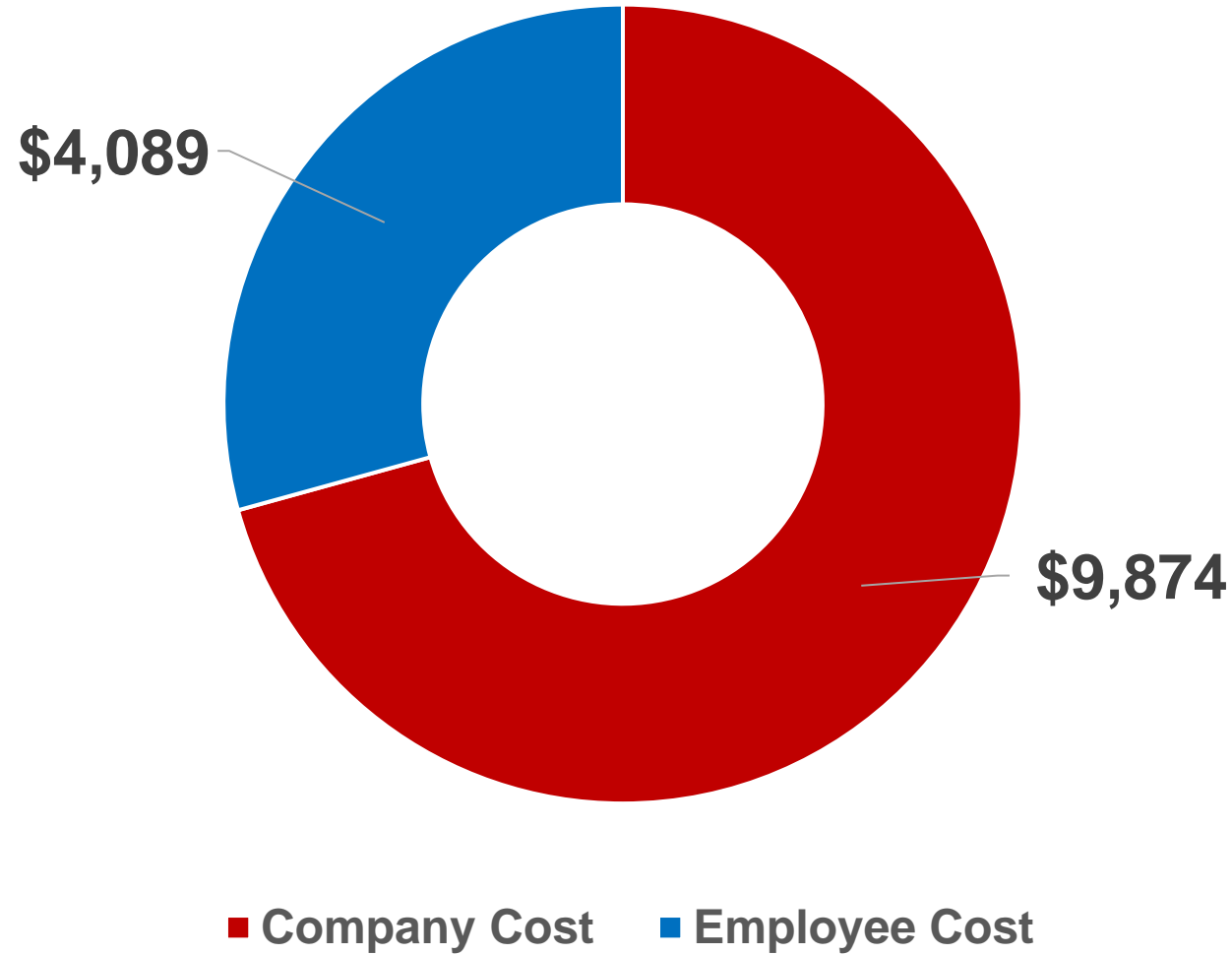
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# Healthcare costs

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# 2019 average bargaining employee healthcare spend



# What's driving increased costs of coverage in US?

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**Medical  
inflation**

**Demographics**

**Lifestyle  
choices**

## What we've heard from employees

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- ✓ Prefer a co-pay type of program
- ✓ Deductibles are too high
- ✓ Benefits are confusing and hard to understand
- ✓ Multiple bills are confusing and difficult to decipher

**We listened to our employees!**

Textron Aviation will introduce a  
***new, no deductible health plan option*** in 2021.