



Boeing provides market-leading health care coverage to more than 480,000 employees, retirees and dependents in 48 states; in doing so, the company spends more than \$2.5 billion annually on health and insurance-related benefits.

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Through our Well Being program, for example, we incentivize employees to complete a health assessment and biometric screening. Based on the results, members are coached on lifestyle topics such as weight management, nutrition, exercise, strength training, biometrics, stress, preventive screenings and tobacco cessation. The program has helped more than 17,000 members through a combination of telephone and face-to-face engagements. Of those coached, 34 percent successfully moved out of the high-risk category.

Transparency of cost and quality data is important to creating an efficient health care marketplace and ensuring that patients get the right care at the right place. Boeing believes in incentivizing employees to seek care with clear evidence of significantly better outcomes. For example, in 2012, we entered into a “Centers of Excellence” arrangement through which employees can receive care for certain cardiac conditions at the Cleveland Clinic. Boeing covers the full cost of the procedures plus travel. Employees also have access to Best Doctors as a second-opinion service. Of those who engaged these programs, 33 percent had a change in diagnosis, and 70 percent experienced a change in treatment.

Boeing also works closely with health care professionals in the supply chain to test appropriate ways to re-engineer care. In 2007, Boeing rolled out a medical home pilot called the Intensive Outpatient Care Program, structured to identify medically complex, high-risk patients who would benefit from high-touch, well-coordinated care. Pilot results demonstrated a 20 percent decrease in medical spend per member on an annual basis — thanks primarily to reduced emergency-room visits and hospital admissions.

This model is evolving into a broader Accountable Care Organization initiative, which involves direct contracting with large, integrated health systems. The primary focuses will be improving quality, enhancing the member experience, and driving cost savings and productivity. We are looking for long-term partnerships and will establish appropriate incentives for employees to seek care within these delivery systems.

Boeing will continue to support ongoing efforts that improve the health status of our people and innovative solutions that positively influence the U.S. health care system.



Jim McNerney
Chairman and Chief Executive Officer