



October 2009
Hawaii

Open Enrollment 2010

October 19 – November 6

The *FlexSolutions* 2010 Open Enrollment takes place from **October 19 through November 6, 2009**. Open Enrollment is your annual opportunity to review your benefit plan options and make changes to your benefits and/or dependent coverage under *FlexSolutions*. This special newsletter covers what's changing for 2010 with respect to your *FlexSolutions* benefit offerings.

You will soon receive a personalized Enrollment Worksheet that lists your current 2009 benefits coverage, 2010 *FS Credits* (benefit dollars), plan options and price tags. We encourage you to spend time thinking about your current enrollment choices and how your benefit needs might change next year. Please use the Open Enrollment Guide and Medical Plan Comparison Chart to review all of the benefit plans before making your elections. This year, the Guide and Chart will only be posted online at www.flexab.com.

Proactively Managing Our Health Care Costs

As you know, health care costs continue to rise across the country, and is an ongoing challenge for employers and employees alike. Despite the rising costs and today's challenging times, A&B continues to pay an average of approximately 80% of the medical plan costs for our employees and their families. In addition, we remain committed to offering you a quality benefits program.

Each year, we review our benefit plans and take an active role in managing costs while ensuring that our overall package of benefits provides you with choice, flexibility and tax-savings features, as well as tools and resources that support your health and wellness.

This year, we are making some changes to our benefits, including changes required by the Hawaii Prepaid Health Care Act. Both the Kaiser and HMSA Health Plan Hawaii Plus HMO plans reflect these mandated changes, as described on the second page of this newsletter.

The result of these medical plan benefit changes is that we are able to hold the line on our medical plan costs for 2010, and you will see the direct effect on your employee contributions for your medical plan coverage.

You Play a Key Role

Managing our health care costs is a partnership between A&B and you. Just as we are taking proactive steps with our benefit plans, so can you take proactive steps to take charge of your health and health-related costs. Using services wisely and staying healthy can help reduce your out-of-pocket medical costs, saves money for the plan, and helps us maintain our benefits into the future.

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Medical Plan Changes for 2010

Below is a snapshot of the changes made to each of the plans. The 2010 Medical Plan Comparison Charts are posted online at www.flexab.com.

HMSA Preferred Provider Plan (PPO Plan)

- No changes *except* Prescription Drugs – an enhancement that no copayment is required for oral chemotherapy drugs

HMSA Health Plan Hawaii Plus HMO Plan

- Annual Out-of-Pocket Maximum – increasing from \$1,500/individual and \$4,500/family to \$2,500/individual and \$7,500/family
- Emergency Room and Inpatient Hospital Stays, including post-maternity – requiring \$75 copayment before the plan covers 100%
- X-Ray and Lab Services – 90% coverage instead of 100%
- Prescription Drugs – no copayment required for oral chemotherapy drugs
- Durable Medical Equipment – 100% coverage now for internal devices

Kaiser Permanente HMO Plan

- Annual Out-of-Pocket Maximum – increasing from \$1,500/individual and \$4,500/family to \$2,500/individual and \$7,500/family
- Emergency Room and Inpatient Hospital Stays – requiring \$75 copayment before the plan covers 100%
- Durable Medical Equipment – 100% coverage now for internal prosthetics, devices and aids

Save Even More with Your Health Care Reimbursement Account!

Beginning January 1, 2010, you can elect to contribute up to \$5,000 in your Health Care Reimbursement Account. In past years, the limit was \$3,000. With the higher limit, you have the opportunity to save even more on your taxes. The Health Care Reimbursement Account allows you to direct tax-free money to a special account to pay for common types of health care expenses. This money is deducted from your pay before taxes are calculated, which lowers your taxable income -- and your taxes.

Reimbursement Account Reminders

Remember that if you currently participate in *either* Reimbursement Account – whether Health Care or Dependent Care – your elections do not carry over from year to year. You must re-enroll each year to participate in these benefits. To help you estimate your health care expenses and your potential tax savings, visit www.mypayflex.com and click the *FSA Calculators* link.

Note for the Transportation Benefit Plan: If you have a rollover of funds from 2009 to 2010, you *must* enroll in the 2010 Transportation Benefit Plan in order to access these funds in your account next year.

Mental Health Parity and Addiction Equity Act of 2008

This legislation requires that mental health and substance abuse coverage have the same benefits as other medical care, so all of our medical plans are removing the limits on the number of outpatient visits or inpatient stays someone might have when seeking mental health or substance abuse treatment.

For details, see your Medical Plan Comparison Charts online at www.flexab.com.

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